



Contents

02	Company Information
03	Directors' Review
04	Condensed Interim Balance Sheet (Un-Audited)
05	Condensed Interim Profit and Loss Account (Un-Audited)
06	Condensed Interim Statement of Other Comprehensive Income (Un-Audited)
07	Condensed Interim Statement of Changes in Equity (Un-Audited)
08	Condensed Interim Cash Flow Statement (Un-Audited)
09	Selected Explanatory Notes to the Condensed Interim Financial Information (Un-Audited)

Company Information

Board of Directors

Chairman
Chief Executive Officer
Directors

Mr. Nawaz ul Haq
Mr. Muhammad Adrees
Mr. Haseeb Ahmed
Mr. Muhammad Khalil
Mr. Waheed Akhter Sher
Mr. Muhammad Yousuf Adil
Mr. Abdul Awal

Company Secretary

Mr. Mazhar Ali Khan

Chief Financial Officer

Mr. Anwar-ul-Haq (FCA)

Audit Committee

Chairman
Members

Mr. Abdul Awal
Mr. Muhammad Khalil
Mr. Nawaz ul Haq

Human Resource & Remuneration
Committee

Chairman
Members

Mr. Muhammad Khalil
Mr. Muhammad Adrees
Mr. Abdul Awal

Head of Internal Audit

Mr. Zakir Hussain (ACA)

Auditors

Deloitte Yousuf Adil
Chartered Accountants

Legal Advisor

Mr. Sahibzada Muhammad Arif

Bankers

Meezan Bank Limited
National Bank of Pakistan
Allied Bank Limited
United Bank Limited
Bank Alfalah Limited
Dubai Islamic Bank Pakistan Limited
The Bank of Punjab
MCB Bank Limited
Standard Chartered Bank Pakistan Limited
Al-Baraka Islamic Bank B.S.C. (E.C.)
Faysal Bank Limited
Habib Bank Limited
Burj Bank Limited
Bank Islami Pakistan Limited
Habib Metropolitan Bank Limited
Bank Al-Habib Limited
Soneri Bank Limited
The Bank of Khyber

Website of the Company
Registered Office

www.sitara.com.pk
601-602 Business Centre, Mumtaz Hassan Road,
Karachi-74000

Share Registrar Address

THK Associates (Private) Limited
Ground Floor, State Life Building No.3,
Dr. Zia ud Din Ahmed Road, Karachi-45530

Factories

28/32 KM, Faisalabad - Sheikhpura Road,
Faisalabad.

Directors' Review

In the name of Allah, the Most Beneficent, the Most Gracious, the Most Merciful

On behalf of the Board of Directors of Sitara Chemical Industries Limited, I am pleased to present the un-audited Condensed Interim Financial Statements for the First Quarter ended September 30, 2015.

During the quarter, your Company has posted revenue of Rs. 2,153 million, against Rs. 2,045 million of corresponding quarter of last year. Profit after tax for the reporting period remained Rs. 206 million against Rs 500 million of pervious year corresponding period, whereas EPS during the quarter under review remained Rs. 9.60 against Rs. 23.34 of previous year corresponding period.

First quarter of 2015-16 witnessed favorable outcome of fundamental improvements during last financial year. Declining trends in mark up rates and fuel prices have consoling impact on industry in general and have also improved Consumer Purchasing Power. However, scarcity of Electricity and worse Socio-political environment remained unchanged and playing a pivotal role in restraining the business activities to accomplish its peak.

Future Outlook:

Alhamdulillah, shipments of major equipments, i.e. Boiler, Turbine and Generators, of 35 MW Coal Fired Power Plant have already been arrived along with balance of plant equipments. We are religiously following the project timeline and assure you completion of the project within the targeted dates.

