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COMPANY INFORMATION

Board of Directors

| | |
|-------------------------|--|
| Chairman | Haji Bashir Ahmed |
| Chief Executive Officer | Mr. Muhammad Adrees |
| Directors | Mr. Javed Iqbal Mr. Muhammad Anis Mr. Imran Ghafoor Mr. Haseeb Ahmed Mr. Muhammad Khalil Mr. Rashid Zahir (Nominee Director of Saudi Pak Industrial and Agricultural Investment Company (Pvt.) Ltd.) |

Company Secretary Mr. Mazhar Ali Khan

Chief Financial Officer Mr. Anwar-ul-Haq (FCA)

Audit Committee
Chairman Mr. Muhammad Anis
Members Haji Bashir Ahmed
Mr. Javed Iqbal

Head of Internal Audit Mr. Muhammad Yameen (FCA)

Auditors M/s. M. Yousuf Adil Saleem & Company
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
First Habib Bank Modaraba
Saudi Pak Industrial and Agricultural Investment Company (Pvt.) Limited
Silk Bank Limited
Al-Baraka Islamic Bank B.S.C. (E.C.)
Askari Commercial Bank Limited
Faysal Bank Limited
Habib Bank Limited
Dawood Islamic Bank Limited
Bank Islami Pakistan Limited
Summit Bank Limited (Formerly Arif Habib Bank Limited)
Barclays Bank PLC Pakistan
Soneri Bank Limited
Habib Metropolitan Bank Limited
Pak Oman Investment Company Limited

Registered Office 601-602 Business Centre, Mumtaz Hasan Road,
Karachi-74000

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

CHAIRMAN'S STATEMENT

On behalf of Board of Directors, I feel pleasure in presenting the financial statements for third quarter ended on March 31, 2011.

Energy crisis in the country remained inhabited to the economy which has further slowed down the whole economic growth of the country. Customers of chlor alkali products were badly affected with energy crises, high inflation and undercut demand in the country. Besides these negative indicators, by the grace of Almighty Allah, your company eventually performed better.

Net sales of your company for the third quarter were Rs. 1,695 million as compared to Rs. 1,498 million of the corresponding quarter resulting in net increase of Rs. 197 million. Sale of Chemical Division has increased by Rs. 111 million whereas sales of Textile Division increased by Rs. 86 million from corresponding quarter. Gross profit and net profit before tax are Rs. 370 million and Rs. 122 million, compared to Rs. 306 million and Rs. 90 million of the corresponding quarter. Earning per share for the quarter was Rs. 4.16 against Rs. 2.11 of corresponding quarter.

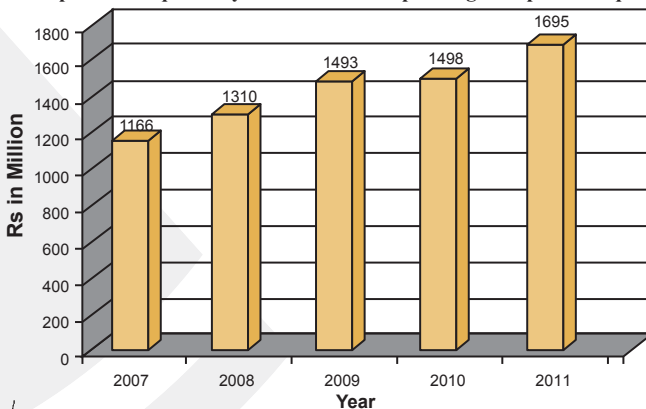
FUTURE OUTLOOK


Although future vital signs that are responsible for economic growth of the country are not so encouraging however, international market of caustic soda is improving day by day. Prices of caustic soda in international market are resuming back showing reasonable potential for export. We are optimistic about this situation and in near future, we expect that your company will be able to cover the gap of domestic short sales through exports.

ACKNOWLEDGEMENTS

We take this opportunity to thank all our valued stakeholders for their continued trust, patronage, support and guidance.

