

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

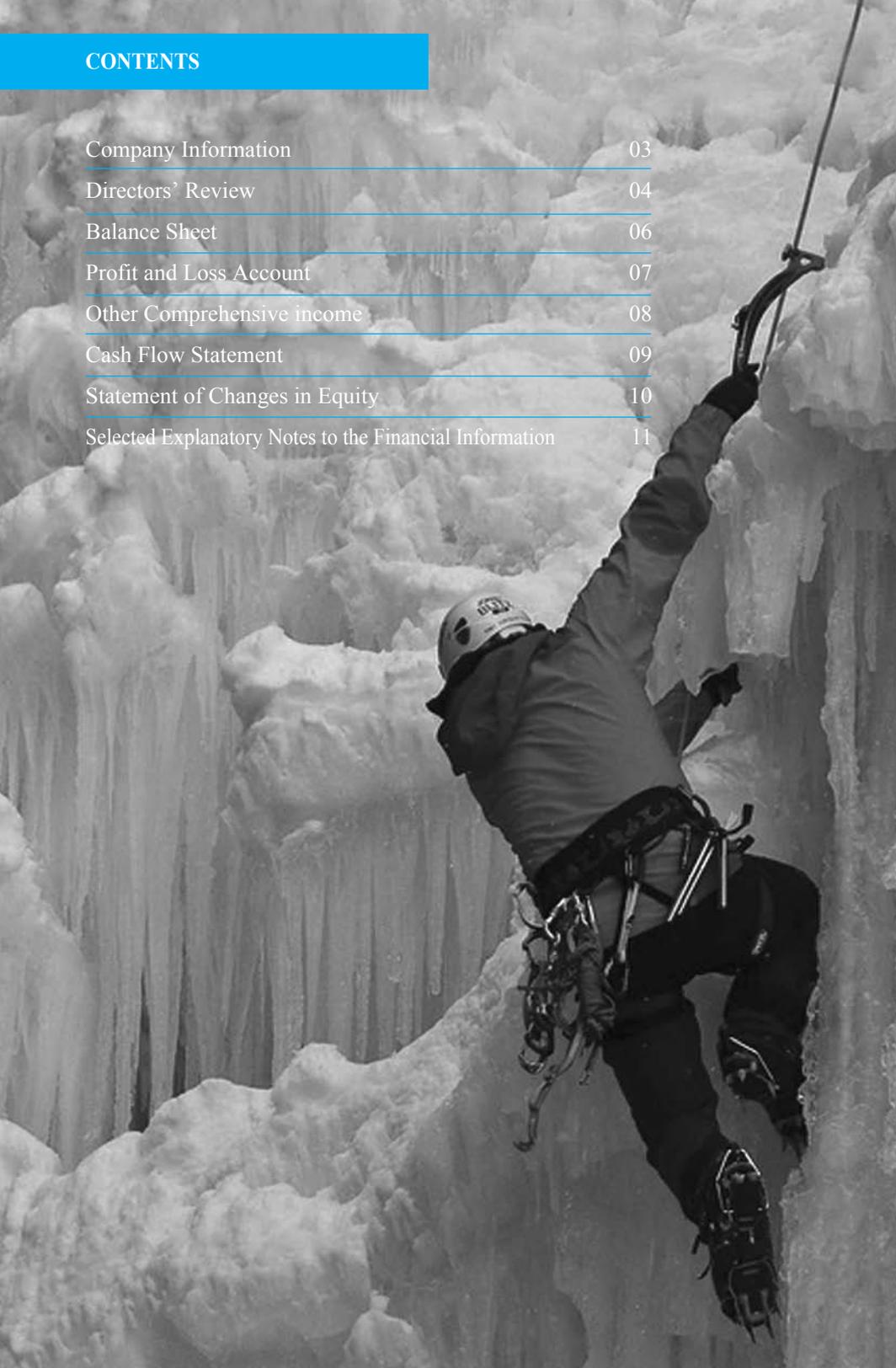
الحمد لله الذي هدانا لهذا
ما كنا لنهتدي لولا أن هدانا الله

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COMPANY INFORMATION

Board of Directors

Chairman	Haji Bashir Ahmed
Chief Executive Directors	Mr. Muhammad Adrees 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 Co. (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. Javaid Iqbal
Head of Internal Audit	Mr. Muhammad Yameen (FCA)

Auditors M/s M.Yousuf Adil Saleem & Co.
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 Pakisatan Limited
The Bank of Punjab
MCB Bank Limited
Standard Chartered Bank
First Habib Bank Modaraba
Saudi Pak Industrial and Agricultrual
Investment Co. (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 Ltd. (formaly Arit habib Bank Ltd)
Barclays Bank PLC Pakistan
Soneri Bank Ltd.
Habib Metropolitan Bank Ltd
Pak Oman Investment Company Ltd

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

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

CHAIRMAN STATEMENT

Directors of your Company are pleased to present before you the accounts of the half year ended December 31, 2010 along with limited review report by the auditors.