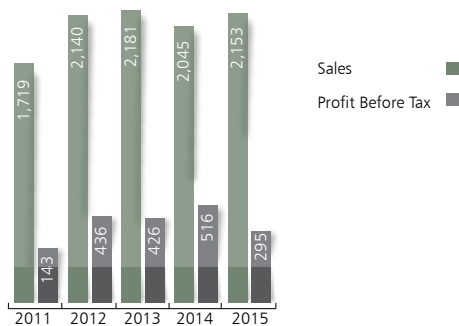
Civil work of Calcium Chloride plant has been started and shipment of the said plant is expected in 2nd Quarter of financial year 2016. We are hopeful to start the commercial production within the Financial Year 2016.

Acknowledgments:

We take this opportunity to thank our valued business partners and stakeholders for their continuous support, trust and assistance.

The Company is also immensely proud of and thankful to employees for their committed and passionate efforts, loyalty and dedication.

Quarterly Sales
and Net
Profit Before Tax



Muhammad Adrees
Chief Executive Officer
Faisalabad: October 20, 2015

Condensed Interim Balance Sheet (Un-Audited)

As at September 30, 2015

		Un-audited September 30, 2015 (Rupees in thousand)	Audited June 30, 2015
	Note		
NON - CURRENT ASSETS			
Property, plant and equipment	4	5,804,611	5,790,536
Intangible assets		15,755	16,160
Investment property	5	2,783,506	2,716,463
Long-term investments		99,192	99,192
Long-term loans and advances		1,265,305	1,265,059
Long-term deposits		110,433	110,433
		10,078,802	9,997,843
CURRENT ASSETS			
Stores, spare parts and loose tools		431,473	380,379
Stock-in-trade		1,136,047	717,460
Trade debts		1,099,886	1,187,078
Advance sales tax		16,904	24,617
Loans and advances		2,353,112	1,659,000
Trade deposits and short-term prepayments		11,432	7,778
Other receivables		7,059	11,727
Other financial assets		286,069	201,065
Cash and bank balances		238,604	256,977
		5,580,586	4,446,081
		15,659,388	14,443,924
SHARE CAPITAL AND RESERVES			
Share capital		214,294	214,294
Reserves		1,358,585	1,363,581
Un-appropriated profits		5,536,888	5,314,313
		7,109,767	6,892,188
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
		1,288,776	1,305,696
NON - CURRENT LIABILITIES			
Long-term financing	6	1,432,436	858,001
Long-term deposits		9,787	9,921
Deferred liabilities		1,067,562	1,084,464
		2,509,785	1,952,386
CURRENT LIABILITIES			
Trade and other payables		2,253,714	2,121,585
Profit / financial charges payable		61,612	55,226
Short term borrowings		2,154,038	1,836,486
Current portion of long term financing		281,696	280,357
		4,751,060	4,293,654
CONTINGENCIES AND COMMITMENTS			
	7	15,659,388	14,443,924

The annexed selected notes 1 to 16 form an integral part of this condensed interim financial information.


Muhammad Adrees
 Chief Executive Officer


Haseeb Ahmed
 Director

Condensed Interim Profit and Loss Account (Un-Audited) For The Quarter Ended September 30, 2015

	Note	For The Quarter	
		September 30, 2015	September 30, 2014 Restated
		(Rupees in thousand)	
Sales - net	8	2,152,958	2,044,766
Cost of sales	9	1,619,933	1,758,614
Gross profit		533,025	286,152
Other income			
Gain on sale of land		-	527,223
Operating income		10,070	17,451
		10,070	544,674
		543,095	830,826
Distribution cost		46,392	51,628
Administrative expenses		121,987	112,159
Other operating expenses		18,737	62,735
Finance cost		61,268	89,716
Share of loss / (profit) of associates - net of tax"		-	(1,823)
		248,384	314,415
Profit before taxation		294,711	516,411
Provision for taxation	10	89,055	16,219
Profit after taxation		205,656	500,192
Earnings per share - basic and diluted (Rupees)	11	9.60	23.34

The annexed selected notes 1 to 16 form an integral part of this condensed interim financial information.