A comparison of quarterly Sales with corresponding four previous quarters





HAJI BASHIR AHMED
CHAIRMAN
Faisalabad
April 18, 2011

**CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2011**

| | Note | March 31, 2011 Un-Audited ----- Rupees in thousand ----- | June 30, 2010 Audited |
|--|------|---|-----------------------------|
| ASSETS | | | |
| <i>Non-current assets</i> | | | |
| Property, plant and equipment | 4 | 5,334,758 | 5,675,577 |
| Investment Property | 5 | 1,549,554 | 2,724,588 |
| Long-term investment | | 84,044 | 85,509 |
| Long-term loan and advances | | 53,830 | 6,341 |
| Long-term deposits | | 107,965 | 38,965 |
| Total non-current assets | | 7,130,151 | 8,530,980 |
| Current Assets | | | |
| Stores, spares and loose tools | | 286,901 | 290,379 |
| Stock-in-trade | | 982,414 | 502,292 |
| Trade debts | | 648,345 | 433,457 |
| Loans and advances | | 138,971 | 58,938 |
| Trade deposits and short term prepayments | | 299,990 | 15,416 |
| Other receivables | | 6,697 | 12,154 |
| Other financial asset | | 114,783 | 201,857 |
| Tax refunds due from Government | | 211,339 | 122,015 |
| Cash and bank balance | | 648,302 | 142,970 |
| | | 3,337,742 | 1,779,478 |
| Non-current assets classified as held for sale | | 1,178,000 | - |
| Total current assets | | 4,515,742 | 1,779,478 |
| Total Assets | | 11,645,893 | 10,310,458 |
| EQUITY AND LIABILITIES | | | |
| <i>Share capital and reserves</i> | | | |
| <i>Authorised</i> | | | |
| 40,000,000 "A" class ordinary share of Rs. 10 each | | 400,000 | 400,000 |
| 20,000,000 "B" class ordinary share of Rs. 10 each | | 200,000 | 200,000 |
| Share capital | | 214,294 | 204,090 |
| Reserves | | 1,328,532 | 1,338,554 |
| Un-appropriated profits | | 2,014,095 | 1,817,708 |
| | | 3,556,921 | 3,360,352 |
| <i>Surplus on revaluation of property, plant and equipment</i> | | 948,244 | 944,619 |
| Non-current liabilities | | | |
| Long-term financing | 6 | 2,048,751 | 2,735,240 |
| Long-term deposits | | - | 8,806 |
| Deferred Liabilities | | 1,117,724 | 1,132,938 |
| Total non-current liabilities | | 3,166,475 | 3,876,984 |
| Current liabilities | | | |
| Trade and other payable | | 932,571 | 591,685 |
| Profit / financial charges payable | | 117,858 | 89,010 |
| Short term borrowings | | 1,921,065 | 662,000 |
| Current portion of long term financing | | 1,002,759 | 785,808 |
| Total current liabilities | | 3,974,253 | 2,128,503 |
| <i>Contingencies and commitment</i> | 7 | | |
| Total Equity and liabilities | | 11,645,893 | 10,310,458 |

The annexed notes from 1 to 17 form an integral part of the interim financial information.

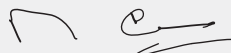

MUHAMMAD ADREES
(CHIEF EXECUTIVE OFFICER)


HASEEB AHMED
(DIRECTOR)

