

A hand is shown reaching out from the bottom left towards a glowing globe. The globe is surrounded by binary code (0s and 1s) and a modern building is visible in the background. The scene is set against a blue sky with clouds.

ANNUAL REPORT 2016



**ITTEHAD
CHEMICALS
LIMITED**



ANNUAL REPORT

FOR THE YEAR ENDED

JUNE 30, 2016



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



ICL VISION

An "ITTEHAD" of PAKISTAN'S best TALENT & TECHNOLOGY that serves as a catalyst to deliver SUSTAINABLE CHEMICAL products to its CUSTOMERS thus optimizing returns for INVESTORS.

ICL MISSION

Key ingredients of ICL Mission are:

- ▶ Create an environment to attract and retain the best talent
- ▶ Optimize cost and securitize energy through latest technology
- ▶ Serving the Customers to their satisfaction levels
- ▶ Ensuring that we are environment friendly & Zero injury company
- ▶ CSR is our forte

ICL VALUES

▶ Integrity

Integrity is regarded as the honesty and truthfulness or accuracy of one's actions.

▶ Respect

Respect is a positive feeling of esteem or deference for a person and also specific actions and conduct representative of that esteem.

▶ Teamwork

Teamwork is work done by several associates with each doing a part but all subordinating personal prominence to the efficiency of the whole.

▶ Accountability

The principles of ethical accountability aim to improve both the internal standard of individual and group conduct as well as external factors, such as sustainable economic and ecologic strategies.

Notice of Annual General Meeting

NOTICE is hereby given that the 25th Annual General Meeting of the shareholders of **Ittehad Chemicals Limited** will be held on Monday, October 31, 2016, at 11:00 a.m. at the Registered Office at 39 - Empress Road, Lahore to transact the following business:

Ordinary Business

1. To confirm the Minutes of Annual General Meeting held on October 21, 2015.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended June 30, 2016 together with the Directors' and Auditors' Reports thereon.
3. To approve Final Cash Dividend of Rs. 1.50 per share i.e. 15% as recommended by the Board of Directors.
4. To appoint Auditors for the year 2016-17 and to fix their remuneration.

M/s BDO Ebrahim & Co., Chartered Accountants retire and being eligible, have offered themselves for re-appointment.

Special Business

5. To consider, and if thought fit, to pass with or without modification, the following resolution as a Special Resolution for increase in Authorized Capital of the Company:

Resolved that the Authorized Capital of the Company be and is hereby increased from Rs. 1,000,000,000 to Rs. 1,250,000,000 and for that purpose;

- (a) Clause V of the Memorandum of Association of the Company be and is hereby amended by deleting the words and figures "Rs. 1,000,000,000 (Rupees One Billion only) divided into 100,000,000 (One Hundred Million)" and substituting the following words and figures in its place: "Rs. 1,250,000,000 (Rupees One Billion and Two Hundred Fifty Million only) divided into 125,000,000 (One Hundred and Twenty Five Million)".
 - (b) Article 5 of the Articles of Association of the Company be and is hereby amended by deleting words and figures "Rs. 1,000,000,000 (Rupees One Billion only) divided into 100,000,000 (One Hundred Million)" and substituting the following words and figures in its place: "Rs. 1,250,000,000 (Rupees One Billion and Two Hundred Fifty Million only) divided into 125,000,000 (One Hundred and Twenty Five Million)".
6. To consider, and if thought fit, to pass the following resolution as special resolution with or without modification relating to transmission of Annual audited financial statements of the Company through CD or DVD or USB:

Resolved that the transmission of the Annual audited financial statements of the Company together with the Directors' and Auditors' Report thereon, the notes and other information forming part thereof through CD or DVD or USB to members instead of sending in Book form / hard copy be and is hereby approved in terms of SECP S.R.O # 470 dated May 31, 2016.

7. To consider and, if thought fit, to pass the following resolutions as Special Resolutions, with or without amendments, for alteration in the Articles of Association of the Company in order to cope with the mandatory e-voting requirements as prescribed by Securities and Exchange Commission under Companies (E-Voting) Regulations 2016:

Resolved that in accordance with the applicable statutory requirements, the following new Article 75-A be and is hereby inserted after the existing Article 75 in the Articles of Association:

75-A: Electronic Voting

- i. A Member may opt for e-voting in a general meeting of the Company under the provisions and requirements for e-voting as prescribed by the SECP from time to time and shall be deemed to be incorporated in these Articles. Members are allowed to appoint members as well as non-members as proxies for the purposes of electronic voting pursuant to this article.
- ii. The Article shall be applicable for the purpose of electronic voting only.

“Resolved further that the Company Secretary be and is hereby authorized to do all acts, deeds and things, take all steps and actions as deemed necessary, ancillary and incidental in order to give effect the aforesaid resolution.

8. Any other business with the permission of the Chair.

The statement u/s 160(1)b of the Companies Ordinance 1984 setting out the material facts pertaining to the special business is being sent to the members, along with a copy of this notice.

By Order of the Board

Abdul Mansoor Khan
Company Secretary

Lahore
September 19, 2016

Notes:-

- i. The Share Transfer Books of the Company will remain closed from October 24, 2016 to October 31, 2016 (both days inclusive). Transfers received in order by our Share Registrars, M/s Corplink (Pvt.) Limited, Wings Arcade, 1-K Commercial, Model Town, Lahore by the close of business on October 23, 2016 will be considered in time for the purpose of payment of cash dividend to the transferees.
- ii. A member of the Company entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote on his/her behalf. The proxy, in order to be effective, must be received at the registered office of the Company duly signed and stamped not less than 48 hours before the time of meeting.
- iii. The CDC Account holders/sub-account holders are requested to bring with them their original CNICs or Passports along with the Participant(s) ID Number and CDC account numbers at the time of attending the Annual General Meeting for identification purpose.
- iv. In case of Corporate entity, the Board of Directors' resolution/power of attorney with specimen signatures of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting. The nominee shall produce his original CNIC at the time of attending the meeting for identification purpose.
- v. Members are requested to notify the change of address immediately, if any, to our Shares Registrar.

- vi. Securities and Exchange Commission of Pakistan (SECP) vide its S.R.O. 7871(I) / 2014 has facilitated the Companies to circulate Audited Financial Statements through e-mail after obtaining prior written consent of its members. The members who intend to receive the Audited Accounts through email are therefore, requested to kindly send their written consent along with e-mail addresses.
- vii. In order to make process of payment of cash dividend more efficient, e-dividend mechanism has been envisaged by SECP where shareholders can get amount of the dividend credited into their respective bank accounts electronically. In this way, dividends may be instantly credited to respective bank accounts and there are no chances of dividend warrants getting lost in the post, undelivered or delivered to the wrong address, etc. The Securities and Exchange Commission of Pakistan (SECP) through Notice No. 8(4) SM/CDC 2008 dated April 05, 2013 has advised all listed companies to adopt e-dividend mechanism due to the benefits it entails for their members. In view of the above, you are hereby encouraged to provide a dividend mandate in favour of e-dividend by providing dividend mandate form duly filled in and signed.
- viii. The Government of Pakistan has made certain amendments in the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the Companies. These tax rates are (a) 12.50 % for filers of income tax returns and (b) 20% for non-filers of income tax returns.

To enable the Company to make tax deduction on the amount of cash dividend @ 12.50% instead of 20%, all Members whose names are not entered into the Active Tax payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the date of payment of the cash dividend otherwise tax on their cash dividend will be deducted @ 20% instead of 12.50%.

- ix. In pursuant to the clarification of FBR, in case of joint account each joint holder is to be treated individually as either a filer or non filer and tax will be deducted on the basis of shareholding of each joint holder as may be notified by the members (CDC & Physical), in writing duly signed by each joint holder along with copies of CNICs as follows to the Shares Registrar of the Company. If the response to the notification is not received on or before October 23, 2016 each joint holder shall be assumed to have equal number of shares.

Folio/CDC A/c No :		Name of Company:		
Total Shares Held	Principal Share Holder (Name & CNIC)	Shares Held	Joint Share Holder (Name & CNIC)	Shares Held

- x. As already communicated, SECP has directed vide its S.R.O. 831(I) / 2012 that the dividend warrants should bear the CNICs of the registered members or the authorized person except in the case of minor(s) and corporate members. CNIC numbers are, hence, mandatory for the issuance of dividend warrants and in the absence of such information, payment of dividend may be withheld. Therefore, the members who have not yet provided their CNICs are once again advised to provide the attested copies of their CNICs (if not already provided) to our Share Registrar.
- xi. Members can also avail video conference facility in (name of the cities where facility can be provided keeping in view the geographical dispersal of members). In this regard fill the attached form in the Annual Report and submit to the registered address of the company 10 days before the date of Annual General Meeting. The video conference facility will be provided only if the company receives consent from members holding in aggregate 10% or more shareholding residing at geographical location, to participate in the meeting through video conference at least 10 days prior to the date of meeting, The company will intimate members regarding venue of video conference facility at least 5

days before the date of Annual General Meeting along with complete information necessary to enable them to access such facility.

I/We _____ of _____
being member of Ittehad Chemicals Limited, holder of _____ Ordinary shares as per Register Folio #
/ CDC Account # / Participant Id # hereby opt for Video conference facility at _____.

Signature of shareholder

- xii. The Annual Report for the Financial Year ended June 30, 2016 will be placed on Company's website www.ittehadchemicals.com in due course of time.

Statement under Section 160 (1) (b) of the Companies Ordinance, 1984

This statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of the company to be held on October 31, 2016.

Agenda Item # 5: Increase in Authorized Capital of the Company

The Board of Directors at its meeting held on September 19, 2016 proposed to increase the Authorized Capital of the Company in order to facilitate the Company to consider any future issuance of shares for financing the upcoming projects and capital expenditure. The Directors have no personal interest in this proposal except as shareholders of the Company.

Agenda Item # 6: Transmission of the annual audited accounts through CD/DVD/USB

The Securities & Exchange Commission of Pakistan (SECP) vide S.R.O # 470 dated May 31, 2016 has permitted the listed companies to Transmit the annual audited accounts through CD/DVD/USB instead of sending the same in Book form, subject to fulfillment of a few conditions including seeking consent from the Members.

This will be cost effective way for the company to transmit the accounts through CD/DVD/USB. However company will supply a copy in Book form if it will receive a written request from a shareholder of the Company.

Agenda Item # 7: Insertion of Article 75A in the Articles of Association

Securities and Exchange Commission of Pakistan has issued Companies (E-Voting) Regulation 2016 on January 22, 2016 vide S.R.O 43(1)/2016. The directors have recommended alteration in the Articles of Association by inserting a new Article 75A therein which will give the members option to be part of the decision making in the general meeting of the company through electronic means.

The directors are not interested, directly or indirectly, in the above business except to the extent of shares held by them in the company.

Directors' Report to Shareholders



The Directors of the Company take pleasure to present the Annual Report along with Audited Financial Statements for the Financial Year ended June 30, 2016 and Auditors' Report thereon.

ECONOMY OVERVIEW

During FY 2016, the industrial sector observed a significant growth of 6.8 percent against the target of 6.4 percent and was all time high since last eight years. Major accomplishments of the outgoing fiscal year includes picking up economic growth, price stability, improvement in tax collection, reduction in fiscal deficit, high foreign exchange reserves and improved security conditions. The capital market achieving historical levels is another sign of investor's interest in Pakistan's economy. The implementation of China Pakistan Economic Corridor (CPEC) and the upcoming infrastructure projects of the Government are some of the firm business indicators that will further boost the economy. Pakistan's economy has ranked as fairly stronger economy in the South Asian markets and projected to grow rapidly during days ahead. Political and energy challenges may undermine the economy performance.

FINANCIAL PERFORMANCE

During the year under review, the Company posted net sales revenue of Rupees 4,557 Million with an increase of 13% (2015: Rupees 4,046 Million). The cost of sales stood at Rupees 3,767 Million (2015: Rupees 3,623 Million) bringing gross profit to Rupees 791 Million (2015: Rupees 423 Million). The cost efficient Plant IEM Plant-2 (Phase I) which commenced operations during the year played its role to improve the revenue. The Company has partially reversed the provision for GIDC made for the period prior to promulgation of GIDC Act, 2015 which has contributed to the bottom line. The depressed prices of



Calcium Chloride in the international market squeezed the margins. The bottom line showed profit after tax of Rupees 167 million (2015: Rupees 84 Million) which yielded earning(s) per share of Rupees 2.76 per share (2015: Rupees 1.54 per share). During the year under review, the Company issued fifteen (15) million Right shares at a premium of Rs. 10 per share; hence EPS for last year has been restated accordingly.

FINANCIAL HIGHLIGHTS

The comparative financial results for the year ended June 30, 2016 are as under:

	Financial Year ended June 30	
	2016	2015
	Rupees in "000"	
Net Sales	4,557,440	4,045,537
Gross Profit	790,926	422,938
Operating Profit	371,944	30,769
Profit/ (Loss) before Tax	224,095	(73,917)
Profit after Tax	167,373	84,487
Earnings Per Share (Rupees)	2.76	1.54

During the year under review, the Company issued fifteen (15) million Right shares (issued at premium of Rs. 10 per share); hence EPS for last year has been restated accordingly

PROFIT AND APPROPRIATIONS

	Financial Year ended June 30	
	2016	2015
	Rupees in "000"	
Total comprehensive income for the year	156,381	87,587
Add: - Un-appropriated profit brought forward	1,078,189	1,040,602
Profit available for appropriation	1,234,570	1,128,189
Appropriations		
- Final cash dividend paid @ 10% for the financial year 2014-2015 (2013-2014: 10%)	(50,000)	(50,000)
Profit available for appropriation	1,184,570	1,078,189

CASH DIVIDEND

The Board of Directors is pleased to propose a final cash dividend of Rs. 1.50 per share i.e. 15% for the financial year ended June 30, 2016. The final dividend is subject to the approval of shareholders in Annual General Meeting scheduled to be held on October 31, 2016.

BALANCING, MODERNIZATION AND REPLACEMENT (BMR)

By the grace of Almighty Allah, we are pleased to inform that the Company's state of the art power efficient Ion Exchange Membrane Plant-2 (Phase-II having capacity 25,000 M. Ton Per Annum) commenced its commercial operations in September 2016. The Management accomplished the project within the time frame as announced in earlier reports.

In order to mitigate the Greenhouse effect, the Company has entered into a contract to sell raw Carbon Dioxide (CO₂) Gas (emitted due to operations of Company's Plants) to a Contractor. The Contractor will set up a CO₂ Plant at Company's premises for conversion the raw CO₂ Gas into Liquid form of CO₂. The Contractor will further sell this CO₂ liquid to the relevant industry. The sale of raw CO₂ Gas will improve the bottom line of the Company.

RIGHT ISSUE

During the period under review, the Company issued fifteen (15) million Right shares (issued at a premium of Rs. 10 per share) to entitled shareholders. The funds so realized were utilized for setting up IEM Plant-2(Phase II).

JCR-VIS Credit Rating

During the year, credit rating of the Company was reassessed by JCR-VIS Credit Rating Co. Ltd., and it has reaffirmed the medium to long-term entity rating of Ittehad Chemicals Limited (ICL) at 'A-' (Single A Minus) and short-term entity rating at 'A-2' (A-Two). Outlook on the assigned rating is 'Stable' as announced on December 31, 2015. These ratings depict low credit risk and good certainty of timely payment of financial commitments.

BOARD AND ITS COMMITTEES' MEETINGS AND ATTENDANCE

During the year, seven (07) Board meetings, four (04) Audit Committee meetings and two (02) HR & Remuneration Committee Meetings were held. The attendance of Board and its Committees' members is hereunder:

Name of Director	Number of Meetings attended		
	Board of Directors	Audit Committee	HR & R Committee
Mr. Muhammad Siddique Khatri	7	N/A	N/A
Mr. Abdul Sattar Khatri	7	N/A	N/A
Mr. Abdul Ghafoor Khatri	7	4	2
Mr. Waqas Siddiq Khatri	7	N/A	2
Mr. Ahmed Mustafa*	5	4	2
Ms. Farhana Abdul Sattar Khatri	7	N/A	N/A
Mr. Pervaiz Ahmad Khan	6	3	N/A

The Board has appointed Mr. Abdullah Mustafa as a Non-Executive Director on the Board as well as Chairman Audit Committee and member HR & R committee in place of Mr. Ahmed Mustafa (who resigned due to his personal commitments at abroad) on 19-09-2016.