Muhammad Adrees
Chief Executive Officer

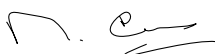

Haseeb Ahmed
Director

Condensed Interim Statement of Other Comprehensive Income (Un-Audited)

For The Quarter Ended September 30, 2015

	For The Quarter	
	September 30, 2015	September 30, 2014 Restated
	(Rupees in thousand)	
Profit after taxation	205,656	500,192
Other comprehensive income for the period - net of tax		
Surplus/(deficit) on remeasurement of investment available for sale on fair value	(4,996)	(6,535)
	(4,996)	(6,535)
Total comprehensive income for the period	200,660	493,657

The annexed selected notes 1 to 16 form an integral part of this condensed interim financial information.



Muhammad Adrees
Chief Executive Officer



Haseeb Ahmed
Director

Condensed Interim Statement of Changes in Equity (Un-Audited)

For the Quarter Ended September 30, 2015

	Share Capital	Share Premium	Reserve on re-measurement of available for sale investments	Remeasurement of post retirement benefits obligation - net of tax	General Reserve	Un-appropriated Profit	Total
Rupees in thousand							
Balance as at July 01, 2014	214,294	97,490	91,692	(4,080)	1,225,000	4,477,693	6,102,089
Profit for the quarter ended September 30, 2014	-	-	-	-	-	500,192	500,192
Profit for the nine months ended June 30, 2015	-	-	-	-	-	486,240	486,239
Surplus realized on disposal of assets	-	-	-	-	-	-	-
Surplus on re-measurement of investment available for sale on fair value	-	-	(44,668)	-	-	-	(44,668)
Remeasurement of post retirement benefits	-	-	-	(1,853)	-	-	(1,853)
Transfer to un-appropriated profit on account of incremental depreciation	-	-	-	-	-	75,197	75,197
Distribution to owners	-	-	-	-	-	-	-
Final dividend for the year ended June 30, 2014	-	-	-	-	-	(225,009)	(225,009)
Balance as at June 30, 2015	214,294	97,490	47,024	(5,933)	1,225,000	5,314,313	6,892,188
Balance as at July 01, 2015	214,294	97,490	47,024	(5,933)	1,225,000	5,314,313	6,892,188
Total comprehensive income	-	-	-	-	-	205,656	205,656
Profit for the quarter ended September 30, 2015	-	-	-	-	-	-	-
Surplus on re-measurement of investment available for sale on fair value	-	-	(4,996)	-	-	-	(4,996)
Transfer to un-appropriated profit on account of incremental depreciation	-	-	-	-	-	16,919	16,919
Balance as at September 30, 2015	214,294	97,490	42,028	(5,933)	1,225,000	5,536,888	7,109,767

The annexed selected notes 1 to 16 form an integral part of this condensed interim financial information.


Muhammad Adrees
 Chief Executive Officer


Haseeb Ahmed
 Director

Condensed Interim Cash Flow Statement (Un-Audited) For The Quarter Ended September 30, 2015

	Note	For The Quarter	
		September 30, 2015	September 30, 2014
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating cash flow before working capital changes	14	478,041	203,813
Changes in working capital			
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(51,094)	(9,211)
Stock-in-trade		(418,587)	46,703
Trade debts		87,192	47,593
Advance Sales Tax		7,713	-
Loans and advances		(682,597)	(37,105)
Trade deposits and short-term prepayments		(3,654)	(3,473)
Other receivables		4,668	324
(Decrease)/increase in current liabilities			
Trade and other payables		134,854	37,839
Sales tax payable		-	(28,629)
		(921,505)	54,041
Cash generated from operations		(443,464)	257,854
Finance cost paid		(54,882)	(89,039)
Employee benefits paid		(703)	(270)
Taxes paid		(120,830)	(59,876)
Profit received on bank deposits		1,927	1,539
		(174,488)	(147,646)
Net cash from operating activities		(617,952)	110,208
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(135,846)	(3,570)
Purchase of available for sale investment		(90,000)	-
Disposal of Investment property		(68,430)	1,192,846
Long-term loans and advances		(246)	(1,202,611)
Dividend income received		909	1,052
Net cash used in investing activities		(293,613)	(12,283)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		645,864	-
Payment of long-term financing		(70,090)	(149,138)
Short term financing - net		317,552	(38,114)
Long term deposits		(134)	651
Dividend paid		-	(16)
Net cash used in financing activities		893,192	(186,617)
Net increase in cash and cash equivalents		(18,373)	(88,692)
Cash and cash equivalents at beginning of period		256,977	436,767
Cash and cash equivalents at end of the period		238,604	348,075