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

| | Note | Nine months ended | | Quarter ended | |
|---|------|-------------------|------------------|------------------|------------------|
| | | March 31 2011 | March 31 2010 | March 31 2011 | March 31 2010 |
| -----Rupees in thousand----- | | | | | |
| Sales | 8 | 4,612,310 | 4,278,843 | 1,694,795 | 1,497,594 |
| Cost of goods sold | 9 | 3,575,908 | 3,099,020 | 1,325,004 | 1,191,477 |
| Gross profit | | 1,036,402 | 1,179,823 | 369,791 | 306,117 |
| Other operating income | | 32,443 | 19,757 | 7,331 | 8,857 |
| | | 1,068,845 | 1,199,580 | 377,122 | 314,974 |
| Distribution cost | | (52,656) | (44,956) | (14,812) | (15,140) |
| Administrative expenses | | (160,132) | (169,845) | (52,948) | (49,692) |
| Other operating expenses | | (24,379) | (51,142) | (8,951) | (11,411) |
| Share of profit / (loss) of associated company | | (4,977) | 33,496 | 2,074 | - |
| Operating profit | | 826,701 | 967,133 | 302,485 | 238,731 |
| Finance cost | | 504,046 | 440,564 | 180,949 | 148,764 |
| Net profit for the period before taxation | | 322,655 | 526,569 | 121,536 | 89,967 |
| Taxation | 10 | 106,616 | 147,934 | 32,467 | 46,891 |
| Net profit for the period after taxation | | 216,039 | 378,635 | 89,069 | 43,076 |
| Earnings per share - Basic (Rupees) | 11 | 10.08 | 18.55 | 4.16 | 2.11 |

The annexed notes from 1 to 17 form an integral part of the interim financial information.



MUHAMMAD ADREES
(CHIEF EXECUTIVE OFFICER)



HASEEB AHMED
(DIRECTOR)

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

| | Nine months ended | | Quarter ended | |
|--|------------------------------|------------------|------------------|------------------|
| | March 31 2011 | March 31 2010 | March 31 2011 | March 31 2010 |
| | -----Rupees in thousand----- | | | |
| Profit after taxation | 216,039 | 378,635 | 89,069 | 43,076 |
| Other comprehensive income for the period - net of tax | | | | |
| Gain/(Loss) on re-measurement of available for sale financial assets | 762 | 6,644 | (5,052) | 830 |
| Gain/(Loss) realized on sale of available for sale financial assets | 14,441 | 846 | 13,804 | 209 |
| Share of other comprehensive income of associate | (64) | - | (64) | - |
| | 15,139 | 7,490 | 8,688 | 1,039 |
| Total comprehensive income for the period | 231,178 | 386,125 | 97,757 | 44,115 |

The annexed notes from 1 to 17 form an integral part of the interim financial information.



MUHAMMAD ADREES
(CHIEF EXECUTIVE OFFICER)



HASEEB AHMED
(DIRECTOR)

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

| | Reserves | | | | | | | Total Reserves | Total | |
|---|---------------|---------------|---|--|--------------|--------------------|----------------|----------------|-----------|-------------------------------|
| | Share Capital | Capital | | Revenue | | | Total Reserves | | | |
| | | Share Premium | Reserve on re- measurement of available for sale investment | Share of other comprehensive income of associates | Sub total | General Reserve | | | | Un- appropriated Profit |
| | | | | | | | | | | |
| Balance as at June 30, 2009 | 204,090 | 97,490 | (10,721) | - | 86,769 | 1,225,000 | 1,446,130 | 2,757,899 | 2,961,989 | |
| Total comprehensive income | - | - | - | - | - | - | 378,635 | 378,635 | 378,635 | |
| Profit for the nine months ended March 31, 2010 | - | - | - | - | - | - | - | - | - | |
| Other comprehensive income for the nine months ended March 31, 2010 | - | 7,489 | 7,489 | - | 7,489 | - | 46,446 | 53,935 | 53,935 | |
| Distribution to owners | - | - | - | - | - | - | 425,081 | 432,570 | 432,570 | |
| Final dividend for the year ended June 30, 2009 | - | - | - | - | - | - | (153,067) | (153,067) | (153,067) | |
| Balance as at March 31, 2010 | 204,090 | 97,490 | (3,232) | - | 94,258 | 1,225,000 | 1,718,144 | 3,037,402 | 3,241,492 | |
| Balance as at June 30, 2010 | 204,090 | 97,490 | (9,097) | 25,160 | 113,553 | 1,225,000 | 1,817,708 | 3,156,261 | 3,360,351 | |
| Total comprehensive income | - | - | - | - | - | - | 216,039 | 216,039 | 216,039 | |
| Profit for the nine months ended March 31, 2011 | - | - | - | - | - | - | - | - | - | |
| Other comprehensive income for the nine months ended March 31, 2011 | - | 15,203 | 15,203 | - | 15,203 | - | - | 15,203 | 15,203 | |
| Share of other comprehensive income of associate | - | - | (64) | (64) | (64) | - | - | (64) | (64) | |
| Transfer of share in revaluation surplus of associate | - | 15,203 | 15,203 | (64) | 15,139 | - | 216,039 | 231,178 | 231,178 | |
| Transfer to un-appropriated profit on account of incremental depreciation | - | - | - | (25,160) | (25,160) | - | - | (25,160) | (25,160) | |
| Distribution to owners | - | - | - | - | - | - | - | - | - | |
| Final dividend for the year ended June 30, 2010 | - | - | - | - | - | - | - | - | - | |
| Issue of bonus shares | 10,204 | - | - | - | - | - | - | - | - | |
| Balance as at March 31, 2011 | 214,294 | 97,490 | 6,106 | (64) | 103,532 | 1,225,000 | 2,014,095 | 3,342,627 | 3,556,921 | |