Leave of absence granted to the Directors who could not attend the Board Meetings.



DIRECTORS' TRAINING PROGRAMS

The Directors are aware of their fiduciary responsibilities. During the year, the Board arranged certification for Directors of the Company namely Mr. Abdul Ghafoor Khatri, Ms. Farhana Abdul Sattar Khatri and Mr. Ahmed Mustafa. They have successfully attained requisite certification.

CODE OF CONDUCT

Behavior reflecting high ethical, moral and legal conducts is expected from all employees of the Company regardless of their title or location which is an individual responsibility; however, Company has defined certain standards and obligations. The Code of Conduct has been disseminated to all its employees throughout the Company and placed on the website of the Company.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The compliance with the best practices of Code of Corporate Governance is always ensured by the Board. A statement to this effect is annexed.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

Following are the statements on Corporate and Financial Reporting Framework:

- i. The financial statements together with notes thereon have been drawn up by the management in conformity with the Companies Ordinance, 1984. These statements present the Company's state of affairs fairly, the results of its operations, cash flow and changes in equity.
- ii. Proper books of accounts of the Company have been maintained.
- iii. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- iv. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departures there from has been adequately disclosed and explained.
- v. The system of internal control is sound in design and has been effectively implemented and monitored.
- vi. There are no significant doubts upon the Company's ability to continue as a going concern.
- vii. The key operating and financial data for the last six years is annexed.
- viii. Information about outstanding taxes and levies is given in Notes to the Accounts.
- ix. The value of investments of the Provident Fund based on its audited accounts as on June 30, 2016 is given in Note # 39 of the Financial Statements.

- x. All material information, as described in the Code is disseminated to the Stock Exchange and Securities and Exchange Commission of Pakistan in a timely fashion.
- xi. The Company has complied with requirements as stipulated in Code relating to related party transactions.
- xii. The trading (if any) made by directors, CEO, CFO, Company Secretary and their spouses and minor children in the Company's share during the year and the number of shares, if any, held by them are annexed.



HEALTH, SAFETY AND ENVIRONMENT

We are committed to provide a safe and healthy work environment to our employees. The Company meets applicable laws and government regulations as well as Company's own standards. We actively strive for eliminating all possible causes of accidents, preventing environmental pollution, minimizing waste, energy conservation, safety awareness, training, emergency preparedness and managing environmental impact that can affect the surrounding communities and the environment at large. As stated earlier, your Company has entered into a contract for setting up a CO₂ Plant in order to mitigate the growth of Greenhouse gases.



The Company has been certified for ISO 9001:2008 - Quality Management System and ISO 14001:2004 - Environmental Management System by TUV Austria Bureau of Inspection & certification (Pvt.) Ltd.

CORPORATE SOCIAL RESPONSIBILITY

Our main CSR focuses are Health Care, Education and community development. ICL continued to provide financial support to various organizations operating in the fields of Education, Health and Social uplift. During the year under review, Company contributed Rupees 9,490,529 to various charitable organizations.

EXTERNAL AUDITORS

The present auditors M/s. BDO Ebrahim & Co., Chartered Accountants, retire and being eligible offer themselves for re-appointment for the year 2016-17. As suggested by the Audit Committee, the Board of Directors has recommended their re-appointment as Auditors of the Company for the ensuing year subject to approval of the members in the forthcoming Annual General Meeting. The external auditors have been given a satisfactory rating under the Quality Control Review by the Institute of Chartered Accountants of Pakistan.

PATTERN OF SHAREHOLDING

The pattern of shareholding under section 236(d) of Companies Ordinance 1984 and information under clause XVI(J) of the Code of Corporate Governance as on June 30, 2016 are annexed.

FUTURE OUTLOOK

Despite the prevailing challenges, Management of your Company remained committed to enhance shareholders' value and is taking all appropriate measures to improve the profitability. The Company's



state of the art power efficient Ion Exchange Membrane Plant-2 (Phase-II having capacity 25,000 M. Ton Per Annum) has just commenced its commercial operations and shall make its contribution towards the profitability. The Management is now considering setting up cost efficient IEM Plant-3 to replace the old IEM Plant-1. Ever increasing energy cost, incremental levies like Gas Infrastructure Development Cess (GIDC) and depressed price of Calcium Chloride in international market will remain challenges for the Company.

ACKNOWLEDGEMENT

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

Lahore
September 19, 2016

On behalf of the Board

A handwritten signature in black ink, appearing to read 'M. Siddique Khatri'.

Muhammad Siddique Khatri
Chairman

ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز نہایت خوشی کے ساتھ 30 جون 2016 کو اختتام پذیر ہونے والے مالی سال کی سالانہ رپورٹ پڑھنا شکر مندہ مالی گوشوارے اور ان پر آڈیٹرز کی رپورٹ پیش کرتے ہیں۔

معیشت کا جائزہ:

مالی سال 2016 کے دوران 6.4 فیصد کے حدف کے برعکس صنعتی شعبہ کی 6.8 فیصد کی نمایاں شرح نمو رہی جو کہ گزشتہ آٹھ برسوں کے مقابلہ میں سب سے زیادہ ہے۔ گزشتہ مالی سال کے کارہائے نمایاں میں معاشی ترقی میں خاطر خواہ اضافہ، قیمتوں میں استحکام، ٹیکس وصولی میں بہتری، مالی خسارہ میں کمی، غیر ملکی زرمبادلہ میں اضافہ اور سکیورٹی کی صورت حال میں بہتری شامل ہیں۔ کیپٹل مارکیٹ کی تاریخی سطح پاکستان کی اقتصادیات میں سرمایہ کاروں کی دلچسپی کا ایک اچھا اشارہ ہے۔ چین پاکستان معاشی راہداری (CPEC) پر عملدرآمد اور حکومت کے بنیادی ڈھانچے سے متعلق مستقبل کے منصوبے بعض ایسے مضبوط کاروباری رجحانات ہیں جس سے معیشت کو مزید فروغ ملے گا۔ پاکستانی معیشت جنوبی ایشیائی منڈیوں میں مضبوط تر معیشت کے طور پر ابھری ہے جو کہ آئندہ دنوں میں مزید ترقی کرے گی۔ تاہم سیاسی اور توانائی کے بحران معاشی کارکردگی کو متاثر کر سکتے ہیں۔

مالی کارکردگی:

زیر جائزہ سال کی دوران، کمپنی کی مجموعی فروخت %13 اضافہ کے ساتھ 4,557 ملین روپے رہی (4,046 ملین روپے: 2015)۔ فروخت کی لاگت 3,767 ملین روپے رہی (3,623 ملین روپے: 2015) اس طرح خام منافع 791 ملین روپے تک ہو گیا (423 ملین روپے: 2015)۔ فروخت بڑھانے میں گزشتہ برس کے دوران شروع ہونے والے انتہائی مؤثر لاگت IEM پلانٹ-2 (فیڑا) نے اہم کردار ادا کیا۔ GIDC ایکٹ 2015 کے نفاذ سے قبل دورانہ کے لئے کمپنی نے GIDC کی پروڈن واپس کی ہے۔ جس سے کل آمدن میں اضافہ ہوا۔ بین الاقوامی مارکیٹ میں کیلشیم کلو رائیڈ کی تخفیف شدہ قیمتوں نے شرح مارجن کو کم کر دیا مجموعی آمدن 167 ملین روپے رہی (84 ملین روپے: 2015)۔ جس سے آمدنی فی شیئر 2.76 روپے ہوگی (1.54 روپے فی شیئر: 2015)۔ زیر جائزہ سال کے دوران کمپنی نے 15 ملین رائٹ شیئر 10 روپے فی شیئر پر بحیم کے حساب سے جاری کیے۔ اس لیے گزشتہ برس کیلئے EPS دوبارہ ریکارڈ کیا گیا ہے۔

اہم نکات ہائے مالی سال:

30 جون 2016 کو اختتام پذیر ہونے والے سال کے مقابلہ مالی نتائج درج ذیل ہیں:

روپے '000 میں		30 جون 2015 اور 30 جون 2016 کو ختم ہونے والا مالی سال:
2016	2015	
4,557,440	4,045,537	خالص فروخت
790,926	422,938	خام منافع
371,944	30,769	آپریٹنگ منافع
224,095	(73,917)	منافع / نقصان (قبل از ٹیکس)
167,373	84,487	منافع بعد از ٹیکس
2.76	1.54	آمدن فی شیئر (روپے)

زیر مطالعہ سال کے دوران کمپنی نے 15 ملین رائٹ حصص پر 10 روپے فی حصص پر بیم کے حساب سے جاری کیے۔ اس لیے گزشتہ برس کیلئے آمدنی فی شیئر کو دوبارہ ریکارڈ کیا گیا ہے۔

منافع اور تخصیص:

روپے '000 میں		مالی سال جو 30 جون 2016-2015 کو اختتام پذیر ہوا:
2016	2015	
156,381	87,587	کل آمدنی برائے سال
1,078,189	1,040,602	جمع غیر تخصیص شدہ منافع (آگے بڑھایا گیا)
1,234,570	1,128,189	قابل تخصیص منافع تخصیص:
(50,000)	(50,000)	حتمی نقد منافع کی ادائیگی کی شرح سے برائے 10%: 2014-15 اور 10%: (2013-14)
1,184,570	1,078,189	تخصیص کے لیے دستیاب نفع

نقد منافع کی تقسیم:

کمپنی کے بورڈ آف ڈائریکٹرز نے 1.50 روپے فی شیئر حتمی نقد منافع کی تقسیم کی ہے۔ جو کہ 30 جون 2016 کو اختتام پذیر ہونے والے سال کے لیے 15 فیصد ہے۔ حتمی منافع سالانہ عام اجلاس جو کہ 31 اکتوبر 2016 کو منعقد ہوگا میں شیئر ہولڈرز کی منظوری سے مشروط ہے۔

جدید اور متبادل توازن (بی ایم آر):

اللہ تعالیٰ کے فضل و کرم سے ہمیں یہ مطلع کرتے ہوئے خوشی محسوس ہو رہی ہے کہ کمپنی کے جدید توانائی کا موثر استعمال کرنے والے آئینوں ایک ہی ممبران پلانٹ 2 (25000 میٹرک ٹن سالانہ استعداد کا حامل فیئر-II) نے کمرشل آپریشن ستمبر 2016 میں شروع کر دیا ہے۔ انتظامیہ نے منصوبہ کو مقررہ وقت کے اندر ہی مکمل کیا، جیسا کہ سابقہ رپورٹس میں بتایا جا چکا ہے۔

گرین ہاؤس ایفکٹ میں تخفیف کے لئے کمپنی نے ایک معاہدہ کیا ہے جس کے تحت خام کاربن ڈائی آکسائیڈ (CO₂) (جو کہ پلانٹس کے چلنے کے سبب خارج ہوگی) کو کنٹرول اور فروخت کیا جائے گا۔ کنٹرولڈ خام کاربن ڈائی آکسائیڈ (CO₂) مانع کاربن ڈائی آکسائیڈ میں منتقل کرنے کیلئے کمپنی کے احاطے میں CO₂ کے پلانٹ کا قیام عمل میں لائے گا۔

کنٹرولڈ پھر اسی مانع کاربن ڈائی آکسائیڈ (CO₂) کو متعلقہ صنعت کو فروخت کرے گا۔ خام کاربن ڈائی آکسائیڈ (CO₂) کی فروخت سے کمپنی کی کل آمدن میں اضافہ ہوگا۔

رائٹ ایشو:

زیر غور عرصہ کے دوران کمپنی نے 15 ملین رائٹ شیئرز (جو کہ 10 روپے فی شیئر کے حساب سے جاری کیے گئے) حقدار شیئرز ہولڈرز کو دیئے۔ اس سے حاصل کیے گئے فنڈز آئی ای ایم پلانٹ 2 (فیئر-II) کے قائم کرنے میں صرف کیے گئے۔

جے سی آر۔ وی آئی ایس کریڈٹ ریٹنگ:

سال کے دوران جے سی آر۔ وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ نے کمپنی کی ریٹنگ کا دوبارہ جائزہ لیا اور اس نے اتحاد کیمیکل لمیٹڈ (ICL) کی درمیانہ درجہ سے لمبے عرصہ کی ایٹھٹی ریٹنگ (سنگل A ماٹس) اور مختصر عرصہ کی ایٹھٹی ریٹنگ (A ماٹس 2) کی توثیق کر دی۔ دی گئی ریٹنگ مستقبل کے اعتبار سے مستحکم ہے۔ جیسا کہ 31 دسمبر 2015 کو بتایا گیا۔ یہ درجہ بندیاں کم کریڈٹ رسک اور مالی عہد و پیمان کی بروقت ادائیگی کو ظاہر کرتی ہیں۔

بورڈ اور اسکی کمیٹیوں کے اجلاس اور حاضری:

سال کے دوران سات بورڈ اجلاس، آڈٹ کمیٹی کے چار، ہیومن ریسورس اور ریونیویشن کمیٹی کے دو اجلاس منعقد کئے گئے۔ بورڈ اور کمیٹی ممبران کی حاضری اس طرح رہی:

شرکت شدہ اجلاس کی تعداد			ڈائریکٹر صاحبان کے نام
بورڈ آف ڈائریکٹرز	آڈٹ کمیٹی	ایچ آر اینڈ آر کمیٹی	
7	-	-	محمد صدیق کھتری
7	-	-	عبدالستار کھتری
7	4	2	عبدالغفور کھتری
7	-	2	وقاص صدیق کھتری
5	4	2	احمد مصطفیٰ *
7	-	-	فرحانہ عبدالستار کھتری
6	3	-	پرویز احمد خان

☆ بورڈ نے مسٹر احمد مصطفیٰ کی جگہ 19-09-2016 سے مسٹر عبداللہ مصطفیٰ کو نان ایگزیکٹو ڈائریکٹر اور چیئر مین آڈٹ کمیٹی اور ممبر ایچ آر آر کمیٹی تعینات کیا ہے۔ مسٹر احمد مصطفیٰ نے بیرون ملک اپنی ذاتی مصروفیات کی بنا پر استعفیٰ دے دیا تھا۔

☆ بورڈ کے اجلاسوں میں شرکت نہ کرنے والے ڈائریکٹرز کے لیے غیر حاضری کی رخصت منظور کی گئی۔

ڈائریکٹر صاحبان کیلئے تربیتی پروگرام:

ڈائریکٹر حضرات اپنے عہدہ جات سے متعلقہ ذمہ داریوں سے باخبر ہیں۔ سال کے دوران بورڈ نے کمپنی کے ڈائریکٹران مسٹر عبدالغفور کھتری، محترمہ فرحانہ عبدالستار کھتری اور مسٹر احمد مصطفیٰ کیلئے تربیتی پروگراموں کا انعقاد کیا جس سے انہوں نے بھرپور استفادہ کیا۔ اور کامیابی سے مطلوبہ اسناد حاصل کی۔

ضابطہ اخلاق:

کمپنی کے تمام ملازمین سے توقع کی جاتی ہے کہ وہ اپنے منصب اور جائے تعیناتی کو بالائے طاق رکھتے ہوئے ایسے حسن سلوک کا مظاہرہ کریں جس سے اعلیٰ اخلاقی اور قانونی و سماجی اقدار کی عکاسی ہو جو کہ ان کی انفرادی ذمہ داری ہے تاہم کمپنی نے اس ضمن میں متعدد معیار اور ذمہ داریاں متعین کر رکھی ہیں۔ ضابطہ اخلاق تمام کمپنی ملازمین کو جاری کیا گیا ہے اور کمپنی کی ویب سائٹ پر بھی دستیاب ہے۔

کوڈ آف کارپوریٹ گورننس کی بجا آوری:

بورڈ نے ہمیشہ کوڈ آف کارپوریٹ گورننس کی بہترین روایات کو یقینی بنایا ہے۔ اس سے متعلقہ سٹیٹمنٹ منسلک ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک:

کارپوریٹ اور فنانشل فریم ورک کی سٹیٹمنٹس مندرجہ ذیل ہیں:

- I انتظامیہ نے کمپنیز آرڈیننس 1984 سے ہم آہنگ مالی گوشوارے اور نوٹس مرتب کیے ہیں یہ گوشوارے کمپنی کے حالات کا طائرانہ جائزہ، آپریشن کے نتائج، کیش فلو اور ایکویٹی میں تبدیلیوں کو ظاہر کرتی ہیں۔
- II کمپنی کے اکاؤنٹس کی باقاعدہ کتب مرتب کی گئی ہیں۔
- III مالی گوشوارے کی تیاری کیلئے تسلسل کے ساتھ مناسب اکاؤنٹنگ پالیسی کو مدنظر رکھا ہے۔ اور مالیاتی تخمینہ جات اکاؤنٹنگ اندازوں کی منطقی اور معقول فیصلہ جات پر مبنی ہیں۔
- IV مالیاتی گوشوارے کی تیاری میں پاکستان میں قابل عمل بین الاقوامی مالی رپورٹنگ کے معیار کو ملحوظ خاطر رکھا گیا ہے اور اس ضمن میں کسی قسم کی انحراف / فرق کو مناسب طریقہ سے بیان اور اسکی وضاحت کی گئی ہے۔
- V اندرونی کنٹرول کا نظام ترکیب کے اعتبار سے مضبوط ہے جس پر موثر انداز میں عملدرآمد کیا گیا ہے اور اس پر نظر بھی رکھی جاتی ہے۔
- VI کمپنی کو رواں حالت میں جاری رکھنے کے سلسلے میں، کمپنی کی استعداد کے بارے کسی بھی طرح کا کوئی شک نہیں۔
- VII گذشتہ 6 سال کے دوران ضروری آپریٹنگ اور مالیاتی مواد / تفصیل لف ہے۔
- VIII 'نوٹس ٹو اکاؤنٹس' میں واجب الادا ٹیکس اور محصولات کے بارے معلومات درج ہے۔
- IX مالیاتی گوشوارے کے نوٹ نمبر 39 میں 30 جون 2016 کی تاریخ تک آڈیٹڈ اکاؤنٹس پر مبنی پروویڈنٹ فنڈ کی سرمایہ کاری کی مالیت دی گئی ہے۔
- X سیکورٹی اینڈ ایکسیج کمیون آف پاکستان اور پاکستان سٹاک ایکسیج کو قواعد و ضوابط کے مطابق ساری معلومات فراہم کی جاتی ہے۔
- XI کمپنی نے تعلق رکھنے والی پارٹیز کے بارے میں تقاضوں پر حسب ضابطہ عملدرآمد کیا ہے۔
- XII دوران سال ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری اور ان کے شریک حیات اور کمسن بچوں کی کمپنی حصص میں ٹریڈنگ (اگر ہو) اور ان کی ملکیت حصص کی تعداد، اگر ہو، لف ہے۔

صحت ، تحفظ اور ماحول :

ہم اپنے ملازمین کو محفوظ اور کام کیلئے صحت مند ماحول مہیا کرنے کا عہد کیے ہوئے ہیں۔ کمپنی تمام قابل اطلاق قوانین، سرکاری قواعد و ضوابط کے ساتھ ساتھ اس کے اپنے متعین کردہ معیار پر کاربند ہے۔ ہم حادثات کی تمام ممکنہ وجوہات کو ختم کرنے ماحولیاتی آلودگی کی روک تھام، فاضل مادوں کا کم سے کم اخراج، توانائی کی بچت، تحفظ سے متعلق شعور، تربیت، ہنگامی حالات سے نمٹنے کیلئے تیاری، ماحولیاتی اثرات کو کم کرنے کے سلسلے میں بھرپور کوشش کر رہے ہیں۔ جو کہ آس پاس کے علاقوں اور بڑی سطح پر ماحول کو متاثر کر سکتے ہیں۔ جیسا کہ قبل ازیں بیان کیا گیا ہے۔ آپ کی کمپنی نے گرین ہاؤس گیسز میں اضافے سے نمٹنے کیلئے CO₂ پلانٹ لگانے کے لیے ایک معاہدہ کیا ہے۔

کمپنی کو مندرجہ ذیل سرٹیفکیٹس سے نوازا گیا ہے۔ آئی ایس او اور انتظام معیاران کا نظام، معائنہ کے بیورو، ٹی یو وی آسٹریا کی طرف سے ماحول کے انتظام کے نظام معیار کا سرٹیفکیٹ دیا گیا ہے۔

کاروباری سماجی ذمہ داری:

اس ضمن میں ہماری خصوصی توجہ تعلیم، صحت اور لوگوں کی ترقی و خوشحالی پر مرکوز ہے۔ ICL نے مختلف تنظیموں کو مالی اعانت فراہم کرنے کا سلسلہ جاری رکھا ہے جو کہ تعلیم، صحت، معاشرتی ترقی کے میدان میں کام کر رہی ہیں۔ زیر جائزہ سال کے دوران کمپنی نے مختلف خیراتی اداروں کو 9,490,529 روپے عطیہ کئے ہیں۔

بیرونی آڈیٹر:

موجودہ آڈیٹر مینسرز بی ڈی او ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائرڈ ہو گئے ہیں اور انہوں نے اہل ہونے کی بنا پر برائے سال 2016-17 اپنی دوبارہ تقرری کی پیشکش کی ہے۔ آڈٹ کمیٹی کی تجویز پر 'بورڈ آف ڈائریکٹرز نے اُن کی آئندہ مالی سال کیلئے تقرری کی سفارش کر دی ہے۔ جو کہ آئندہ سالانہ اجلاس عام اراکین کی منظوری سے مشروط ہے۔ انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کی جانب سے کوالٹی کنٹرول ریویو کے تحت بیرونی آڈیٹر کی کارکردگی کو تسلی بخش قرار دیا گیا ہے۔

شیئر ہولڈنگ کی فہرست:

کمپنیز آرڈیننس 1984 کی دفعہ 236(d) اور معلومات کارپوریٹ گورننس اخلاق کی شق (J) XVI کے مطابق کے تحت شیئر ہولڈنگ کا طریقہ کار لف ہے۔

مستقبل کا لائحہ عمل:

موجودہ مشکل حالات کے باوجود آپ کی کمپنی کی انتظامیہ حصہ داران (شیئر ہولڈرز) کے منافع کو بڑھانے کے سلسلے میں پرعزم رہی ہے۔ اور منافع بخشی کو بہتر بنانے کیلئے تمام ضروری اقدامات کر رہی ہے۔ کمپنی کے کم توانائی خرچ آئین آپکنج ممبران پلانٹ 2، فیئر-11 کی پیداواری صلاحیت 25000 میٹرک ٹن سالانہ) نے حال ہی میں کمرشل آپریشن کا آغاز کر دیا ہے۔ جو کہ منافع بخشی کے سلسلے میں اپنا کردار ادا کرے گا۔ اب انتظامیہ پرانے آئی ای ایم پلانٹ 1 کی جگہ کم لاگت والے آئی ای ایم پلانٹ 3 لگانے پر غور کر رہی ہے۔ کمپنی کو توانائی کی مسلسل بڑھتی ہوئی لاگت، گیس انفراسٹرکچر ڈیولپمنٹ سیس جیسے اضافی ٹیکس / محصولات اور بین الاقوامی منڈی میں کیلشیم کلورائیڈ کی گرتی ہوئی قیمت جیسی مشکلات کا سامنا ہوگا۔

اظہار تشکر:

بورڈ قابل قدر حصہ داران (شیئر ہولڈرز)، کسٹمرز، بینکوں اور سرکاری محکمہ جات کا اُن کے اعتماد، بھروسہ، مسلسل تعاون اور اعانت پر شکر گزار ہے اور کمپنی کے ملازمین کے کام، محنت اور لگن پر اُن کا برملا اظہار تشکر کرتا ہے۔

محمد صدیق کھتری

چیئر مین

لاہور:

19 ستمبر 2016

Operating and Financial Highlights

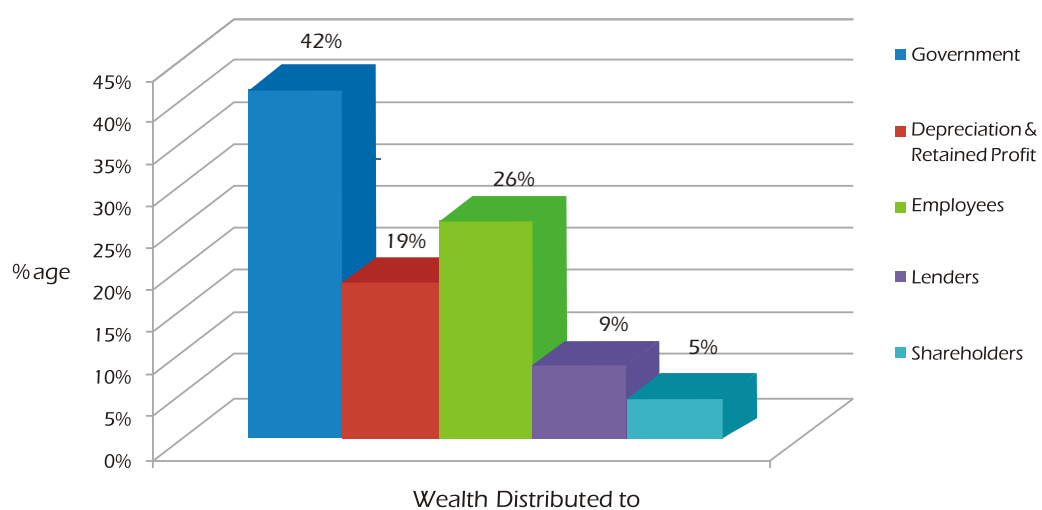
	Unit	2011	2012	2013	2014	2015	2016
PROFIT AND LOSS							
Sales	Rs. in mln	3,310	4,004	4,278	4,104	4,046	4,557
Gross Profit	Rs. in mln	688	802	865	813	423	791
Operating Profit	Rs. in mln	335	430	453	405	31	372
Profit / (loss) before tax	Rs. in mln	109	228	333	281	(74)	224
Profit after tax	Rs. in mln	105	160	295	200	84	167
EBITDA	Rs. in mln	532	626	637	592	225	685
Earning per share - Basic and Diluted	Rs.	2.10	3.20	5.89	4.01	1.54	2.76
BALANCE SHEET							
Operating Fixed assets (NBV)	Rs. in mln	2,499	2,515	2,496	2,485	3,756	3,638
Current Assets	Rs. in mln	1,347	1,346	1,619	1,704	1,437	2,040
Current Liabilities	Rs. in mln	1,334	1,459	1,722	1,491	2,045	2,126
Long Term Liabilities	Rs. in mln	942	646	411	909	933	1,344
Share capital	Rs. in mln	360	360	360	500	500	650
Shareholders' Equity	Rs. in mln	1,011	1,154	1,376	1,541	1,578	1,985
INVESTOR INFORMATION							
Gross Profit Margin	%	20.79	20.03	20.23	19.81	10.45	17.35
Net Profit Margin	%	3.17	4.00	6.89	4.88	2.09	3.67
Return on Equity	%	10.73	14.78	23.29	13.74	5.42	9.40
Price Earning Ratio Restated		14.01	7.32	7.38	8.06	30.38	9.46
Net Asset Per Share	Rs.	28.08	32.06	38.23	30.81	31.56	30.53
Long -Term Debt to Equity Ratio		1.00	0.56	0.21	0.43	0.69	0.71
Current Ratio		1.01	0.92	0.94	1.14	0.70	0.96
Quick Ratio		0.53	0.54	0.52	0.60	0.39	0.49
Interest Coverage Ratio		1.46	2.09	3.71	3.04	0.28	2.25
Debtor Turnover	No. of Times	8.39	8.50	8.09	7.85	10.21	10.76
Inventory Turnover	No. of Times	4.07	5.69	4.74	4.06	5.66	3.78
Dividend Payout	%	35.34	33.78	18.33	24.94	64.94	54.35
Bonus Shares	%	-	-	38.8889	-	-	-
Dividend Per Share		1.00	1.50	1.50	1.00	1.00	1.50



Statement of Value Added

	Year ended June 30,	
	2016	2015
	(Rs. in Million)	
Wealth Generated:		
Total revenue net of discount and allownces	5,409	4,728
Bought-in-material and services	3,466	3,423
	<u>1,943</u>	<u>1,305</u>
Wealth Distributed:		
To Employees		
Salaries, benefits and other costs	501	455
To Government		
Income tax, sales tax, special excise duty & WWF	814	466
To Providers of capital		
To shareholders (Dividend & Bonus Shares)	98	50
To Financial Institutes (Mark up/interest on borrowed funds)	165	109
Retained for Reinvestment and Growth		
Depreciation and retained profits	366	224
	<u>1,943</u>	<u>1,305</u>

Wealth Distribution



Statement of Compliance With the code of Corporate Governance for the year ended June 30, 2016

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 5.19.23 of the Rule Book of Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes:

Category	Names
Independent	Mr. Pervaiz Ahmad Khan
Executive Directors	Mr. Abdul Sattar Khatri Mr. Waqas Siddiq Khatri
Non-Executive Directors	Mr. Muhammad Siddique Khatri Mr. Abdul Ghafoor Khatri Ms. Farhana Abdul Sattar Khatri Mr. Abdullah Mustafa

The independent director meets the criteria of independence under clause 5.19.1 (b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a Broker of a stock exchange, has been declared as a defaulter by that stock exchange.
4. There was no casual vacancy occurred during the year on the Board. However, the Board has appointed Mr. Abdullah Mustafa as a Non-Executive Director on the Board in place of Mr. Ahmed Mustafa (who resigned due to his personal commitments at abroad) on 19-09-2016 (on the same date).
5. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the Board/shareholders.



8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The Board has arranged training programs for its Directors' namely Mr. Abdul Ghafoor Khatri, Ms. Farhana Abdul Sattar Khatri and Mr. Ahmed Mustafa during the year. They have successfully attained the certification.
10. During the year, there was no change in the position of Chief Financial Officer (CFO) and, Company Secretary however, the Board has approved the appointment of Head of Internal Audit including his remuneration and terms and conditions of his employment.
11. The Directors' Report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed an Audit Committee. It comprises three (03) members, of whom one is independent and two are non-executive directors. The chairman of the committee is a non-executive Director.
16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The Board has formed an HR and Remuneration Committee. It comprises three (03) members, of whom two are non-executive directors and the chairman of the committee is a non-executive director.
18. The Board has set up an effective internal audit function. The staff is suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan (ICAP).

-
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the PSX Rule Book and the auditors have confirmed that they have observed IFAC guidelines in this regard.
 21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange.
 22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.
 23. The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis of inclusion or exclusion of name of persons from the said list.
 24. We confirm that all other material principles enshrined in the CCG have been complied with.

On behalf of the Board



Muhammad Siddique Khatri
Chairman

Lahore
September 19, 2016

Review Report to the Members on the Statement of Compliance with the code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of **ITTEHAD CHEMICALS LIMITED** ("the Company") for the year ended June 30, 2016 to comply with the requirements of Regulation No. 5.19 of Rule Book of Pakistan Stock Exchange Limited, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal controls covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended June 30, 2016.

Karachi

Dated: September 19, 2016



BDO Ebrahim & Co

Chartered Accountants

Engagement Partner: Qasim E Causer

Financial Statements

For the year ended June 30, 2016



Auditors' Report to the Members

We have audited the annexed balance sheet of ITTEHAD CHEMICALS LIMITED ("the Company") as at June 30, 2016 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of Internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;
- b) in our opinion:
 - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2016 and of the profit, its comprehensive income, cash flows and changes in equity for the year then ended; and
- d) in our opinion Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat fund established under Section 7 of that Ordinance.