The annexed selected notes 1 to 16 form an integral part of this condensed interim financial information.



Muhammad Adrees
Chief Executive Officer



Haseeb Ahmed
Director

Selected Explanatory Notes to the Condensed Interim Financial Information (Un-Audited)

For The Quarter Ended September 30, 2015

1 LEGAL STATUS AND OPERATIONS

- 1.1 Sitara Chemical Industries Limited (“the Company”) was incorporated in Pakistan on September 08, 1981 as a public limited company under Companies Act, 1913 (now Companies Ordinance, 1984). The company is currently listed on all Stock Exchanges in Pakistan. The principal activities of the Company are operation of Chlor Alkali plant and yarn spinning unit. The registered office of the Company is situated at 601-602, Business Centre, Mumtaz Hasan Road, Karachi, in the province of Sindh and the manufacturing facilities are located at 28/32 K.M., Faisalabad - Sheikhpura Road, Faisalabad, in the province of Punjab.

The Company is currently organized into two operating divisions and these divisions are the basis on which the Company reports its primary segment information.

Principal business activities are as follows:

Chemical Division Manufacturing of caustic soda and allied products

Textile Division Manufacturing of yarn and trading of fabric

- 1.2 This condensed interim financial information is presented in Pak Rupee, which is the Company’s functional and presentation currency.

2 BASIS OF PREPARATION

- 2.1 This condensed interim financial information has been prepared in accordance with the directives issued by the Securities and Exchange Commission of Pakistan and is in compliance with the International Accounting Standard-34 “interim Financial Reporting” and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984.

- 2.2 This condensed interim financial information should be read in conjunction with annual audited financial statements for the year ended June 30, 2015. Comparative balance sheet is extracted from annual audited financial statements for the year ended June 30, 2015 whereas comparative profit and loss account, comparative statement of changes in equity and comparative cash flow statement are stated from un-audited condensed interim financial information for the three months ended on September 30, 2014.

3 ACCOUNTING POLICIES AND ESTIMATES

- 3.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended June 30, 2015.

Selected Explanatory Notes to the Condensed Interim Financial Information (Un-Audited) For The Quarter Ended September 30, 2015

				Un-audited September 30, 2015	Audited June 30, 2015
			Note	(Rupees in thousand)	
4	PROPERTY, PLANT AND EQUIPMENT				
	Operating assets	4.1		5,319,131	5,439,242
	Capital work-in-progress			485,480	351,294
				5,804,611	5,790,536
4.1	Operating assets				
	Opening written down value			5,439,242	5,707,991
	Additions during the period / year:				
	Building on freehold land - Mills			-	19,713
	Plant and machinery			52	215,580
	Grid station & electric installation			-	6
	Factory equipment			64	3,646
	Electric equipment			1,026	10,905
	Office equipment			272	3,859
	Furniture and fittings			238	1,698
	Vehicles			8	9,914
				1,660	265,321
	Written down value of operating assets disposed off during the period / year			-	(12,810)
	Write off/ Transfer - net			-	(892)
	Depreciation charged during the period / year			(121,771)	(520,368)
				5,319,131	5,439,242
5	INVESTMENT PROPERTY				
	Land	5.1		2,725,488	2,657,058
	Building			58,018	59,405
				2,783,506	2,716,463
5.1	Land - at cost				
	Balance at beginning of the period / year			2,657,058	2,939,295
	Acquisitions			68,430	874,315
	Disposal			-	(1,156,552)
	Balance at end of the period / year			2,725,488	2,657,058
	Building - at cost				
	Cost			77,921	77,921
	Accumulated Depreciation:				
	At the beginning of the period / year			18,516	12,401
	For the period / year			1,387	6,115
	At the end of the period / year			19,903	18,516
	Written down value at the end of the period / year			58,018	59,405
6	LONG-TERM FINANCING				
	Diminishing Musharka (from financial institutions - secured)			1,432,436	858,001
				1,432,436	858,001