Rupees in thousand

The annexed notes from 1 to 17 form an integral part of the interim financial information.



MUHAMMAD ADREES
(CHIEF EXECUTIVE OFFICER)



HASEEB AHMED
(DIRECTOR)

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

| | | Nine Months Ended | |
|---|----|------------------------------|------------------|
| | | March 31 2011 | March 31 2010 |
| | | -----Rupees in thousand----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Operating cash flows before changes in working capital | 14 | 1,236,851 | 1,293,895 |
| Changes in working capital | | | |
| (Increase) / decrease in current assets | | | |
| Stores, spare parts and loose tools | | 3,478 | (224,895) |
| Stock-in-trade | | (480,122) | 307,912 |
| Trade debts | | (214,887) | 183,432 |
| Loans and advances | | (80,034) | (327,161) |
| Trade deposits and prepayments | | (284,574) | 14,553 |
| (Increase) / decrease in other Financial assets | | 74,257 | (108,637) |
| Other receivables | | 5,457 | 6,297 |
| Trade and other payables | | 330,942 | (561,964) |
| | | (645,483) | (710,463) |
| Cash generated from operations | | 591,368 | 583,432 |
| Finance cost paid | | (475,199) | (459,870) |
| Employee benefits paid | | (3,457) | 2,263 |
| Income Taxes paid | | (214,567) | (83,200) |
| | | (693,223) | (540,807) |
| Net cash flows from operating activities | | (101,855) | 42,625 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchases of property, plant and equipment | | (51,850) | (342,638) |
| Purchases of investment property | | (33) | (17,560) |
| Proceeds from disposal of property, plant and equipment | | (4,468) | 21,841 |
| Proceeds from disposal of available for sale investment | | 2,835 | 26,932 |
| Long-term loans and advances | | (47,489) | 5,615 |
| Profit on deposits | | 14,216 | 7,060 |
| Dividend income received | | 2,816 | 611 |
| Long term deposits | | (69,000) | - |
| | | (152,973) | (298,139) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Payment of long-term financing | | (581,200) | (674,897) |
| Proceed from Long-term finance | | 111,662 | 350,000 |
| Short term financing - net | | 1,259,065 | 864,712 |
| Long term deposits | | (8,806) | 5,452 |
| Dividend paid | | (20,561) | (148,322) |
| Net cash from financing activities | | 760,160 | 396,945 |
| Net increase / (decrease) in cash and cash equivalents | | 505,332 | 141,432 |
| Cash and cash equivalents at beginning of period | | 142,970 | 294,165 |
| Cash and cash equivalents at end of the period | | 648,302 | 435,597 |

The annexed notes from 1 to 17 form an integral part of the interim financial information.



MUHAMMAD ADREES
(CHIEF EXECUTIVE OFFICER)



HASEEB AHMED
(DIRECTOR)

1. LEGAL STATUS AND OPERATION

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 - Sheikhupura 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.