BDO Ebrahim & Co
Chartered Accountants
Engagement Partner: Qasim E Causer

Balance Sheet

as at June 30, 2016

	Note	2016 Rupees in thousand	2015
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	5	3,637,902	3,756,179
Capital work in progress	6	425,966	21,606
		<u>4,063,868</u>	<u>3,777,785</u>
Intangible assets	7	6,445	12,788
Investment property	8	104,400	87,000
Long term investments	9	-	-
Long term deposits	10	34,182	36,557
		<u>4,208,895</u>	<u>3,914,130</u>
CURRENT ASSETS			
Stores, spares and loose tools	11	519,748	468,376
Stock in trade	12	476,639	171,440
Trade debts	13	500,801	461,589
Loans and advances	14	169,759	80,635
Trade deposits and short term prepayments	15	12,142	7,766
Tax refunds due from the Government	16	80,438	43,096
Taxation - net	17	154,109	84,880
Cash and bank balances	18	126,405	119,390
		<u>2,040,041</u>	<u>1,437,172</u>
		<u>6,248,936</u>	<u>5,351,302</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	19.1	1,000,000	1,000,000
Issued, subscribed and paid up capital	19.2	650,000	500,000
Share premium	19.2.1	150,000	-
Unappropriated profit		1,184,570	1,078,189
		<u>1,984,570</u>	<u>1,578,189</u>
SURPLUS ON REVALUATION OF FIXED ASSETS	20	794,848	794,848
NON CURRENT LIABILITIES			
Long term financing	21	757,791	390,278
Long term diminishing musharaka	22	323,233	360,875
Liabilities against assets subject to finance lease	23	-	196
Deferred liabilities	24	262,755	181,782
		<u>1,343,779</u>	<u>933,131</u>
CURRENT LIABILITIES			
Trade and other payables	25	821,005	801,591
Mark-up accrued	26	27,667	48,076
Short term borrowings	27	948,986	862,742
Current portion of long term liabilities	28	328,081	332,725
		<u>2,125,739</u>	<u>2,045,134</u>
CONTINGENCIES AND COMMITMENTS	29	-	-
TOTAL EQUITY AND LIABILITIES		<u>6,248,936</u>	<u>5,351,302</u>

The annexed notes from 1 to 52 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR

Profit and Loss Account

For the year ended June 30, 2016

	Note	2016 Rupees in thousand	2015
Sales	30	4,557,440	4,045,537
Cost of sales	31	(3,766,514)	(3,622,599)
Gross profit		790,926	422,938
Selling and distribution expenses	32	(256,003)	(245,744)
General and administrative expenses	33	(172,910)	(159,516)
Other operating expenses	34	(11,915)	(787)
Other income	35	21,846	13,878
		(418,982)	(392,169)
Operating profit		371,944	30,769
Financial charges	36	(165,249)	(108,886)
Fair value gain on investment property	8	17,400	4,200
Profit / (loss) before taxation		224,095	(73,917)
Taxation	37	(56,722)	158,404
Profit after taxation		167,373	84,487
Earning per share - Basic and diluted (Rupees)	40	2.76	Restated 1.54

Appropriations have been reflected in the statement of changes in equity.

The annexed notes from 1 to 52 form an integral part of these financial statements.



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CHIEF EXECUTIVE

[Signature]

DIRECTOR

Statement of Comprehensive Income

For the year ended June 30, 2016

	2016	2015
Note	Rupees in thousand	
Profit after taxation for the year	167,373	84,487
Other comprehensive income		
Items that will not be reclassified to profit and loss account		
Remeasurement of defined benefit liability	24.2 (15,391)	4,358
Related tax effect	4,399	(1,258)
	(10,992)	3,100
Total comprehensive income for the year	<u>156,381</u>	<u>87,587</u>

The annexed notes from 1 to 52 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR



Cash Flow Statement

For the year ended June 30, 2016

	Note	2016 Rupees in thousand	2015
Cash flows from operating activities			
Profit / (loss) before tax		224,095	(73,917)
Adjustments for items not involving movement of funds:			
Depreciation	5.2	306,839	190,098
Amortization of intangible assets	33	6,343	4,116
Provision for staff retirement gratuity	24.2	16,113	12,882
Gain on sale of fixed assets	35	(3,855)	(1,814)
Gain on revaluation of investment property	8	(17,400)	(4,200)
Foreign exchange (gain) / loss	34 & 35	(2,235)	(4,520)
Provision for doubtful debts	13	15,482	19,203
Bad debts written off	33	202	1,008
Financial charges	36	165,249	108,886
Net cash flow before working capital changes		710,833	251,742
(Decrease) / increase in current assets			
Stores, spares and loose tools		(51,372)	59,232
Stock in trade		(305,199)	112,431
Trade debts		(52,661)	132,225
Loans and advances		(89,124)	(6,884)
Trade deposits and short term prepayments		(4,376)	(547)
Tax refunds due from the Government		27,061	(9,202)
		(475,671)	287,255
Increase in current liabilities			
Trade and other payables		19,454	364,548
Cash generated from operations		254,616	903,545
Taxes paid		(128,409)	(64,628)
Gratuity paid		(8,157)	(1,613)
Financial charges paid		(186,534)	(183,348)
Net cash (used in) / generated from operating activities		(68,484)	653,956
Cash flows from investing activities			
Additions to operating fixed assets		(40,540)	(43,782)
Additions to capital work in progress		(553,222)	(946,491)
Proceeds from sale of operating fixed assets		5,571	4,591
Long term deposits		2,375	4,001
Net cash used in investing activities		(585,816)	(981,681)
Cash flows from financing activities			
Proceeds from long term financing		467,220	385,992
Repayments of long term financing		(121,878)	(85,028)
Proceeds from long term diminishing musharaka		101,561	118,986
Repayments of long term diminishing musharaka		(121,533)	-
Repayment of finance lease liabilities		(339)	(33)
Dividend paid		(49,960)	(49,946)
Proceeds from issue of right shares		300,000	-
Short term borrowings		86,244	(67,880)
Net cash generated from financing activities		661,315	302,091
Net increase / (decrease) in cash and cash equivalents		7,015	(25,634)
Cash and cash equivalents at the beginning of the year		119,390	145,024
Cash and cash equivalents at the end of the year	18	126,405	119,390

The annexed notes from 1 to 52 form an integral part of these financial statements.



ASW

CHIEF EXECUTIVE

[Signature]

DIRECTOR

Statement of Changes in Equity

For the year ended June 30, 2016

	Issued, subscribed and paid-up capital	Share premium	Unappropriated profits	Total
	Rupees in thousand			
Balance as at July 01, 2014	500,000	-	1,040,602	1,540,602
Transaction with owners:				
Final cash dividend 2014: Re. 1 per share	-	-	(50,000)	(50,000)
Total comprehensive income for the year				
Profit for the year	-	-	84,487	84,487
Remeasurement of defined benefit liability - net	-	-	3,100	3,100
	-	-	87,587	87,587
Balance as at June 30, 2015	500,000	-	1,078,189	1,578,189
Transaction with owners:				
Final cash dividend 2015: Re. 1 per share	-	-	(50,000)	(50,000)
Right shares issued during the year	150,000	150,000	-	300,000
	150,000	150,000	(50,000)	250,000
Total comprehensive income for the year				
Profit for the year	-	-	167,373	167,373
Remeasurement of defined benefit liability - net	-	-	(10,992)	(10,992)
	-	-	156,381	156,381
Balance as at June 30, 2016	650,000	150,000	1,184,570	1,984,570

The annexed notes from 1 to 52 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR



Notes to the Financial Statements

For the year ended June 30, 2016

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 privatised on July 03, 1995.

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

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

These 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 Standards Board as are notified under the Companies Ordinance, 1984 and 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.

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention except as modified for fair value adjustment in freehold land, investment property, investments and exchange differences as referred to in notes 4.1, 4.4, 4.5, 4.6 and 4.21 respectively.

The preparation of financial statements in conformity with approved financial reporting standards requires management to make estimates, assumptions and use judgments that effect the application of policies and reported amounts, of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

Judgments and estimates made by the management that may have a significant risk of material adjustments to the financial statements in subsequent years are disclosed in note 38.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the functional and presentation currency for the Company.

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 Standards or interpretations that are effective in current year but not relevant to the Company

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB) which have been adopted locally by the Securities and Exchange Commission of Pakistan vide SRO 633(I)/2014 dated July 10, 2014 with effect from following dates. The Company has adopted these accounting standards and interpretations which do not have significant impact on the Company's financial statements other than certain disclosure requirement about fair value of financial instruments as per IFRS 13 "Fair Value Measurement".

	Effective date (annual periods Beginning on or after)
IFRS 10 Consolidated Financial Statements	January 01, 2015
IFRS 11 Joint Arrangements	January 01, 2015
IFRS 12 Disclosure of Interests in Other Entities	January 01, 2015
IFRS 13 Fair Value Measurement	January 01, 2015
IAS 27 Separate Financial Statements (Revised 2011)	January 01, 2015
IAS 28 Investments in Associates and Joint Ventures	January 01, 2015

3.2 Amendments not yet effective

The following amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

IFRS 2	Share-based Payment - Amendments to clarify the classification and measurement of share-based payment transactions	January 01, 2018
IFRS 10	Consolidated Financial Statements - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture	Deferred Indefinitely
IFRS 10	Consolidated Financial Statements - Amendments regarding the application of the consolidation exception	January 01, 2016
IFRS 11	Joint Arrangements - Amendments regarding the accounting for acquisitions of an interest in a joint operation	January 01, 2016
IFRS 12	Disclosure of Interests in Other Entities - Amendments regarding the application of the consolidation exception	January 01, 2016
IAS 1	Presentation of Financial Statements - Amendments resulting from the disclosure initiative	January 01, 2016
IAS 7	Statement of Cash Flows - Amendments resulting from the disclosure initiative	January 01, 2017
IAS 12	Income Taxes - Amendments regarding the recognition of deferred tax assets for unrealised losses	January 01, 2017
IAS 16	Property, Plant and Equipment - Amendments regarding the clarification of acceptable methods of depreciation and amortisation and amendments bringing bearer plants into the scope of IAS 16	January 01, 2016
IAS 27	Separate Financial Statements (as amended in 2011) - Amendments reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements	January 01, 2016
IAS 28	Investments in Associates and Joint Ventures - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture	Deferred Indefinitely
IAS 28	Investments in Associates and Joint Ventures - Amendments regarding the application of the consolidation exception	January 01, 2016



		Effective date (annual periods Beginning On or after)
IAS 38	Intangible Assets - Amendments regarding the clarification of acceptable methods of depreciation and amortization	January 01, 2016
IAS 41	Agriculture - Amendments bringing bearer plants into the scope of IAS 16	January 01, 2016

The Annual Improvements to IFRSs that are effective for annual periods beginning on or after January 01, 2016 are as follows:

Annual Improvements to IFRSs (2012 – 2014) Cycle:

IFRS 5	Non-current Assets Held for Sale and Discontinued Operations
IFRS 7	Financial Instruments: Disclosures
IAS 19	Employee Benefits
IAS 34	Interim Financial Reporting

3.3 Standards or interpretations not yet effective

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

IFRS 1	First Time Adoption of International Financial Reporting Standards
IFRS 9	Financial Instruments
IFRS 14	Regulatory Deferral Accounts
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases

The effects of IFRS 15 - Revenues from Contracts with Customers and IFRS 9 - Financial Instruments are still being assessed, as these new standards may have a significant effect on the Company's future financial statements.

The Company expects that the adoption of the other amendments and interpretations of the standards will not have any material impact and therefore will not affect the Company's financial statements in the period of initial application.

4 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Property, plant and equipment

a) Owned assets

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for freehold land which is carried at revalued amount and capital work-in-progress which is stated at cost. Cost comprises of actual cost including, interest expense and trial run operational results.

Depreciation is charged on all fixed assets by applying the reducing balance method at the rates specified in note 5. The rates are determined to allocate the cost of an asset less estimated residual value, if not insignificant, over its useful life.

Depreciation on assets is charged from the month of addition while no depreciation is charged for the month in which assets are disposed off.

Maintenance and normal repairs are charged to income as and when incurred while cost of major replacements and improvements, if any, are capitalized.

Gains and losses on disposal and retirement of an asset are included in the profit and loss account.

b) Leased assets

Leases of property, plant and equipment where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Assets subject to finance lease are stated at the lower of present value of minimum lease payments under the lease agreement and the fair value of the assets acquired on lease. Outstanding obligations under the lease less finance charges allocated to future periods are shown as liability. Finance costs under lease agreements are allocated to the period during the lease term so as to produce a constant periodic rate of financial cost on the remaining balance of principal liability for each period.

Assets acquired under a finance lease are depreciated over the useful life of the asset on reducing balance method at the rates given in note 5. Depreciation on leased assets is charged to the profit and loss account.

Depreciation on additions to leased assets is charged from the month in which an asset is acquired while no depreciation is charged for the month in which asset is disposed off.

c) Capital work in progress

Capital work-in-progress are stated at cost and consists of expenditure incurred, advances made and other costs directly attributable to operating fixed assets in the course of their construction and installation. Cost also includes applicable borrowing costs. Transfers are made to relevant operating fixed assets category as and when assets are available for use intended by the management.

4.2 Intangible assets

Costs that are directly associated with identifiable software products controlled by the Company and have probable economic benefits beyond one year are recognized as intangible assets. These are stated at cost less accumulated amortization and impairment losses, if any. Amortization is provided on a straight line basis over the asset's estimated useful lives.

4.3 Goodwill

On acquisition of an entity, excess of the purchase consideration over the fair value of the identifiable assets and liabilities acquired is initially recognized as goodwill and thereafter tested for impairment annually. Subsequent to initial recognition goodwill is recognized at cost less impairment if any.

4.4 Investment property

Investment property is property which is held either to earn rental income or for capital appreciation or for both. Investment property is initially recognized at cost, being the fair value of the consideration given. Subsequent to initial recognition investment property is carried at fair value. The fair value is determined annually by an independent approved valuer. The fair values are based on market value being the estimated amount for which a property could be exchanged on the date of valuation between knowledgeable and willing buyer and seller in an arms length transaction.

Any gain or loss arising from a change in fair value is recognized in the income statement.

Rental income from investment property is accounted for as described in note 4.23.

When an item of property, plant and equipment is transferred to investment property following a change in its use, differences arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognized in surplus on revaluation of property, plant and equipment, if it is a gain. Upon disposal of the item the related surplus on revaluation of property, plant and equipment is transferred to retained earnings. Any loss arising in this manner is recognized immediately in the income statement.

For a transfer from inventories to investment property that will be carried at fair value any difference between the fair value of the property at that date and its previous carrying amount shall be recognized in the income statement.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes.

4.5 Investment in associates

Investment in associates where the Company holds 20% or more of the voting power of the investee companies and where significant influence can be established are accounted for using the equity method. Investment in associates other than those described as above are classified as "available for sale".

In case of investments accounted for under the equity method, the method is applied from the date when significant influence is established until the date when that significant influence ceases.

4.6 Investments in subsidiary

Investment in unquoted subsidiary is initially valued at cost. At subsequent reporting dates, the Company reviews the carrying amount of the investment to assess whether there is any indication that such investments have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

4.7 Stores, spares and loose tools

These are valued at lower of moving average cost and net realizable value less impairment, if any, except for items in transit, which are valued at cost comprising of invoice value plus other charges paid thereon till the balance sheet date. The Company reviews the carrying amount of stores and spares on a regular basis and provision is made for obsolescence if there is any change in usage pattern and physical form of related stores, spares and loose tools. For items which are slow moving and / or identified as surplus to the company's requirements, adequate provision is made for any excess book value over estimated realisable value.

4.8 Stock-in-trade

These are valued at lower of cost and net realizable value. Cost is determined as follows:

Raw and packing materials	- Weighted average cost
Raw and packing materials in transit	- Invoice value plus other expenses incurred thereon
Work in process	- Cost of material as above plus proportionate production overheads
Finished goods	- Average cost of manufacture which includes proportionate production overheads including duties and taxes paid thereon, if any.

Adequate provision is made for slow moving and obsolete items.

Net realizable value represents the estimated selling prices in the ordinary course of business less expenses incidental to make the sale.

4.9 Trade debts and other receivables

Trade debts and other receivables are carried at original invoice amount being the fair value of amount to be received, less an estimate made for doubtful receivables based on review of outstanding amounts at the year end, if any. An estimate is made for doubtful receivables when collection of the amount is no longer probable. Debts considered irrecoverable are written off.

4.10 Taxation

a) Current

The charge for current year is higher of the amount computed on taxable income at the current rates of taxation after taking into account tax credits and rebates, if any, and minimum tax computed at the prescribed rate on turnover. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

b) Deferred

Deferred tax is provided using the liability method for all temporary differences at the balance sheet date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In this regard, the effects on deferred taxation of the portion of income subject to final tax regime is also considered in accordance with the requirement of Technical Release - 27 of the Institute of Chartered Accountants of Pakistan.