Energy and gas crisis and time and again upward revision in electricity rates have directly affected Pakistan's economy in general and caustic industry in particular. The global economy remains in turmoil with uncertain prospects for Pakistan's exports. However, demand of textile product in the global market was somehow improved and its visible impact has observed in the local market. Although there were many limitations yet your company has performed well.

Net sales of your company for the year under review has increased to Rs. 2,917 million as compared to Rs. 2,781 million of the corresponding period. Sale of Chemical Division has increased by Rs. 56 million while an increase of Textile Division by Rs. 80 million. Gross profit and net profit before tax are Rs. 667 million and Rs. 201 million, compared to Rs. 863 million and Rs. 426 million of the corresponding period.

In line with cost reduction strategy, management has decided to reduce burden of financial cost too. Therefore, we have planned selling of our non-current assets. Therefore, some portion of the investment has been classified as non current assets held for sale under the head current assets. In this regard, active negotiations with prospective customers are being started. The sale proceeds of this resource will be used to meet capital requirement of the company, consequently we are expecting considerable reduction in the borrowing cost of the company which will definitely improve company's overall profitability in the future.

Future Outlook

Pakistan economy challenges are gigantic and Pakistan economic indicators 2011 are not as encouraging as expected, therefore, in the given economic situation we are consolidating our existing business and focusing more for the optimum utilization of available resources in the most efficient manner. We further expect that overall energy and gas crisis will improve in the days to come which will certainly extend support to improve economic condition in the country and caustic soda business as well. Therefore, it is expected that overall demand of our products will improve in the local market. As a result considerable improvement can be witnessed in company's sales in the future.

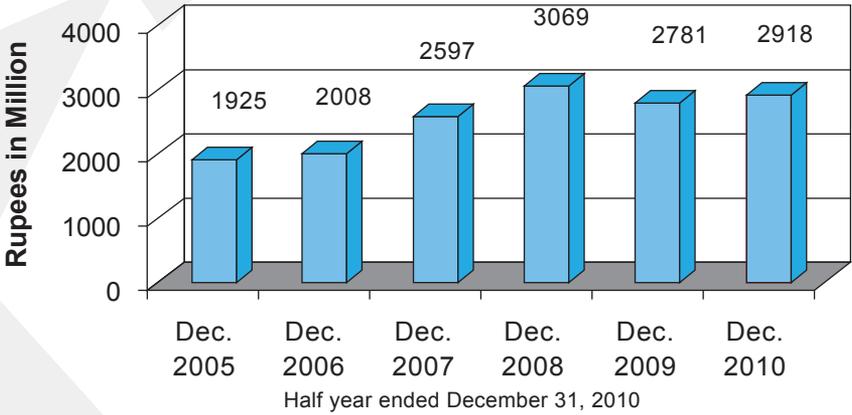
Acknowledgements

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

A comparison of halfyearly Sales & net profit before tax with corresponding five previous quarters

Years	Dec. 2005	Dec. 2006	Dec. 2007	Dec. 2008	Dec. 2009	Dec. 2010
Sales in M.T	1925	2008	2597	3069	2781	2918

Graphical history of Sales is given hereunder:




 MUHAMMAD ADREES
 (CHIEF EXECUTIVE OFFICER)
 Faisalabad: October 19, 2010


 HASEEB AHMED
 (DIRECTOR)

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Sitara Chemical Industries Limited** "the Company" as at December 31, 2010 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity and notes to the accounts, for the six months then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2010 and December 31, 2009 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2010.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the six months ended December 31, 2010 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Chartered Accountants

Multan

Dated:

**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT DECEMBER 31, 2010**

	Note	December 31, 2010 Un-Audited (Rupees in thousands)	June 30, 2010 Audited (Rupees in thousands)
ASSETS			
<i>Non - current assets</i>			
Property, plant and equipment	4	5,469,248	5,675,577
Investment property	5	1,548,564	2,724,588
Long-term investments		83,735	85,509
Long-term loans and advances	6	17,116	6,341
Long-term deposits		107,965	38,965
Total non-current assets		7,226,628	8,530,980
<i>Current assets</i>			
Stores, spare parts and loose tools		266,693	290,379
Stock-in-trade		1,125,368	502,292
Trade debts	7	471,408	433,457
Loans and advances	8	721,172	58,938
Trade deposits and short-term prepayments		17,246	15,416
Other receivables	9	11,584	12,154
Other financial assets		138,167	201,857
Tax refunds due from government		71,331	122,015
Cash and bank balances		505,443	142,970
		3,328,412	1,779,478
Non-current assets classified as held for sale		1,178,000	-
Total current assets		4,506,412	1,779,478
Total assets		11,733,040	10,310,458
EQUITY AND LIABILITIES			
<i>Share capital and reserves</i>			
Share capital	10	214,294	204,090
Reserves		1,328,536	1,338,554
Un-appropriated profits		1,911,174	1,817,708
		3,454,004	3,360,352
<i>Surplus on revaluation of Property, plant and equipment</i>		949,207	944,619
<i>Non - current liabilities</i>			
Long-term financing	11	2,287,259	2,735,240
Long-term deposits		18,147	8,806
Deferred liabilities		1,090,219	1,132,938
Total non-current liabilities		3,395,625	3,876,984
<i>Current liabilities</i>			
Trade and other payables	12	1,593,180	591,685
Profit / financial charges payable		107,540	89,010
Short term borrowing		1,282,000	662,000
Current portion of long term financing		951,484	785,808
Taxation		-	-
-income tax - net of advance tax		-	-
-sales tax		-	-
Total current liabilities		3,934,204	2,128,503
<i>Contingencies and commitments</i>	13		
Total equity and liabilities		11,733,040	10,310,458

The annexed selected notes 1 to 23 form an integral part of this condensed interim financial information.

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2010**

	Note	Six months ended		Three months ended	
		December 31 2010	December 31 2009	December 31 2010	December 31 2009
				Rupees in thousand	
Sales - net	14	2,917,517	2,781,249	1,507,699	1,416,243
Cost of sales	15	2,250,903	1,917,772	1,155,492	1,028,086
Gross profit		666,614	863,477	352,207	388,157
Other operating income		25,112	10,900	11,820	5,147
		691,726	874,377	364,027	393,304
Distribution cost		37,843	29,817	24,339	15,748
Administrative expenses		107,184	120,153	58,057	70,066
Other operating expenses		15,428	39,731	7,951	20,372
Finance cost		323,097	291,800	166,395	155,452
Share of loss/(profit) of associates - net of tax		3,805	(33,496)	3,805	(33,496)
Impairment loss on investment in associate		3,245	-	3,245	-
		490,602	448,005	263,792	228,142
Profit before taxation		201,124	426,372	100,235	165,162
Provision for taxation	16	74,149	101,043	35,638	2,479
Profit for the period		126,975	325,329	64,597	162,683
"Earnings per share - basic and diluted (Rupees)")	17	5.93	15.18	3.01	7.59

The annexed selected notes 1 to 23 form an integral part of this condensed interim financial information.



MUHAMMAD ADREES
(CHIEF EXECUTIVE OFFICER)



HASEEB AHMED
(DIRECTOR)

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2010**

	Six months ended		Three months ended	
	December 31 2010	December 31 2009	December 31 2010	December 31 2009
		Rupees in thousand		
Profit after taxation	126,975	325,329	64,597	162,683
Other comprehensive income for the period - net of tax				
Gain / (loss) on re-measurement of available for sale financial assets	15,180	5,814	13,614	(6,922)
Gain realized on sale of available for sale financial assets during the period	27	637	27	595
Share of other comprehensive income of associate	(64)	-	(64)	-
	15,143	6,451	13,577	(6,327)
Total comprehensive income for the period	142,118	331,780	78,174	156,356

The annexed selected notes 1 to 23 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 SIX MONTHS ENDED DECEMBER 31, 2010

		Six months ended	
		December 31 2010	December 31 2009
CASH FLOWS FROM OPERATING ACTIVITIES		Rupees in thousand	
Operating cash flow before working capital changes	Note 20	836,099	937,256
Changes in working capital			
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		23,686	(251,323)
Stock-in-trade		(623,076)	31,966
Trade debts		(38,429)	260,639
Loans and advances		(662,234)	(43,841)
Trade deposits and short-term prepayments		(1,830)	3,234
Other receivables		570	(7,637)
Other financial assets		48,537	
Decrease in current liabilities			
Trade and other payables		985,938	(215,812)
		(266,838)	(222,774)
Cash generated from operations		569,261	714,482
Finance cost paid		(304,567)	(324,332)
Employee benefits paid		(4,253)	(1,286)
Taxes paid		(66,463)	(74,781)
		(375,283)	(400,399)
Net cash from operating activities		193,978	314,083
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(45,231)	(21,214)
Proceeds from disposal of property, plant and equipment		2,996	3,381
Proceeds from sale of available for sale investments		(3,259)	21,398
Purchase of investment property		(2,250)	(6,831)
Long-term loans and advances		(10,775)	382
Loss on long term deposits		(69,000)	5,162
Dividend income received		-	2,478
Net cash (used in) / from investing activities		(127,519)	4,756
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of long-term financing		(393,967)	(608,343)
Long term financing obtained		111,662	-
Short term financing - net		620,000	432,134
Long term deposits		9,341	7,531
Dividend paid		(51,022)	(147,451)
Net cash from / (used in) financing activities		296,014	(316,129)
Net increase in cash and cash equivalents		362,473	2,710
Cash and cash equivalents at beginning of period		142,970	294,165
Cash and cash equivalents at end of the period		505,443	296,875