Chemical Division: Manufacturing of caustic soda and allied products

Textile Division: Manufacturing of yarn

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

2. BASIS OF PREPARATION

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

2.2 This condensed interim financial information should be read in conjunction with annual audited financial statements for the year ended June 30, 2010. Comparative balance sheet is extracted from annual audited financial statements for the year ended June 30, 2010 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 nine months ended on March 31, 2010.

3. ACCOUNTING POLICIES AND ESTIMATES

3.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial report are the same as those applied in preparation of the financial statements for the year ended June 30, 2010.

4. PROPERTY, PLANT AND EQUIPMENT

| | Note | March 31, 2011 Un-audited | June 30, 2010 Audited |
|--------------------------|------|---------------------------------|-----------------------------|
| | | ----- Rupees in thousand ----- | |
| Operating assets | 4.1 | 5,119,674 | 5,489,389 |
| Capital work-in-progress | | 215,084 | 186,188 |
| | | <u>5,334,758</u> | <u>5,675,577</u> |

| | | March 31, 2011 | June 30, 2010 |
|------------|--|--------------------------------|------------------|
| | Note | Un-audited | Audited |
| | | ----- Rupees in thousand ----- | |
| 4.1 | Operating assets | | |
| | Opening written down value | 5,489,389 | 4,851,602 |
| | Additions during the period / year: | | |
| | Building on freehold land - Mills | - | 88,092 |
| | Plant and machinery | 1,185 | 920,409 |
| | Grid station and electric installation | - | 52,568 |
| | Factory equipment | 780 | 9,185 |
| | Electric equipment | 874 | 2,841 |
| | Office equipment | 778 | 2,549 |
| | Furniture and fittings | 352 | 1,418 |
| | Vehicles | 1,446 | 10,824 |
| | | 5,415 | 1,087,886 |
| | Written down value of operating assets disposed off | (2,248) | (14,942) |
| | Depreciation charged during the period / year | (372,882) | (435,157) |
| | | <u>5,119,674</u> | <u>5,489,389</u> |
| 5. | INVESTMENT PROPERTY | | |
| | Land | 1,544,523 | 2,719,148 |
| | Building | 5,031 | 5,440 |
| | | <u>1,549,554</u> | <u>2,724,588</u> |
| 5.1 | Land - at cost | | |
| | Balance at beginning of period | 2,719,148 | 2,699,760 |
| | Acquisitions | 3,375 | 19,388 |
| | Classified as held for sale | (1,178,000) | - |
| | Balance at end of period | <u>1,544,523</u> | <u>2,719,148</u> |
| 6. | LONG-TERM FINANCING | | |
| | Opening balance | 3,521,048 | 3,200,843 |
| | Obtained during the period / year | 111,662 | 1,153,340 |
| | | 3,632,710 | 4,354,183 |
| | Less: paid during the period / year | 581,200 | 833,135 |
| | | 3,051,510 | 3,521,048 |
| | Less: current portion | 1,002,759 | 785,808 |
| | | <u>2,048,751</u> | <u>2,735,240</u> |
| 7. | CONTINGENCIES AND COMMITMENTS | | |
| | 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 and outstanding | 111,401 | 188,290 |
| | Commitments | | |
| | Capital expenditure | 19,011 | - |
| | Outstanding letters of credit for raw material and spares | 18,017 | 17,390 |