Deferred tax asset is recognised for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the assets are realised or the liabilities are settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is charged or credited to the profit and loss account, except in case of items charged or credited directly to equity in which case it is included in the statement of comprehensive income.

4.11 Borrowings

Loans and borrowings are recorded at the proceeds received. Finance cost are accounted for on accrual basis and are shown as interest and markup accrued to the extent of the amount remaining unpaid.

Short term borrowings are classified as current liabilities unless the Company has unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

Borrowing cost on long term finances and short term borrowings which are obtained for the acquisition of qualifying assets are capitalized as part of cost of that asset. All other borrowing costs are charged to profit and loss account in the period in which these are incurred. Borrowing cost also includes exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost as allowed under IAS 23 "Borrowing cost".



4.12 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

4.13 Provisions

Provisions are recognized when the Company has a present, legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

4.14 Leases

Finance lease

Leases that transfer substantially all the risks and rewards incidental to ownership of an asset is classified as finance lease. Assets on finance lease are capitalised at the commencement of the lease term at the lower of the fair value of leased assets and the present value of minimum lease payments. Finance costs under lease arrangements are allocated to the periods during the lease term so as to produce a constant periodic rate of finance cost on the remaining balance of principal liability for each period.

Operating lease / Ijarah

Operating lease / ijarah in which a significant portion of the risks and rewards of ownership are retained by the lessor / Muj'ir (lessor) are classified as operating leases/Ijarah. Payments made during the period are charged to profit and loss on a straight-line basis over the period of the lease / Ijarah.

The SECP has issued directive (vide SRO 431(I)/2007 dated May 22, 2007) that Islamic Financial Accounting Standard 2 (IFAS-2) shall be followed in preparation of the financial statements by companies while accounting for Ijarah (Lease) transactions as defined by said Standard. The Company has adopted the above said standard.

4.15 Cash and bank balances

Cash in hand and at banks are carried at nominal amount.

4.16 Cash and cash equivalents

For the purposes of cash flow statement, cash and cash equivalents consist of cash in hand and balances with banks net of borrowings not considered as being in the nature of financing activities.

4.17 Dividend and appropriation to reserve

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are approved.

4.18 Impairment

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying value exceeds recoverable amount, assets are written down to the recoverable amount.

4.19 Financial instruments

All the financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Any gains or losses on de-recognition of the financial assets and financial liabilities are taken to profit and loss account currently.

4.19.1 Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held to maturity and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. All the financial assets of the Company are carried as loans and receivables.

These are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement.

Investments at fair value through profit or loss

A non-derivative financial asset is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Investments are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction costs are recognised in profit and loss when incurred.

Investments at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit and loss account.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are included in current assets, except for maturities greater than 12 months after the balance sheet date, which are classified as non-current assets. The Company's loans and receivables comprise 'trade debts', 'loans and deposits', 'other receivables' and 'cash and cash equivalents' in the balance sheet.

Subsequent to initial recognition, the financial assets classified as loans and receivables are carried at amortized cost using the effective interest method.

Held to maturity

Held to maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturity with a positive intention to hold to maturity.

Subsequent to initial recognition, these financial assets are carried at amortized cost. Amortization of premium / discount, if any, on the acquisition of investments is carried out using the effective yield method.

Available for sale

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. These are included in non-current assets unless the investment matures or management intends to dispose of the financial assets within twelve months of the balance sheet date.

Subsequent to initial recognition, these financial assets are measured at fair value. Gains or losses on available-for-sale investments are recognized directly in equity through other

comprehensive income until the investment is sold, derecognized or is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in income.

4.19.2 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently carried at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respect of carrying amounts is recognised in the profit and loss account.

4.20 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.21 Foreign currency transactions and translation

Transactions in foreign currencies are translated into Pak Rupees at the rates of exchange approximating those prevailing on the date of transactions or at the contract rate. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange approximating those prevailing at the balance sheet date or at the contract rate. Exchange gains and losses are included in profit and loss account currently.

4.22 Employee benefits

The Company's employees benefits comprise of provident fund, gratuity scheme and compensated absences for eligible employees.

4.22.1 Staff retirement benefits

a) Defined benefit plan (Gratuity Fund)

The Company operates an un-funded gratuity scheme for all its permanent employees who have attained retirement age, died or resigned during service period and have served for the minimum qualification period. Provision is based on the actuarial valuation of the scheme carried out as at June 30, 2016 using the Projected Unit Credit Method in accordance with IAS-19 "Employee Benefits" and resulting vested portion of past service cost has been charged to income in the current year. The remeasurement gains / losses as per actuarial valuation done at financial year end are recognized immediately in other comprehensive income and all other expenses are recognized in accordance with IAS 19 "Employee Benefits" in the profit and loss account.

b) Defined contribution plan (Provident Fund)

A recognized provident fund scheme is in operation, which covers all permanent employees, who had not opted Voluntarily Separation Scheme / Golden Hand Shake Scheme announced at the time of privatization of the Company in 1995. The Company and the employees make equal contributions to the fund.

4.22.2 Compensated absences

The Company accounts for these benefits in the period in which the absences are earned.

4.23 Revenue recognition

Revenue comprises of the fair value of the consideration received or receivable from the sale of goods and services in the ordinary course of the Company's activities. Revenue from sale of goods is shown net of sales tax and sales discounts, if any.

Revenue is recognized when it is probable that the economic benefits associated with the transactions will flow to the Company and the amount of revenue can be measured reliably. The revenue arising from different activities of the Company is recognized on the following basis:

- Sale of goods are recorded when the risks and rewards are transferred, that is, on dispatch of goods to customers.
- Rental income is recognized on accrual basis.
- Return on deposit is accrued on time proportion basis by reference to the principle outstanding and the applicable rate of return.
- Dividend on equity investments is recognized as income when the right to receive payment is established.

4.24 Related party transactions

Transactions with related parties are based on the policy that all transactions between the Company and the related parties are carried out at arm's length. The prices are determined in accordance with the methods prescribed in the Companies Ordinance, 1984.

4.25 Borrowing costs

Interest and commitment charges on long term loans are capitalized for the period up to the date of commencement of commercial production of the respective plant and machinery acquired out of the proceeds of such loans. All other interest and charges are treated as expenses during the year.

4.26 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' results are reviewed regularly by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The Company has only one reportable segment.

5 OPERATING FIXED ASSETS

The following is the statement of property, plant and equipment:

Description	(Rupees in thousand)										Leased Vehicle	Grand total
	Freehold land	Buildings on freehold land	Railway sidings	Plant and machinery	Other equipments	Furniture and fixtures	Office and other equipments	Vehicles	Total			
Net carrying value basis year ended June 30, 2016												
Opening net book value (NBV)	851,566	164,254	2,443	2,661,802	25,830	3,843	16,276	29,812	3,755,826	353	3,756,179	
Additions (at cost)	-	21	-	170,847	11,316	680	2,688	4,726	190,278	-	190,278	
Disposals (NBV)	-	-	-	(102)	-	-	-	(1,272)	(1,374)	(342)	(1,716)	
Depreciation charge	-	(16,426)	(244)	(274,902)	(4,860)	(424)	(3,550)	(6,422)	(306,828)	(11)	(306,839)	
Closing net book value	851,566	147,849	2,199	2,557,645	32,286	4,099	15,414	26,844	3,637,902	-	3,637,902	
Gross carrying value basis year ended June 30, 2016												
Cost	851,566	273,294	7,273	4,721,252	101,669	9,446	54,501	60,572	6,079,573	-	6,079,573	
Accumulated depreciation	-	(125,445)	(5,074)	(2,163,607)	(69,383)	(5,347)	(39,087)	(33,728)	(2,441,671)	-	(2,441,671)	
Net book value	851,566	147,849	2,199	2,557,645	32,286	4,099	15,414	26,844	3,637,902	-	3,637,902	
Net carrying value basis year ended June 30, 2015												
Opening net book value (NBV)	802,037	71,912	2,714	1,539,423	20,040	4,139	19,765	24,822	2,484,852	-	2,484,852	
Additions (at cost)	-	100,505	-	1,289,565	9,742	127	729	13,633	1,414,301	372	1,414,673	
Revaluation	49,529	-	-	-	-	-	-	-	49,529	-	49,529	
Disposals (NBV)	-	-	-	-	-	-	-	(2,777)	(2,777)	-	(2,777)	
Depreciation charge	-	(8,163)	(271)	(167,186)	(3,952)	(423)	(4,218)	(5,866)	(190,079)	(19)	(190,098)	
Closing net book value	851,566	164,254	2,443	2,661,802	25,830	3,843	16,276	29,812	3,755,826	353	3,756,179	
Gross carrying value basis year ended June 30, 2015												
Cost	851,566	273,273	7,273	4,550,645	90,353	8,766	51,813	62,537	5,896,226	372	5,896,598	
Accumulated depreciation	-	(109,019)	(4,830)	(1,888,843)	(64,523)	(4,923)	(35,537)	(32,725)	(2,140,400)	(19)	(2,140,419)	
Net book value	851,566	164,254	2,443	2,661,802	25,830	3,843	16,276	29,812	3,755,826	353	3,756,179	
Depreciation rate % per annum	-	10	10	10	15	10	15 to 30	20	20	20	20	

5.1 Free hold land was revalued by independent valuers M/s. Harvestor Services (Private) Limited as at May 25, 2006, M/s. Dimen Associates (Private) Limited as at June 30, 2009, M/s. Engineering Pakistan Int'l (Private) Limited as at June 30, 2012 and M/s. Unicorn International Surveyors as at June 30, 2015 on the basis of market value. The revaluation resulted in surplus aggregating to Rs. 794,848 million (2015: Rs. 794,848 million). Had there been no revaluation on that date, the book value of operating fixed assets would have been lower by Rs. 794,848 million (2015: Rs. 794,848 million). Had there been no revaluation, the net book value of the free hold land would have been Rs. 56,718 million (2015: Rs. 56,718 million).

	Note	2016 Rupees in thousand	2015
5.2 The depreciation charge for the year has been allocated as follows:			
Cost of sales	31	300,213	183,817
Selling and distribution expenses	32	1,321	1,240
General and administrative expenses	33	5,305	5,041
		306,839	190,098

5.3 The following operating fixed assets were disposed off during the year:

Description	Cost	Accumulated depreciation	Net Book value	Sale proceeds	Mode of disposal	Particulars of buyers
(Rupees in thousand)						
Dual fuel boiler	240	138	102	1,261	Negotiated	Amir Ali Trading Company (Private) Limited
Suzuki Alto ASK-473	664	495	169	550	Negotiated	Mr. Jawaid
Suzuki Alto LWG-8261	512	452	60	375	Insurance Claim	EFU General Insurance Limited
Honda City LEA-1763	1,038	718	320	565	Negotiated	Akhtar Muneer
Honda City LWG-4342	941	837	104	720	Negotiated	Malik Ameer Zaman
Suzuki Bolan LED-15-9116	724	95	629	570	Insurance Claim	EFU General Insurance Limited
Honda Accord AKQ-443	2,244	2,007	237	900	Negotiated	Zia-ul-Rehman
Honda City LWE-06-7065	941	846	95	630	Insurance Claim	EFU General Insurance Limited
Total - 2016	7,304	5,588	1,716	5,571		
Total - 2015	6,617	3,840	2,777	4,591		

5.4 Fair value measurement (revalued property, plant and equipment)

5.4.1 Fair value measurement of free hold land is based on the valuations carried out by an independent valuer M/s. Unicorn International Surveyors as at June 30, 2015 on the basis of market value.

5.4.2 Fair value measurement of revalued land is based on assumptions considered to be level 2 inputs.

5.5 Valuation techniques used to derive level 2 fair values - Land

Fair value of land has been derived using a sales comparison approach. Sale prices of comparable land in close proximity are adjusted for differences in key attributes such as location and size of the property. The most significant input in this valuation approach is price / rate per canal in particular locality. This valuation is considered to be level 2 in fair value hierarchy due to significant observable inputs used in the valuation.



	Note	2016 Rupees in thousand	2015
6 CAPITAL WORK IN PROGRESS			
This comprises of:			
Plant and machinery		425,966	21,606

6.1 Movement of carrying amount

	Note	Building (Rupees in thousands)	Plant and machinery	Total
Year ended June 30, 2016				
Opening balance		-	21,606	21,606
Additions (at cost)	6.2	-	554,098	554,098
Transferred to operating fixed assets		-	(149,738)	(149,738)
Closing balance		-	425,966	425,966
Year ended June 30, 2015				
Opening balance		2,255	369,621	371,876
Additions (at cost)	6.2	98,250	937,498	1,035,748
Transferred to operating fixed assets		(100,505)	(1,285,513)	(1,386,018)
Closing balance		-	21,606	21,606

6.2 Borrowing cost capitalised during the year amounted to Rs. 0.876 million (2015: Rs. 89.257 million) at an average rate of 7.59% (2015: 10.57%) per annum.

	Note	2016 Rupees in thousand	2015
7 INTANGIBLE ASSETS			
Computer software and licences	7.1	-	6,343
Goodwill	7.2	6,445	6,445
		6,445	12,788

7.1 Computer software and licences

Net carrying value as at 1 July				
Opening balance as on July 01,		6,343	10,459	
Amortization charge	33	(6,343)	(4,116)	
Net book value as at June 30,		-	6,343	
Gross carrying value as at 30 June				
Cost		22,542	22,542	
Accumulated amortization		(22,542)	(16,199)	
Net book value		-	6,343	
Amortization % per annum				
		33.33%	33.33%	
The amortization charge for the year has been allocated as follows:				
Administrative expenses	33	6,343	4,116	

7.2 Goodwill

This represents excess of the amount paid over fair value of net assets of subsidiary company (now merged with and into the Company) on its acquisition. The recoverable amount of goodwill was tested for impairment by allocating the amount of goodwill to respective assets on which it arose, based on value in use in accordance with IAS-36. The value in use calculations are based on cash flow projections. These are then extrapolated for a period of 5 years using a steady long term expected demand growth of 5 % p.a. and terminal value determined based on long term earning multiples. The cash flows are discounted using applicable discount rate. Based on this calculation no impairment is required to be accounted for against the carrying amount of goodwill.

	Note	2016 Rupees in thousand	2015
8 INVESTMENT PROPERTY			
Free hold land	8.1	104,400	87,000
8.1 The movement in this account is as follows:			
Opening balance		87,000	82,800
Fair value gain on revaluation shown in "income statement"	8.2	17,400	4,200
		104,400	87,000

8.2 Fair value measurement (Investment property)

This comprises commercial property that is freehold land held for capital appreciation. The carrying value of investment property is the fair value of the property as at June 30, 2016 as determined by approved independent valuer M/s Unicorn International Services. Fair value is determined having regard to recent market transactions for similar properties in the same location and condition.

Fair value measurement of investment property is based on assumptions considered to be based on level 2 inputs.

Valuation techniques used to derive level 2 fair values - Land

Fair value of land has been derived using a sales comparison approach. Sale prices of comparable land in close proximity are adjusted for differences in key attributes such as location and size of the property. The most significant input in this valuation approach is price / rate per canal in particular locality. This valuation is considered to be level 2 in fair value hierarchy due to significant observable inputs used in the valuation.

9 LONG TERM INVESTMENTS

Investment in related party - unquoted			
Chemi Visco Fiber Limited			
5,625,000 (2015: 5,625,000) fully paid ordinary shares		56,250	56,250
Less: Provision for diminution in value of investment	9.1	(56,250)	(56,250)
Relevant information:			
Percentage of investment in equity held 7.91% (2015: 7.91%) (Chief Executive : Mr. Abdul Hai Khatri)		-	-



9.1 This provision was made in earlier years as a matter of prudence since the project of the investee company is not operating and there is significant uncertainty regarding future earnings and related cash flows. Further, the financial statements of the entity indicate that the fair value of the net assets is negative.

	Note	2016 Rupees in thousand	2015
10 LONG TERM DEPOSITS			
Long term deposit	10.1	34,182	36,557

10.1 These deposits do not carry any interest or markup and are not recoverable within one year.

11 STORES, SPARES AND LOOSE TOOLS

Stores			
in hand	11.1	148,801	143,096
in transit		354	2,014
		149,155	145,110
Spares:			
in hand	11.1	363,892	326,204
in transit		15,475	5,836
		379,367	332,040
		528,522	477,150
Less: Provision for obsolete stores and spares		8,774	8,774
		519,748	468,376

11.1 Stores and spares also include items which may result in capital expenditure but are not distinguishable at the time of purchase.