Selected Explanatory Notes to the Condensed Interim Financial Information (Un-Audited)

For The Quarter Ended September 30, 2015

		Un-audited September 30, 2015	Audited June 30, 2015
7	CONTINGENCIES AND COMMITMENTS	(Rupees in thousand)	
7.1	Contingencies		
	Sales tax demand not acknowledged in view of pending appeals	3,398	3,398
	Suppliers' claim not acknowledged in view of pending case in Civil Court	890	890
	Guarantees issued by banks on behalf of the company	180,908	180,908
7.2	Commitments		
	Outstanding letters of credit for Coal Fired Power Plant	530,672	603,071
8	SALES - NET	Un-audited September 30, 2015	Un-audited September 30, 2014
		(Rupees in thousand)	
	Local	2,594,604	2,417,670
	Export	-	5,380
		2,594,604	2,423,050
	Less: Commission and discount	116,984	96,252
	Sales tax	324,662	282,032
		441,646	378,284
		<u>2,152,958</u>	<u>2,044,766</u>

Selected Explanatory Notes to the Condensed Interim Financial Information (Un-Audited) For The Quarter Ended September 30, 2015

Un-audited
September 30,
2015

Un-Audited
September 30,
2014
Restated

(Rupees in thousand)

9 COST OF SALES

Raw material consumed	479,490	436,835
Fuel and power	1,247,569	1,023,019
Salaries, wages and benefits	80,586	63,345
Stores and spares	77,299	103,583
Repair and maintenance	20,717	8,942
Vehicle running and maintenance	633	569
Traveling and conveyance	5,503	7,846
Insurance	4,794	4,202
Depreciation	114,843	120,995
Amortization	404	449
Others	1,004	1,043
	2,032,842	1,770,828
Work-in-process		
Opening stock	8,102	10,254
Closing stock	(7,385)	(11,189)
	717	(935)
Cost of goods manufactured	2,033,559	1,769,893
Finished goods		
Opening stock	479,954	465,875
Closing stock	(893,580)	(477,154)
	(413,626)	(11,279)
	1,619,933	1,758,614

Selected Explanatory Notes to the Condensed Interim Financial Information (Un-Audited)

For The Quarter Ended September 30, 2015

		Un-audited September 30, 2015	Un-Audited September 30, 2014 Restated
10	PROVISION FOR TAXATION		
		(Rupees in thousand)	
	Current - for the period	109,315	17,276
	Deferred	(20,260)	(1,057)
		89,055	16,219
11	EARNINGS PER SHARE - BASIC AND DILUTED		
	Profit for the period	205,656	500,192
	Weighted average number of ordinary shares outstanding during the period	21,429	21,429
	Earnings per share (Rupees)	9.60	23.34

12 TRANSACTIONS WITH RELATED PARTIES - UN-AUDITED

The related parties comprise of associated undertakings, staff retirement benefit plans, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Nature and description of significant related party transactions along with monetary values are as follows:

Relationship with the Company Nature of transactions

		Un-audited September 30, 2015	Un-Audited September 30, 2014
Associated Undertakings	Sales	20,305	13,180
	Purchases	-	-
	Organizational expenses recovered	222	147
	Organizational expenses paid	351	199
	Donation	5,308	6,836

Selected Explanatory Notes to the Condensed Interim Financial Information (Un-Audited) For The Quarter Ended September 30, 2015