8. SALES - NET

| | Nine Months Ended | | Quarter Ended | |
|---------------------------------|--------------------------------|-------------------|-------------------|-------------------|
| | March 31, 2011 | March 31, 2010 | March 31, 2011 | March 31, 2010 |
| | ----- Rupees in thousand ----- | | | |
| Local | 5,057,463 | 4,722,965 | 1,822,691 | 1,510,704 |
| Export | 65,050 | 39,030 | 39,346 | 16,578 |
| | 5,122,513 | 4,761,995 | 1,862,037 | 1,527,282 |
| Less: Commission and discount | 132,843 | 89,239 | 47,034 | 29,688 |
| Sales tax | 377,360 | 393,913 | 120,208 | - |
| | 510,203 | 483,152 | 167,242 | 29,688 |
| | 4,612,310 | 4,278,843 | 1,694,795 | 1,497,594 |
| 9. COST OF GOODS SOLD | | | | |
| Raw material consumed | 1,262,169 | 780,777 | 423,590 | 252,347 |
| Fuel and power | 1,745,767 | 1,383,133 | 595,384 | 486,573 |
| Salaries, wages and benefits | 177,383 | 160,254 | 57,621 | 49,554 |
| Stores and spares | 128,280 | 102,148 | 38,137 | 35,276 |
| Repairs and maintenance | 54,888 | 45,329 | 17,238 | 17,008 |
| Vehicle running and maintenance | 18,139 | 20,039 | 6,704 | 8,264 |
| Travelling and conveyance | 14,195 | 10,808 | 6,507 | 4,473 |
| Insurance | 14,331 | 7,485 | 4,751 | 2,475 |
| Depreciation | 363,034 | 315,102 | 119,402 | 103,532 |
| Other | 3,739 | 8,223 | 1,347 | 605 |
| | 3,781,925 | 2,833,298 | 1,270,681 | 960,107 |
| Work in process | | | | |
| Opening stock | 22,219 | 26,240 | 56,126 | 23,655 |
| Closing stock | (60,658) | (21,415) | (60,658) | (21,415) |
| | (38,439) | 4,825 | (4,532) | 2,240 |
| Cost of goods manufactured | 3,743,486 | 2,838,123 | 1,266,149 | 962,347 |
| Finished stocks | | | | |
| Opening stock | 211,500 | 445,964 | 437,933 | 414,197 |
| Closing stock | (379,078) | (185,067) | (379,078) | (185,067) |
| | (167,578) | 260,897 | 58,885 | 229,130 |
| | 3,575,908 | 3,099,020 | 1,325,004 | 1,191,477 |
| PROVISION FOR TAXATION | | | | |
| Current | | | | |
| - For the period | 176,366 | 172,555 | 59,219 | 42,178 |
| Deferred | (69,750) | (24,621) | (26,752) | 4,713 |
| | 106,616 | 147,934 | 32,467 | 46,891 |

10. EARNINGS PER SHARE - BASIC AND DILUTED

| | Nine Months Ended | | Quarter Ended | |
|--|--------------------------------|----------------|----------------|----------------|
| | March 31, 2011 | March 31, 2010 | March 31, 2011 | March 31, 2010 |
| | ----- Rupees in thousand ----- | | | |
| Profit for the period | 216,039 | 378,635 | 89,069 | 43,076 |
| Weighted average number of ordinary shares outstanding during the period | 21,429 | 20,409 | 21,429 | 20,409 |
| Earnings per share (Rupees) | 10.08 | 18.55 | 4.16 | 2.11 |

11. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated companies, 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:

| | Nine Months Ended | |
|--|--------------------------------|----------------|
| | March 31, 2011 | March 31, 2010 |
| | ----- Rupees in thousand ----- | |

12. Relationship with the Company And Nature of Transactions Associated Undertakings

| | | |
|-----------------------------------|---------|---------|
| Sales | 31,578 | 7,230 |
| Purchases | 845 | 199 |
| Organizational expenses recovered | 848 | 1,728 |
| Organizational expenses paid | 3,477 | 2,231 |
| Power charges paid | 506,597 | 553,454 |
| Donation | 16,339 | 17,665 |
| Key Management Personnel | | |
| Remuneration to executive | 52,235 | 61,382 |