11.2 Movement of provision for obsolete stores and spares

Opening balance		8,774	8,774
Addition during the year		-	-
Reversal during the year		-	-
		8,774	8,774

12 STOCK IN TRADE

Raw materials:			
in hand	31	102,976	59,842
in transit		13,357	1,853
		116,333	61,695
Packing materials		15,787	12,662
Work in process	31	21,107	25,666
Finished goods	12.1 & 31	323,412	71,417
		476,639	171,440

12.1 These include provision for write down of finished goods inventory to net realisable value amounting to Rs. 22.891 million (2015: Rs. 0.876 million).

	Note	2016 Rupees in thousand	2015
13 TRADE DEBTS			
Secured			
Considered good		31,673	87,650
Unsecured			
Considered good		469,128	373,939
Considered doubtful		53,197	44,323
		522,325	418,262
		553,998	505,912
Less: Provision for doubtful debts	13.1	53,197	44,323
		500,801	461,589
13.1 Movement of provision for doubtful debts is as follows:			
Opening balance		44,323	26,468
Adjustment on account of:			
Doubtful debts written off		(4,950)	(715)
Recovery of doubtful debts		(1,658)	(633)
Provision made for doubtful debts		15,482	19,203
Net adjustment		8,874	17,855
Closing balance		53,197	44,323
14 LOANS AND ADVANCES			
Advances - (considered good)			
Against purchase of land		1,639	1,639
To employees		16,273	14,761
For supplies and services		151,672	64,089
Against import		175	146
	14.1	169,759	80,635
14.1 These advances do not carry any mark-up or interest.			
15 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Trade deposits - (Considered good)	15.1	6,472	5,536
Prepayments		5,670	2,230
		12,142	7,766
15.1 These deposits do not carry any mark-up or interest.			
16 TAX REFUNDS DUE FROM GOVERNMENT			
(Considered good)			
Income tax		77,477	13,074
Sales tax		2,961	30,022
		80,438	43,096
17 TAXATION - NET			
Advance income tax		154,109	85,361
Less: Provision for taxation		-	481
		154,109	84,880



	Note	2016 Rupees in thousand	2015
18 CASH AND BANK BALANCES			
Cash in hand		455	414
Cheques in hand		115,475	112,052
Cash at banks			
Current accounts	18.1	10,475	6,924
		<u>126,405</u>	<u>119,390</u>

18.1 Cash with bank in current accounts do not carry any interest or markup.

19 SHARE CAPITAL

19.1 Authorized share capital

	2016	2015		2016	2015
Number of ordinary shares of Rs. 10/- each					
	75,000,000	75,000,000	Ordinary shares of Rs. 10/- each	750,000	750,000
	25,000,000	25,000,000	Preference shares of Rs. 10/- each	250,000	250,000
	<u>100,000,000</u>	<u>100,000,000</u>		<u>1,000,000</u>	<u>1,000,000</u>

19.2 Issued, subscribed and paid up capital

	2016	2015		2016	2015
Number of ordinary shares of Rs. 10/- each					
	15,100,000	100,000	Fully paid in cash	151,000	1,000
	24,900,000	24,900,000	Issued for consideration other than cash	249,000	249,000
	25,000,000	25,000,000	Fully paid bonus shares	250,000	250,000
	<u>65,000,000</u>	<u>50,000,000</u>		<u>650,000</u>	<u>500,000</u>

19.2.1 During the year the Board of Directors of the Company has issued 15,000,000 ordinary right shares at Rs. 20/- (including premium of Rs. 10/- per share) to existing shareholders i.e. in proportion of 30 right shares for every 100 ordinary shares held.

20 SURPLUS ON REVALUATION OF FIXED ASSETS

Opening balance		794,848	760,819
Revaluation surplus arising during the year	20.1	-	34,029
		<u>794,848</u>	<u>794,848</u>

20.1 This amount represents surplus arising on the revaluation of freehold land carried out on June 30, 2015 by an independent valuer M/s. Unicorn International Services on the basis of market value.

	Note	2016 Rupees in thousand	2015
21 LONG TERM FINANCING			
Secured:			
Banking Companies			
The Bank of Punjab	21.1	269,150	185,992
NIB Bank Limited	21.2	353,212	-
		622,362	185,992
Other Financial Institutions			
Pak Brunei Investment Company Limited		-	6,250
Saudi Pak Industrial & Agricultural Investment Company Limited		-	11,111
Pak Kuwait Investment Company (Private) Limited	21.3	65,000	91,000
Pak Libya Holding Company (Private) Limited	21.4	171,429	200,000
Pak Brunei Investment Company Limited	21.5	85,714	100,000
		322,143	408,361
Unsecured:			
Ittehad developers - related party		-	660
Others		-	4,150
		-	4,810
		944,505	599,163
Less: Current portion shown under current liabilities	28	186,714	208,885
		757,791	390,278

- 21.1 This finance is secured against first pari passu charge over fixed assets of the Company and carries mark up at six months average KIBOR plus 175 bps to be recovered on quarterly basis. The loan was disbursed in different tranches starting from October 2014 and is repayable in sixteen quarterly equal instalments after one year grace period starting from the first drawdown.
- 21.2 This finance is secured against first pari passu charge over fixed assets of the Company and carries mark up at three months average KIBOR plus 150 bps to be recovered on quarterly basis. The loan was disbursed in different tranches starting from June 2016 and is repayable in twelve quarterly equal instalments after one year grace period starting from the first drawdown.
- 21.3 This finance is secured against first pari passu charge on all present and future fixed assets of the Company with 25% margin and carries mark up at six months KIBOR plus 2.5% per annum. This loan was disbursed in October 2013 and is repayable in eighteen quarterly equal instalments commencing from January 2014 with a principal grace period of six months.
- 21.4 This finance is secured against first pari passu charge by way of hypothecation on all present and future moveable and immovable fixed assets (other than land & building) of the Company with 25% margin and carries mark up at six months average KIBOR plus 2.5% per annum. This loan was disbursed in March 2014 and November 2014. The loan is repayable in seven semi annual equal instalments commencing from 24th month from the date of first disbursement with a principal grace period of one and half year.

- 21.5 This finance is secured against hypothecation / mortgage charge over all present and future fixed assets of the Company with 25% margin and carries mark up at six months average KIBOR plus 150 bps. The loan was disbursed in January 2015 and is repayable in seven equal semi-annual instalments commencing from January 2016.

2016 2015
Note _____ Rupees in thousand _____

22 LONG TERM DIMINISHING MUSHARAKA

		2016	2015
Secured			
Banking Companies			
Al-Baraka Bank (Pakistan) Limited	22.1	155,210	206,282
Burj Bank Limited	22.1	209,390	278,290
Dubai Islamic Bank (Pakistan) Limited	22.2	100,000	-
		<u>464,600</u>	<u>484,572</u>
Less: Current portion shown under current liabilities	28	141,367	123,697
		<u>323,233</u>	<u>360,875</u>

- 22.1** These finances have been obtained from Islamic financial institutions and are secured against first exclusive charge over imported Plant and Machinery and first pari passu charge over present and future fixed assets of the Company under an arrangement permissible under Shariah and carries mark up at six months average KIBOR plus 2.50% per annum. These finances were disbursed from June, 2014 to February, 2015 in different tranches and are repayable in eight semi annual equal instalments commencing from 18th months from the first drawdown date inclusive of initial one year grace period for principal payment.

- 22.2** This finance has been obtained from an Islamic financial institution and is secured against first pari passu charge on all present and future fixed assets of the Company under an arrangement permissible under Shariah with 25% margin and carries mark up at six months average KIBOR plus 1.5% per annum. This loan was disbursed in February 2016 and is repayable in five semi annual equal instalments commencing from February 2017.

23 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

Secured			
Balance as on July 01		339	-
Addition during the year		-	372
		<u>339</u>	<u>372</u>
Payments / adjustments during the year		(339)	(33)
Current portion shown under current liabilities		-	(143)
		<u>(339)</u>	<u>(176)</u>
		-	<u>196</u>

24 DEFERRED LIABILITIES

Deferred taxation	24.1	189,468	131,921
Provision for gratuity	24.2	73,287	49,861
		<u>262,755</u>	<u>181,782</u>

	2016	2015
	Rupees in thousand	
24.1 Deferred taxation		
Deferred tax liability comprises as follows:		
Taxable temporary differences	401,951	412,647
Tax depreciation allowances		
Deductible temporary differences		
Provision for gratuity	(20,946)	(14,418)
Provision for doubtful debts	(15,959)	(14,183)
Tax losses	(34,175)	(123,168)
Tax credits	(141,403)	(128,957)
	189,468	131,921

24.2 Provision for gratuity

a. General description

The scheme provides for terminal benefits for all its permanent employees who qualify for the scheme. The defined benefit payable to each employee at the end of his service comprises of total number of years of his service multiplied by last drawn basic salary including cost of living allowance.

Annual charge is based on actuarial valuation carried out by an independent approved valuer M/S Nauman Associates as at June 30, 2016 using the Projected Unit Credit method.

The Company faces the following risks on account of gratuity:

Final salary risk - The risk that the final salary at the time of cessation of service is greater than what the Company has assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macro-economic factors), the benefit amount would also increase proportionately.

Discount rate fluctuation - The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plans' bond holdings.

Demographic Risks:

Mortality Risk - The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

Withdrawal Risk - The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

b. Significant actuarial assumptions

Following are significant actuarial assumptions used in the valuation:

Discount rate	9.00% per annum
Expected rate of increase in salary	8.00% per annum



	2016	2015
	Rupees in thousand	
c. Reconciliation of payable to defined benefit plan		
Present value of obligation	73,287	49,861
Liability recognized in balance sheet	<u>73,287</u>	<u>49,861</u>
d. Movement of liability recognized in the balance sheet		
Present value of obligation at the start of the year	49,861	43,029
Current service cost	11,728	8,453
Interest cost	4,464	4,429
Benefits due but not paid	-	(79)
Actuarial loss / (gain) on obligation	15,391	(4,358)
Contribution paid to outgoing employees	(8,157)	(1,613)
Closing net liability	<u>73,287</u>	<u>49,861</u>
e. Charge for the year		
Current service cost	11,728	8,453
Interest cost	4,464	4,429
Charge for the year	<u>16,192</u>	<u>12,882</u>
f.	As per actuarial estimates, the charge in respect of defined benefit plan for the year ending June 30, 2017 would be Rs. 18.780 million.	
g. Sensitivity analysis		
The impact of 1% change in following variables on defined benefit obligation is as follows:		
	Increase in assumption	Decrease in assumption
Discount rate	66,775	80,875
Salary increase	80,963	66,584
h.	The average duration of the defined benefit obligation is 10 years.	

	Note	2016 Rupees in thousand	2015
25 TRADE AND OTHER PAYABLES			
Trade creditors		89,298	177,176
Accrued liabilities	25.1 & 25.2	668,755	576,012
Advances from customers		46,491	41,724
Retention money		3,983	5,521
Income tax deducted at source		7	-
Workers' Profit Participation Fund	25.3	11,739	866
Other liabilities		732	292
		<u>821,005</u>	<u>801,591</u>

25.1 These include a balance due to Chemi Multifabrics Limited, other related party, amounting to Rs. 0.038 million (2015: Rs. 11.017 million).

25.2 The Gas Infrastructure Development Cess (GIDC) Act, 2015 was promulgated on May 22, 2015 whereby cess rate of Rs. 100 per MMBTU and Rs. 200 per MMBTU were fixed for industrial and captive power consumption, respectively. The GIDC Act, 2015 was made applicable with immediate effect superseding the GIDC Act, 2011 and GIDC Ordinance, 2014.

The Company based on the advice of its legal expert, is of the view that as per GIDC Act, 2015, the unpaid portion of cess levied through GIDC Act 2011 and GIDC Ordinance 2014, shall not be collected. Therefore, the Company has reversed the provision of GIDC amounting to Rs. 101.446 million for the period prior to promulgation of GIDC Act, 2015.

Further, the Honourable Sindh High Court has granted the Company ad-interim stay order against the GIDC Act, 2015. This stay order has restrained Sui Northern Gas Pipelines Limited (SNGPL) from charging and / or recovering the cess under the GIDC Act, 2015 till the final decision on the writ petition. However, on prudence basis, the Company has recognized an aggregate provision of Rs. 346.031 million relating to industrial as well as captive power consumption. Adequate provision has been made in these financial statements to cover the liability.

25.3 Workers' profit participation fund

Balance as at July 01,		866	15,402
Less: Amount paid to fund		6	14,536
		<u>860</u>	<u>866</u>
Current year's allocation at 5%	34	10,879	-
		<u>11,739</u>	<u>866</u>

The Company retains the allocation of this fund for its business operations till the amounts are paid.



	Note	2016 Rupees in thousand	2015
26 MARK UP ACCRUED			
Secured			
Long term financing		14,300	17,145
Long term diminishing musharaka		5,213	15,445
Short term borrowings		8,154	15,486
		<u>27,667</u>	<u>48,076</u>
27 SHORT TERM BORROWINGS			
Secured			
Banking companies			
Running finances			
MCB Bank Limited	27.1	38,390	20,829
Askari Bank Limited	27.1	25,543	246,428
The Bank of Punjab	27.1	130,776	125,832
NIB Bank Limited	27.1	239,118	132,739
		<u>433,827</u>	<u>525,828</u>
Term finance			
Askari Bank Limited	27.2	150,000	-
Al-Baraka Bank (Pakistan) Limited	27.2	1,667	49,296
Dubai Islamic Bank (Pakistan) Limited	27.2	-	65,407
Bank Al-Falah Limited	27.2	249,992	158,711
Pak Brunei Investment Company Limited	27.2	100,000	-
Al-Baraka Bank (Pakistan) Limited	27.2	13,500	-
		<u>515,159</u>	<u>273,414</u>
Unsecured - Related party			
Jehlum Silk Mills		-	53,500
MM Textile Processing		-	10,000
		<u>948,986</u>	<u>862,742</u>

27.1 Short term running finance facilities from various banks aggregated to Rs. 790 million (2015: Rs. 790 million) and carries mark-up ranging from three months KIBOR plus 1.25% to 1.9% per annum (2015: three months KIBOR plus 1.25% to 1.9% per annum) on utilized limits. These facilities are secured against first pari passu charge over present and future current assets of the Company and hypothecation charge over stores, spares and stocks of chemicals.

27.2 Term finance facilities from various banks aggregated to Rs. 775 million (2015: Rs. 675 million) and carry mark-up ranging from matching KIBOR plus 1.00% to 1.25% per annum (2015: matching KIBOR plus 1.35% to 2.5% per annum) on utilized limits. These facilities are secured against first pari passu charge over present and future current assets of the Company.

	2016	2015
Note	Rupees in thousand	

28 CURRENT PORTION OF LONG TERM LIABILITIES

Long term financing	21	186,714	208,885
Long term diminishing musharaka	22	141,367	123,697
Liabilities against asset subject to finance lease	23	-	143
		328,081	332,725

29 CONTINGENCIES AND COMMITMENTS

29.1 Contingent liabilities

- a) The Company has received an order under section 161/205 of the Income Tax Ordinance, 2001 for tax year 2004 creating demand of Rs. 12.069 million (June 30, 2015: Rs. 12.069 million). The Company challenged it before Commissioner of Inland Revenue (Appeals) Zone-1 who decided the case in favour of the Company. The department had filed an appeal before Appellate Tribunal Inland Revenue. The Honourable ATIR (Appellate Tribunal Inland Revenue) remanded the case back to the Commissioner (Appeals) Zone-1 to pass a speaking order. The Company expects a favorable outcome of the proceedings. However, if the case is decided against the Company, it may result in tax payable of Rs. 12.069 million.
- b) The taxation authorities have amended the deemed assessment for the Tax Year 2010 by passing an order u/s 122(5A) of the Income Tax Ordinance, 2001 creating, thereby, income tax demand of Rs. 54.510 million. The Company has filed an appeal before Commissioner Inland Revenue (Appeals) against the impugned order. The appeal has been heard by the Commissioner Inland Revenue (Appeals) and the Appellate order is awaiting. The Company expects a favorable outcome of the proceedings. However, if the case is decided against the Company, it may result in maximum tax payable of Rs. 54.510 million.
- c) The taxation authorities have amended the deemed assessment for Tax Year 2006 by passing an order u/s 122(5A) of the Income Tax Ordinance, 2001. The Company challenged the same before Commissioner Inland Revenue (Appeals) who partially set aside and partially decided against the Company. The Company has filed an appeal before Appellate Tribunal Inland Revenue against the said order. The Company expects a favorable outcome of the proceedings. However, if the case is decided against the Company, it may result in tax payable of Rs. 18.737 million.
- d) Additional Commissioner has passed an order u/s 122(5A) of the Income Tax Ordinance, 2001 adding back tax credit u/s 65B of the Income Tax Ordinance, 2001 on Balancing, Modernization, and Replacement and tax credit on donations for Tax Year 2012. Tax amounting to Rs. 12.570 million has been assessed. The Company has challenged the case before Commissioner Inland Revenue (Appeals) who has decided

it against the Company. The Company has filed appeal before Appellate Tribunal Inland Revenue. The Company expects a favorable outcome of the proceedings. However, if the case is decided against the Company, it may result in tax payable of Rs. 12.570 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. 3.489 million (2015: Rs. 3.407 million) against these claims.
- f) Letters of guarantee outstanding as at June 30, 2016 were Rs. 237.198 million (2015: Rs. 226.613 million).