13 SEGMENT REPORTING

The Company has two reportable segments, which offer different products and are managed separately. The following summary describes the operations in each of the reportable segment of the Company;

Chemical division : Manufacturing of caustic soda and allied products
Textile division: Manufacturing of yarn and trading of fabric

13.1 Information about operating segments is as follows:

	Chemical Division		Textile Division		Operating segments		Total	
	Un-audited		Un-audited		Un-audited		Un-audited	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Revenue from external customers - net	1,835,987	1,606,779	316,971	437,987	2,152,958	2,044,766		
Depreciation on property, plant and equipment	110,920	118,567	10,851	9,533	121,771	128,100		
Segment profit	366,015	123,364	(1,369)	(999)	364,646	122,365		
	Chemical Division		Textile Division		Total		Total	
	Un-audited		Un-audited		Un-audited		Un-audited	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Capital expenditure	1,624	11,057	36	90	1,660	11,147		
Segment assets	9,589,886	9,454,438	1,523,765	1,461,147	11,113,651	10,915,585		
Segment liabilities	1,512,068	1,077,849	129,301	108,719	1,641,369	1,186,568		

Selected Explanatory Notes to the Condensed Interim Financial Information (Un-Audited)

For The Quarter Ended September 30, 2015

	For the quarter ended	
	Un-audited September 30, 2015	Un-Audited September 30, 2014 Restated (Rupees in thousand)
13.2 Reconciliations of reportable segments are as follows:		
Revenue		
Total revenue for reportable segments	2,152,958	2,044,766
Profit for the period		
Total profit for reportable segments	364,646	122,365
Unallocated corporate income / (expenses)		
Other operating income	10,070	544,674
Other operating expenses	(18,737)	(62,735)
Finance cost	(61,268)	(89,716)
Share of profit / (loss) of associates		
- net of tax	-	1,823
Profit before income tax expense	294,711	516,411
Assets		
Total assets for reportable segments	11,113,651	10,915,585
Other unallocated corporate assets	4,545,737	3,116,813
Entity's assets	15,659,388	14,032,398
Liabilities		
Total liabilities for reportable segments	1,641,369	1,186,568
Other unallocated corporate liabilities	14,018,019	12,845,830
Entity's liabilities	15,659,388	14,032,398

13.3 The Company has no reportable geographical segment.

Selected Explanatory Notes to the Condensed Interim Financial Information (Un-Audited) For The Quarter Ended September 30, 2015

	Un-audited September 30, 2015	Un-Audited September 30, 2014 Restated
	(Rupees in thousand)	
14 OPERATING CASH FLOW BEFORE WORKING CAPITAL CHANGES		
Profit before taxation	294,711	516,411
Adjustments for:		
Depreciation on property, plant and equipment	121,771	128,100
Depreciation on investment property	1,387	1,541
Amortization on intangible assets	404	449
Finance cost	61,268	89,716
Share of loss / (profit) of associated companies - net of tax	-	(1,823)
(Gain) / loss on disposal of property, plant and equipment - net	-	(528,697)
Provision for employee benefits	1,336	707
Dividend income	(909)	(1,052)
Profit on bank deposits	(1,927)	(1,539)
	<u>183,330</u>	<u>(312,598)</u>
	<u>478,041</u>	<u>203,813</u>

15 DATE OF AUTHORIZATION FOR ISSUE

This interim financial information has been approved by the Board of Directors of the Company and authorized for issue on October 20, 2015.

16 GENERAL

- a) Figures have been rounded to the nearest thousand of "Pak" Rupees, unless otherwise stated.
- b) Corresponding figures have been restated, wherever necessary, for better comparison.



Muhammad Adrees
Chief Executive Officer



Haseeb Ahmed
Director



Sitara Chemical Industries Limited

601-602 Business Centre, Mumtaz Hassan Road,
Off. I.I Chundrigar Road, Karachi-74000
Tel: 021-32420620, 32413944