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

13.1 Information about operating segments is as follows:

| | Operating segments | | | | | | | |
|---|--------------------|----------------|------------------|----------------|----------------|----------------|----------------|----------------|
| | Chemical Division | | Textile Division | | Total | | Total | |
| | March 31, 2011 | March 31, 2010 | March 31, 2011 | March 31, 2010 | March 31, 2011 | March 31, 2010 | March 31, 2011 | March 31, 2010 |
| | Nine months ended | | | | | | | |
| | Rupees in thousand | | | | | | | |
| Revenue from external customers - net | 3,441,987 | 3,275,154 | 1,170,323 | 1,003,689 | 4,612,310 | 4,278,843 | | |
| Depreciation on property, plant and equipment | 349,825 | 300,548 | 23,172 | 26,035 | 372,997 | 326,583 | | |
| Segment profit | 703,696 | 854,021 | 118,939 | 111,246 | 822,635 | 965,267 | | |
| | Un-audited | | Audited | | Total | | Total | |
| | March 31, 2011 | June 30, 2010 | March 31, 2011 | June 30, 2010 | March 31, 2011 | June 30, 2010 | March 31, 2011 | June 30, 2010 |
| Capital expenditure | 3,993 | 1,087,306 | 1,423 | 581 | 5,416 | 1,087,887 | | |
| Segment assets | 7,586,887 | 6,639,891 | 1,247,410 | 940,911 | 8,834,297 | 7,580,802 | | |
| Segment liabilities | 354,129 | 341,677 | 68,298 | 84,175 | 422,427 | 425,852 | | |

13.2. *Reconciliations of reportable segments are as follows:*

| | Nine Months Ended | |
|--|--------------------------------|-------------------|
| | March 31, 2011 | March 31, 2010 |
| | ----- Rupees in thousand ----- | |
| Revenue | | |
| Entity's revenue | 4,612,310 | 4,278,843 |
| Profit for the period | | |
| Total profit for reportable segments | 822,635 | 965,267 |
| Unallocated corporate income / (expenses) | | |
| Other operating income | 32,443 | 19,757 |
| Administrative expenses | 979 | (245) |
| Other operating expenses | (24,379) | (51,142) |
| Finance cost | (504,046) | (440,564) |
| Share of profit of associates - net of tax | (4,977) | 33,496 |
| Profit before income tax expense | 322,655 | 526,569 |

| | March 31, 2011 | June 30, 2010 |
|---|--------------------------------|------------------|
| | ----- Rupees in thousand ----- | |
| Assets | | |
| Total assets for reportable segments | 8,834,297 | 7,580,802 |
| Other unallocated corporate assets | 2,811,596 | 2,729,656 |
| Entity's assets | 11,645,893 | 10,310,458 |
| Liabilities | | |
| Total liabilities for reportable segments | 422,638 | 425,852 |
| Other unallocated corporate liabilities | 11,223,255 | 9,884,606 |
| Entity's liabilities | 11,645,893 | 10,310,458 |

13.3 *The Company has no reportable geographical segment.*

14. OPERATING CASH FLOW BEFORE WORKING CAPITAL CHANGES

| | Nine Months Ended | |
|---|--------------------------------|-------------------|
| | March 31, 2011 | March 31, 2010 |
| | ----- Rupees in thousand ----- | |
| Profit before taxation | 322,655 | 526,569 |
| Adjustments for: | | |
| Depreciation on property, plant and equipment | 372,588 | 326,129 |
| Depreciation on investment property | 408 | 454 |
| Impairment loss on investment in associated Company | - | 12,480 |
| Share of profit of associated company | 4,977 | (33,496) |
| Provision for Worker's Profit Participation fund | 35,297 | 26,581 |
| Provision for Worker's welfare fund | 13,413 | 10,100 |
| Finance cost | 504,046 | 440,564 |
| Gain of sale of investment held for sale | (449) | (3,008) |
| Gain on disposal of property, plant and equipment - net | (2,220) | (1,642) |
| Provision for gratuity | 3,168 | (3,165) |
| Profit on deposits | (14,216) | (7,060) |
| Dividend income | (2,816) | (611) |
| | 914,196 | 767,326 |
| | 1,236,851 | 1,293,895 |

15. DATE OF AUTHORIZATION FOR ISSUE

This interim financial information has been approved by the Board of Directors of the Company and authorised for issue on April 18, 2011.

16. RE-ARRANGEMENT AND RECLASSIFICATION

No significant re-arrangement and reclassification has been made in this condensed interim financial information, except mentioned otherwise.

17. GENERAL

Figures have been rounded to the nearest thousand of rupees, unless otherwise stated.


MUHAMMAD ADREES
(CHIEF EXECUTIVE OFFICER)


HASEEB AHMED
(DIRECTOR)

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