29.2 Commitments

Commitments as on June 30, 2016 were as follows:

- a) Against letters of credit amounting to Rs. 234.455 million (2015: Rs. 139.733 million).
- b) Against purchase of land amounting to Rs. 1.838 million (2015: Rs. 1.838 million).

	Note	2016 Rupees in thousand	2015
30 SALES			
Sales			
Manufacturing	30.1	5,324,567	4,674,917
Trading		62,679	39,119
		<u>5,387,246</u>	<u>4,714,036</u>
Less: Sales tax		757,158	624,608
Commission to selling agents		72,648	43,891
		<u>829,806</u>	<u>668,499</u>
		<u>4,557,440</u>	<u>4,045,537</u>

- 30.1** This amount includes export sales amounting to Rs. 231.181 million (2015: Rs. 424.152 million).

	Note	2016 Rupees in thousand	2015
31 COST OF SALES			
Raw materials consumed			
Opening stock		59,842	51,536
Purchases		641,635	391,393
		701,477	442,929
Closing stock	12	(102,976)	(59,842)
		598,501	383,087
Stores, spares and consumables		204,107	230,190
Packing materials consumed		41,572	34,544
Salaries, wages and other benefits	31.1	379,855	343,978
Fuel and power		2,358,662	2,207,689
Repair and maintenance		34,388	31,278
Rent, rates and taxes	31.2	15,214	35,649
Insurance		16,478	12,681
Depreciation	5.2	300,213	183,817
Vehicle running expenses		17,504	17,815
Telephone, telex and postage		688	803
Printing and stationery		186	158
Other expenses		3,434	1,876
		3,372,301	3,100,478
Work in process			
Opening		25,666	29,490
Closing	12	(21,107)	(25,666)
		4,559	3,824
Cost of goods manufactured		3,975,361	3,487,389
Cost of stores traded		43,148	26,925
Finished goods			
Opening		71,417	179,702
Closing	12	(323,412)	(71,417)
		(251,995)	108,285
		3,766,514	3,622,599

31.1 This amount includes Rs. 15.727 million (2015: Rs. 10.046 million) in respect of employees' retirement benefits.

31.2 This amount includes Rs. 14.398 million (2015: Rs. 34.900 million) in respect of operating lease rentals.



	Note	2016 Rupees in thousand	2015
32 SELLING AND DISTRIBUTION EXPENSES			
Salaries and other benefits	32.1	30,223	27,803
Travelling and conveyance		1,081	871
Vehicle running expenses		2,507	1,939
Advertisement		264	878
Telephone, telex and postage		1,294	1,071
Marketing service charges		21,920	18,162
Freight		190,142	186,717
Rent, rates and taxes		2,986	2,747
Printing and stationery		363	290
Fee and subscription		746	762
Fuel and power		2,005	2,192
Repair and maintenance		406	448
Insurance		745	624
Depreciation	5.2	1,321	1,240
		<u>256,003</u>	<u>245,744</u>

32.1 This amount includes Rs. 1.950 million (2015: Rs. 0.906 million) in respect of employees' retirement benefits.

33 GENERAL AND ADMINISTRATIVE EXPENSES			
Salaries and other benefits	33.1	90,856	83,605
Traveling and conveyance		12,127	10,729
Vehicle running expenses		5,950	5,725
Telephone, telex and postage		2,157	1,817
Rent, rates and taxes		7,003	6,037
Printing and stationery		558	652
Fee and subscription		2,188	2,499
Legal and professional charges		4,241	3,457
Fuel and power		3,519	3,755
Provision for doubtful debts		15,482	19,203
Repair and maintenance		4,068	3,093
Depreciation	5.2	5,305	5,041
Amortization of intangible assets	7.1	6,343	4,116
Bad debts written off		202	1,008
Donations	33.2	9,491	6,772
Other expenses		3,420	2,007
		<u>172,910</u>	<u>159,516</u>

33.1 This amount includes Rs. 3.228 million (2015: Rs. 2.751 million) in respect of employees' retirement benefits.

33.2 Donations

33.2.1 Interest of the Directors or their spouses in the donations made during the year is as follows:

Donation amounting to Rs. 1.800 million (2015: Rs. 1.800 million) paid to Kiran Ibtadai School. Ms. Sabina Khatri w/o Mr. Muhammad Siddique Khatri, Chairman of the Company is the patron of the school and Mr. Waqas Siddiq Khatri, an Executive Director of the Company, is also the member of the Board of Trustees.

33.2.2 Donations other than mentioned above were not made to any donee in which any director of the Company or his spouse had any interest at any time during the year.

	2016	2015
Note	_____ Rupees in thousand _____	
34 OTHER OPERATING EXPENSES		
Auditors' remuneration		
Audit fee	750	600
Half yearly review fee	175	175
Tax and certification charges	42	-
Out of pocket expenses	69	12
	1,036	787
Workers' Profit Participation Fund	25.3 10,879	-
	<u>11,915</u>	<u>787</u>
35 OTHER INCOME		
Income from financial assets		
Return on saving accounts	-	4
Gain on foreign exchange	35.1 2,235	4,520
	2,235	4,524
Income from non- financial assets		
Gain on sale of fixed assets	3,855	1,814
Sale of scrap	10,613	6,994
Liabilities no longer payable written back	3,485	-
Recovery of doubtful debts	1,658	546
	19,611	9,354
	<u>21,846</u>	<u>13,878</u>

35.1 Exchange gain is earned from actual currency translation.



	2016	2015
Note	Rupees in thousand	
36 FINANCIAL CHARGES		
Mark-up/interest on:		
Long term financing	53,232	20,579
Long term diminishing musharaka	44,228	-
Interest on lease finance	19	13
Short term borrowings	63,365	79,866
	160,844	100,458
Bank charges and commission	4,405	8,428
	165,249	108,886
37 TAXATION		
Current	-	4,638
Prior year	(5,223)	(1,428)
Deferred tax impact due to reversal of temporary differences	66,068	(153,018)
Deferred tax impact resulting from reduction in tax rate	(4,123)	(8,596)
	56,722	(158,404)

37.1 As the tax charge represent minimum tax under the income Tax Ordinance, 2001, numerical reconciliation between the average effective tax rate and the applicable tax rate is not prepared and presented.

37.2 The rate of tax has been changed by taxation authorities from 33% to 32% for the Tax Year 2016 and 31% for Tax Year 2017.

37.3 Finance Act, 2015 introduced a new section 5A to the Income Tax Ordinance, 2001 on the subject of tax on undistributed reserves from Tax Year 2015, according to which, tax at the rate of ten percent of undistributed profits on every public Company other than a scheduled bank or a Modaraba (deeming it to be taxable income), that derive profits in a tax year but does not distribute cash dividends within six months of the end of the said tax year or distributes dividends to such an extent that its reserves, after such distribution, are in excess of hundred percent of its paid up capital, so much of its reserves as exceed hundred percent of paid up capital shall be treated as income of the Company.

The foresaid provisions shall not apply to a Company which distributes profit equal to either forty percent of its after tax profits or fifty percent of its paid up capital, whichever is less, within six months of the end of the tax year.

The Company's undistributed reserves are in excess of hundred percent of the paid up capital and requisite dividend has not been distributed by the year end, therefore, the Company shall be obligated to tax if the Company has not distributed requisite dividend within the prescribed time frame. However, if the Company does not distribute the cash dividend within the prescribed time and period, the Company will face tax implications.

The Company intends to distribute cash dividend within the prescribed time limit.

38 ACCOUNTING ESTIMATES AND JUDGMENTS

The Company's main accounting policies affecting its result of operations and financial conditions are set out in note 4. Judgments and assumptions have been required by the management in applying the Company's accounting policies in many areas. Actual results may differ from estimates calculated using these judgments and assumptions. Key sources of estimation, uncertainty and critical accounting judgments are as follows:

a Income taxes

The Company takes into account relevant provisions of the current income tax laws while providing for current and deferred taxes as explained in note 4.10 to these financial statements.

b Defined benefit plan

Certain actuarial assumptions have been adopted by external professional valuer (as disclosed in note 24.2) for valuation of present value of defined benefit obligations. Any changes in these assumptions in future years might affect unrecognized gains and losses in those years.

c Property, plant and equipment

The estimates for revalued amounts, if any, of different classes of property, plant and equipment, are based on valuation performed by external professional valuers and recommendation of technical teams of the Company. Further, the Company reviews the value of the assets for possible impairment on an annual basis.

Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment. As explained in note 20 to these financial statements, the Company has revalued its free hold land as on June 30, 2015.

39 DEFINED CONTRIBUTION PLAN

The Company has contributory provident fund scheme for benefit of all its permanent employees, who had not opted Voluntarily Separation Scheme / Golden Hand Shake Scheme announced at the time of privatization of the Company in 1995, under the title of "Ittehad Chemicals Limited - Employees Contributory Provident Fund". The Fund is maintained by the Trustees and all decisions regarding investments and distribution of income etc. are made by the Trustees independent of the Company.

The Trustees have intimated that the size of the Fund at year end was Rs. 5.457 million (2015: Rs. 5.068 million).

The cost / fair value of the investments was Rs. 4.578 million at that date. The category wise break up of investment as per section 227 of the Companies Ordinance, 1984 is given below:

	Rupees in thousand	Percentage
Deposit in Scheduled banks	<u>4,578</u>	<u>100</u>

40 EARNINGS PER SHARE - BASIC AND DILUTED

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

	2016	2015 restated
Profit after taxation - (Rupees in thousand)	<u>167,373</u>	<u>84,487</u>
Weighted average number of ordinary shares - (in thousand)	<u>60,538</u>	<u>54,793</u>
Earnings per share - (Rupees)	<u>2.76</u>	<u>1.54</u>

Earnings per share for corresponding year has been restated on account of issue of right shares (note 19.2.1) as required by International Accounting Standard 33 "Earnings per share".

41 TRANSACTIONS WITH RELATED PARTIES INCLUDING ASSOCIATED UNDERTAKINGS

The related parties comprise of related group companies, local associated companies, staff retirement funds, directors and key management personnel. Transactions with related parties and remuneration and benefits to key management personnel under the terms of their employment are as follows:

		2016	2015
		_____ Rupees in thousand _____	
Transactions with related parties			
Relation with the Company	Nature of transaction		
Other related party	Marketing service charges	21,920	18,162
Other related party	Loan received	1,500	50,000
Associated company	Sale of goods	478	-
Staff retirement fund	Contribution to staff retirement	380	340
Directors and employees	Remuneration to directors and key management personnel	74,235	79,744

The balances with related parties have been disclosed in the relevant notes to the financial statements.

42 FINANCIAL INSTRUMENTS

Financial risk management

The Company has exposures to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

42.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if the counter party fail completely to perform as contracted and arise principally from trade debts, loans and advances, trade deposits, other receivables and bank balances. The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date is as follows:

	2016	2015
	_____ Rupees in thousand _____	
Long term deposits	34,182	36,557
Trade debts - net of provision	500,801	461,589
Loans and advances - net of provision	16,273	14,761
Trade deposits	6,472	5,536
Bank balances	125,950	118,976
	<u>683,678</u>	<u>637,419</u>

To manage exposure to credit risk in respect of trade receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Credit terms are approved by the approval committee. Where considered necessary, advance payments are obtained from certain parties. The management has set a maximum credit period of 30 days to reduce the credit risk.

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

The maximum exposure to credit risk for trade debts at the balance sheet date by geographic region is as follows:

	2016	2015
	<u>Rupees in thousand</u>	
Export	31,673	92,764
Domestic	469,128	368,825
	<u>500,801</u>	<u>461,589</u>

The maximum exposure to credit risk for trade debts at the balance sheet date by type of customer is as follows:

Dealers	127,027	133,855
End-user customers	373,774	327,734
	<u>500,801</u>	<u>461,589</u>

The aging of trade receivable at the reporting date is:

Not past due	289,056	242,713
Past due 1-30 days	110,220	90,121
Past due 30-150 days	67,249	71,314
Past due more than 150 days	34,276	57,441
	<u>500,801</u>	<u>461,589</u>

The Company's most significant customers, are dealers from whom the receivable was Rs. 127.027 million (2015: Rs. 133.855 million) and foreign debtors amounting to Rs. 31.673 million (2015: Rs. 92.764 million) of the total carrying amount as at June 30, 2016.

Based on the past experience, consideration of financial position, past track records and recoveries, the Company believes that no impairment allowance is necessary in respect of trade debtors past due as some receivables have been recovered subsequent to the year end and for other receivables there are reasonable ground to believe that the amounts will be recovered in short course of time.

On the prudence basis an amount of Rs. 15.482 million (2015: Rs. 19.203 million) has been charged, as provision for doubtful debts, to profit and loss account.

Company's bank balances can be assessed with reference to external credit ratings as follows:

	Rating Agency	Ratings	
		Short Term	Long Term
Al-Baraka Bank (Pakistan) Limited	PACRA	A1	A
Allied Bank Limited	PACRA	A1+	AA+
Askari Bank Limited	JCR-VIS	A-1+	AA
Bank Al-falah Limited	PACRA	A1+	AA
Burj Bank Limited	JCR-VIS	A-2	A-
Dubai Islamic Bank (Pakistan) Limited	JCR-VIS	A-1	A+
Faysal Bank Limited	PACRA	A1+	AA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
MCB Bank Limited	PACRA	A1+	AAA
National Bank of Pakistan	PACRA	A1+	AAA
NIB Bank Limited	PACRA	A1+	AA-
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA
The Bank of Punjab	PACRA	A1+	AA-
United Bank Limited	JCR-VIS	A-1+	AA+

42.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

	Carrying amount	Contractual cash flow	Six months or less	Six to twelve months	One to two years	Two to five years
(Rupees in thousand)						
2016						
Financial liabilities						
Long term financing	944,505	1,105,151	132,626	128,637	359,579	484,309
Long term diminishing musharaka	464,600	539,393	81,163	98,420	187,685	172,125
Trade and other payables	762,768	762,768	762,768	-	-	-
Mark-up accrued	27,667	27,667	27,667	-	-	-
Short term borrowing	948,986	966,743	958,239	-	-	-
	<u>3,148,526</u>	<u>3,401,722</u>	<u>1,962,463</u>	<u>227,057</u>	<u>547,264</u>	<u>656,434</u>
2015						
Financial liabilities						
Long term financing	599,163	756,468	62,887	115,320	206,210	372,051
Long term diminishing musharaka	484,572	630,325	95,142	91,139	170,274	273,770
Liabilities against assets subject to finance lease	339	397	92	92	213	-
Trade and other payables	759,001	759,001	759,001	-	-	-
Mark-up accrued	48,076	48,076	48,076	-	-	-
Short term borrowing	862,742	957,701	957,701	-	-	-
	<u>2,753,893</u>	<u>3,151,968</u>	<u>1,922,899</u>	<u>206,551</u>	<u>376,697</u>	<u>645,821</u>

42.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities, and liquidity in the market. The company is exposed to currency risk and interest rate risk only.

42.4 Currency risk

The Company is exposed to currency risk on trade debts, import of raw materials and stores and spares and export sales that are denominated in a currency other than the respective functional currency of the Company, primarily in U.S. dollar. The Company's exposure to foreign currency risk is as follows:

	2016	2015
	____ Rupees in thousand ____	
Trade debts	31,673	92,764
Gross balance sheet exposure	31,673	92,764
Outstanding letters of credit	29.2 (234,455)	(139,733)
Net exposure	<u>(202,782)</u>	<u>(46,969)</u>

The following significant exchange rates applied during the year:

	Average rate		Reporting date rate	
	2016	2015	2016	2015
USD to PKR	103.20	100.23	104.70	101.70

Sensitivity analysis

At reporting date, if the PKR had strengthened by 10% against the US dollar with all other variables held constant, post tax profit for the year would have been lower by the amount shown below.

Effect on profit or loss

Loss	<u>(3,167)</u>	<u>(9,276)</u>
------	----------------	----------------

The weakening of the PKR against US dollar would have had an equal but opposite impact on the post tax profits / loss.



42.5 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from long term loans and short term borrowings. These are benchmarked to variable rates which expose the Group to cash flow interest rate risk. At the balance sheet date the interest rate profile of the Group's interest-bearing financial instruments is as follows:

Financial liabilities	2016	2015
	Carrying amount Rupees in thousand	
Variable rate instruments:		
Long term loans	944,505	594,353
Long term diminishing musharaka	464,600	484,572
Liabilities against assets subject to finance lease	-	339
Short term borrowings	948,986	799,242
	<u>2,358,091</u>	<u>1,878,506</u>

Effective interest rates are mentioned in the respective notes to the financial statements.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have decreased / (increased) loss for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2015.

	Profit and loss	
	100 bp Increase	100 bp decrease
As at June 30, 2016		
Cash flow sensitivity - Variable rate financial liabilities	(23,581)	23,581
As at June 30, 2015		
Cash flow sensitivity - Variable rate financial liabilities	(18,785)	18,785

The sensitivity analysis prepared is not necessarily indicative of the effects on (loss) / profit for the year and assets / liabilities of the Company.

43 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

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

There were no financial instruments held by the Company which are measured at fair value as of June 30, 2016 and June 30, 2015.

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

	2016	2015
	Rupees in thousand	
44 FINANCIAL INSTRUMENTS BY CATEGORY		
Financial assets		
Loans and receivables at cost or amortised cost		
Long-term deposits	34,182	36,557
Trade debts - net of provisions	500,801	461,589
Loans and advances	16,273	14,761
Trade deposits	6,472	5,536
Cash and bank balances	126,405	119,390
	<u>684,133</u>	<u>637,833</u>
Financial liabilities		
Financial liabilities at amortised cost		
Long term financing	944,505	599,163
Long term diminishing musharaka	464,600	484,572
Liabilities against assets subject to finance lease	-	339
Trade and other payables	762,768	759,001
Mark-up accrued	27,667	48,076
Short-term borrowings	948,986	862,742
	<u>3,148,526</u>	<u>2,753,893</u>

45 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the year for remuneration, including all benefits, to the Chief Executive, Directors and Executives of the Company are as follows:

	Chief Executive		Directors		Executives	
	2016	2015	2016	2015	2016	2015
	(Rupees in thousand)					
Managerial remuneration	4,000	4,000	3,200	3,200	60,652	64,526
House rent allowance	1,800	1,800	1,440	1,440	27,294	29,037
Medical expenses	200	200	160	160	3,033	3,226
Bonus	447	500	357	400	6,960	7,473
	<u>6,447</u>	<u>6,500</u>	<u>5,157</u>	<u>5,200</u>	<u>97,939</u>	<u>104,262</u>
Number of persons	1	1	1	1	65	59

45.1 The Company also provides the Chief Executive and some of the Directors and Executives with Company maintained cars and mobiles phones in accordance with their terms of employment.

45.2 The amount charged in these financial statements in respect of meeting fee for non-executive directors aggregate to Rs. 1.23 million (2015: Rs. 0.87 million).

46 CAPACITY AND PRODUCTION

	Installed capacity Tonnes		Actual production Tonnes		Reason for shortfall
	2016	2015	2016	2015	
Caustic soda liquid	150,550	150,550	74,223	57,268	Cautious production strategy based on actual demands.
Caustic soda flakes	10,000	10,000	2,744	1,810	
Liquid Chlorine	13,200	13,200	8,168	7,915	
Hydrochloric acid	150,000	150,000	145,714	113,165	
Sodium hypochlorite	49,500	49,500	18,059	19,180	
Bleaching earth	3,300	3,300	-	-	
Zinc sulphate	600	600	29	79	
Chlorinated paraffin wax	3,000	3,000	-	-	
Silphuric acid	3,300	3,300	496	803	
Calcium Chloride Prills	20,000	20,000	16,872	13,574	
Humic Acid	120	120	63	14	

47 NUMBER OF EMPLOYEES

	2016	2015
Number of employees at June 30,		
Permanent	487	458
Contractual	191	201
Average number of employees during the year		
Permanent	473	464
Contractual	196	207

48 CAPITAL RISK MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitor the return on capital, which the Company defines as net profit after taxation divided by total shareholders' equity. The Board of Directors also monitor the level of dividend to ordinary shareholders. There were no changes to the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements.

49 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, whenever necessary, for the purpose of comparison, the effect of which is not material.

50 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to the balance sheet date, the Board of Directors of the Company in its meeting held on September 19, 2016 has recommended final cash dividend for the year ended June 30, 2016 at 15% i.e. Re. 1.5 per share (2015: 10% i.e. Re. 1 per share). These financial statements do not reflect this appropriation.

51 DATE OF AUTHORIZATION OF ISSUE

These financial statements were authorized for issue on September 19, 2016 by the Board of Directors of the Company.

52 GENERAL

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




CHIEF EXECUTIVE


DIRECTOR

Pattern of Shareholding

as at June 30, 2016

No. of Shareholders	From	Shareholdings To	Total Shares held
105	1	100	1,368
161	101	500	69,507
183	501	1,000	170,513
287	1,001	5,000	799,080
85	5,001	10,000	670,407
36	10,001	15,000	464,226
17	15,001	20,000	303,249
14	20,001	25,000	326,259
10	25,001	30,000	270,571
10	30,001	35,000	327,570
3	35,001	40,000	119,000
3	40,001	45,000	131,800
7	45,001	50,000	335,216
3	50,001	55,000	159,000
4	55,001	60,000	234,987
3	60,001	65,000	191,000
3	65,001	70,000	203,035
1	70,001	75,000	71,500
1	75,001	80,000	76,500
1	80,001	85,000	80,500
2	85,001	90,000	178,675
5	95,001	100,000	496,650
3	100,001	105,000	307,391
1	110,001	115,000	114,370
1	120,001	125,000	124,000
1	125,001	130,000	127,400
1	140,001	145,000	140,832
2	145,001	150,000	297,400
1	150,001	155,000	154,000
1	195,001	200,000	200,000
1	220,001	225,000	223,500
3	245,001	250,000	745,121
2	255,001	260,000	516,500
1	260,001	265,000	263,900
1	265,001	270,000	269,000
1	275,001	280,000	276,100
1	290,001	295,000	292,000
1	315,001	320,000	318,500
1	380,001	385,000	383,500
1	385,001	390,000	389,350
1	440,001	445,000	442,360
1	450,001	455,000	451,388
1	460,001	465,000	464,750
2	465,001	470,000	937,998
2	470,001	475,000	945,874
2	515,001	520,000	1,035,048
1	520,001	525,000	522,200
1	530,001	535,000	533,267
1	625,001	630,000	629,840
1	630,001	635,000	631,216
1	650,001	655,000	652,200
1	675,001	680,000	677,716
1	725,001	730,000	728,032
1	765,001	770,000	769,200
2	840,001	845,000	1,686,617
1	880,001	885,000	883,310
1	955,001	960,000	959,144
1	1,000,001	1,005,000	1,001,504
1	1,015,001	1,020,000	1,018,694
1	1,045,001	1,050,000	1,047,221
1	1,525,001	1,530,000	1,528,709
1	1,820,001	1,825,000	1,823,610
1	2,245,001	2,250,000	2,247,053
1	2,430,001	2,435,000	2,430,060
1	2,470,001	2,475,000	2,470,865
1	3,110,001	3,115,000	3,112,200
1	3,220,001	3,225,000	3,222,500
1	3,570,001	3,575,000	3,572,400
1	3,900,001	3,905,000	3,902,200
1	5,260,001	5,265,000	5,264,147
1	8,585,001	8,590,000	8,585,200
1,003			65,000,000

Pattern of Shareholding

as at June 30, 2016

5. Categories of Shareholders	Number of Shareholders	Number of Shares held	Percentage
5.1 Directors, Chief Executive Officers, and their spouse and minor children	9	18,001,145	27.6941%
5.2 Associated Companies, undertakings and related parties.	-	-	0.0000%
5.3 NIT and ICP	-	-	0.0000%
5.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	1	3,222,500	4.9577%
5.5 Insurance Companies	-	-	0.0000%
5.6 Modarabas and Mutual Funds	2	934,250	1.4373%
5.7 General Public			
a. Local	973	35,472,603	54.5732%
b. Foreign	1	3,610	0.0056%
5.8 Others (to be specified)			
1- Joint Stock Companies	13	7,098,342	10.9205%
2- Pension Funds	3	238,800	0.3674%
3- Others	1	28,750	0.0442%
	1,003	65,000,000	100.000%
5.9 Shareholders holding 10% or more	1	8,735,200	13.4388%

Pattern of Shareholding

as at June 30, 2016

Additional Information

Categories of shareholders required under Code of Corporate Governance (CCG)

Shareholders' Categories	Number of Shares held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):	-	-
Mutual Funds (Name Wise Detail)	-	-
1 CDC - TRUSTEE NAFA ISLAMIC ASSET ALLOCATION FUND (CDC)	464,750	0.7150%
2 CDC - TRUSTEE NAFA ISLAMIC STOCK FUND (CDC)	469,500	0.7223%
Directors and their Spouse and Minor Children (Name Wise Detail):		
1 MR. ABDUL GHAFOOR	842,000	1.2954%
2 MR. ABDUL SATTAR KHATRI	3,902,200	6.0034%
3 MR. WAQAS SIDDIQ KHATRI	468,498	0.7208%
4 MRS. FARHANA ABDUL SATTAR KHATRI	728,032	1.1200%
5 MR. MUHAMMAD SIDDIQ	8,735,200	13.4388%
6 MR. AHMED MUSTAFA	2,470,865	3.8013%
7 MR. PERVAIZ AHMAD KHAN	650	0.0010%
8 MRS. SABINA W/O MUHAMMAD SIDDIQ	331,500	0.5100%
9 MRS. FAREEDA W/O ABDUL GHAFOOR	522,200	0.8034%
Executives:	-	-
Public Sector Companies & Corporations:	-	-
Banks, Development Finance Institutions, Non Banking Finance		
Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:	3,461,300	5.3251%
Shareholders holding five percent or more voting interest in the listed company (Name Wise Detail)		
1 MR. MUHAMMAD SIDDIQ	8,735,200	13.4388%
2 MR. SHAHZAD YOUSUF KHATRI	5,297,363	8.1498%
3 MR. ABDUL SATTAR KHATRI	3,902,200	6.0034%
4 CHEMITEX INDUSTRIES LTD.	3,572,400	5.4960%

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

S. No.	NAME	Sale	Purchase	Right
1	MR. ABDUL GHAFOOR	-	-	202,000
2	MR. ABDUL SATTAR KHATRI	-	-	908,200
3	MR. WAQAS SIDDIQ KHATRI	-	-	123,499
4	MRS. FARHANA ABDUL SATTAR KHATRI	-	-	175,699
5	MR. MUHAMMAD SIDDIQ	-	-	50,000
6	MR. MUHAMMAD SIDDIQ KHATRI (CDC)	-	-	1,981,200
7	MR. AHMED MUSTAFA	-	-	570,199
8	MR. PERVAIZ AHMAD KHAN	-	-	150
9	MRS. SABINA W/O MUHAMMAD SIDDIQ	-	-	73,500
10	MRS. SABINA MEHTAB W/O MUHAMMAD SIDDIQ	-	-	3,000
11	MRS. FAREEDA W/O ABDUL GHAFOOR	-	-	128,200

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



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Form of Proxy

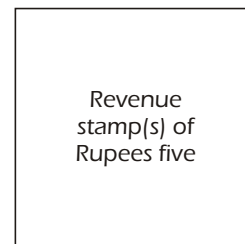
I/We _____ of _____ being a member of **ITTEHAD CHEMICALS LIMITED** and holder of _____ Ordinary Shares as per Registered Folio / CDC Participant I.D. No. & CDC Account No. _____ hereby appoint Mr./Mrs./Miss. _____ of _____ or failing him / her Mr./Mrs./Miss. _____ of _____ who is also a member of the **ITTEHAD CHEMICALS LIMITED** vide Registered Folio / CDC Participant I.D. No. & CDC Account No. _____ as my proxy to vote for me and on my behalf at the 25th Annual General Meeting of the Company to be held on Monday, October 31, 2016 at 11.00 a.m at the Registered Office and at any adjournment thereof.

Signature this _____ day of _____ 2016.

WITNESSES:

1. Signature: _____
Name: _____
Address: _____
CNIC or
Passport # _____

2. Signature: _____
Name: _____
Address: _____
CNIC or
Passport # _____



Signature
(As registered with the company)

Note:

This proxy form, duly completed and signed, must be received at the Registered Office of the company not less than 48 hours before the time of holding the Meeting.

No person shall act as Proxy unless he/she himself / herself is a Shareholder of the Company except that a company may appoint a person as its representative who is not a shareholder.

AFFIX
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Registered / Head Office:
39-Empress Road, Lahore-Pakistan.
Tel: +92 42 3630 6586-88
Fax: +92 42 3636 5697

پراکسی فارم

میں / ہم ----- بحیثیت ممبر اتحاد کیمیکلز
 لمیٹڈ اور حال ----- عمومی حصص برطبق رجسٹرڈ فولیو اسی ڈی سی پارٹنیشن شراکتی نمبر اور سی ڈی سی اکاؤنٹ
 نمبر ----- بذریعہ تحریر پناہ محترم / محترمہ ----- کو یا ان کی غیر
 حاضری کی صورت میں محترم / محترمہ ----- کو جو بحوالہ رجسٹرڈ فولیو اسی ڈی سی پارٹنیشن
 شراکتی نمبر ----- اتحاد کیمیکلز لمیٹڈ کے / کی ممبر بھی ہیں، اپنا پراکسی مقرر
 کرتا / کرتی / کرتے ہیں تاکہ وہ میرے / ہمارے لئے اور میری / ہماری طرف سے کمپنی کے 25 ویں سالانہ اجلاس عام میں ووٹ ڈال
 سکیں جو سوموار 31 اکتوبر 2016 کو صبح 11:00 بجے رجسٹرڈ آفس میں یا اس کے کسی بھی التوا کی صورت میں منعقد ہوگا۔

پانچ روپے کے رسیدی ٹکٹس	تاریخ دستخط: -----
-------------------------	--------------------

دستخط

(جو کمپنی کے پاس رجسٹرڈ ہیں)

گواہ نمبر 2	گواہ نمبر 1
دستخط -----	دستخط -----
نام -----	نام -----
پتہ -----	پتہ -----
قومی شناختی کارڈ یا پاسپورٹ نمبر -----	قومی شناختی کارڈ یا پاسپورٹ نمبر -----

نوٹ:

- ☆ یہ پراکسی فارم، باقاعدہ پر شدہ اور دستخط شدہ حالت میں اجلاس کے انعقاد کے وقت سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں لازماً پہنچانا چاہئے۔
- ☆ کوئی شخص بطور پراکسی کام نہیں کرے گا اگر وہ خود کمپنی کا شیئر ہولڈر نہ ہو سوائے اس کے کہ کوئی کمپنی کسی ایسے شخص کو اپنا نمائندہ مقرر کر دے جو شیئر ہولڈر نہ ہو۔

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Fax: +92 42 3636 5697

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ITTEHAD
GROUP

www.ittehadchemicals.com

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