The annexed selected notes 1 to 23 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 SIX MONTHS ENDED DECEMBER 31, 2010

	Reserves					Total Reserves	Total		
	Share Capital	Capital		Revenue					
		Share Premium	Share of other comprehensive income of associates	Sub total	General Reserve			Un-appropriated Profit	
(.....) Rupees in thousand									
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	-	-	-	-	-	-	325,329	325,329	325,329
Profit for the six months ended December 31, 2009	-	-	-	-	-	-	-	-	-
Gain / (loss) on re-measurement of available for sale financial assets	-	-	5,814	-	5,814	-	-	5,814	5,814
Gain / Loss realized on sale of available for sale financial assets during the period	-	-	637	-	637	-	-	637	637
Transfer to un-appropriated profit on account of incremental depreciation	-	-	-	-	-	-	30,930	30,930	30,930
	-	-	6,451	-	6,451	-	356,259	362,710	362,710
Distribution to owners	-	-	-	-	-	-	(153,067)	(153,067)	(153,067)
Final dividend for the year ended June 30, 2009	-	-	-	-	-	-	-	-	-
Balance as at December 31, 2009	204,090	97,490	(4,270)	-	93,220	1,225,000	1,649,322	2,967,542	3,171,632
Total comprehensive income	204,090	97,490	(9,097)	25,160	113,553	1,225,000	1,817,709	3,156,262	3,360,352
Profit for the six months ended December 31, 2010	-	-	-	-	-	-	126,975	126,975	126,975
Gain / (loss) on re-measurement of available for sale financial assets	-	-	15,180	-	15,180	-	-	15,180	15,180
Gain realized on sale of available for sale financial assets during the period	-	-	27	(64)	27	-	-	27	27
Share of other comprehensive income of associate	-	-	15,207	(64)	15,143	-	126,975	142,118	142,118
Transfer of share in revaluation surplus of associate	-	-	-	(25,160)	(25,160)	-	-	(25,160)	(25,160)
Transfer to un-appropriated profit on account of incremental depreciation	-	-	-	-	-	-	27,716	27,716	27,716
Distribution to owners	-	-	-	-	-	-	(51,022)	(51,022)	(51,022)
Final dividend for the year ended June 30, 2010	-	-	-	-	-	-	(10,204)	(10,204)	-
Issue of bonus shares	10,204	-	-	-	-	-	-	-	-
Balance as at December 31, 2010	214,294	97,490	6,110	(64)	103,536	1,225,000	1,911,174	3,239,710	3,454,004

The annexed selected notes 1 to 23 form an integral part of this condensed interim financial information.



MUHAMMAD ADREES (CHIEF EXECUTIVE OFFICER)



HASEEB AHMED (DIRECTOR)

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 - 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.

Principal business activities are as follows:

Chemical Division	Manufacturing of caustic soda and allied products
Textile Division	Manufacturing of yarn

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 report of the Company for the six months period ended December 31, 2010 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 six months ended on December 31, 2009.

2.3 This condensed interim financial information is un-audited. However, a limited scope review has been performed by the statutory auditors of the Company in accordance with the clause (xxi) of the Code of Corporate Governance and they have issued their review report thereon.

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 the preparation of the financial statements for the year ended June 30, 2010.

	Note	December 31	June 30
		2010	2010
		Un-audited	Audited
4	<i>PROPERTY, PLANT AND EQUIPMENT</i>	Rupees in thousand	
	Operating assets	5,242,829	5,489,389
	Capital work-in-progress	226,419	186,188
		<u>5,469,248</u>	<u>5,675,577</u>

		December 31 2010	June 30 2010
		Un-audited	Audited
4.1	Operating assets	Rupees in thousand	
	Opening written down value	5,489,389	4,851,602
	Additions during the period / year:		
	Freehold land	-	-
	Building on freehold land - Mills	-	88,092
	Plant and machinery	1,166	920,409
	Grid station and electric installation	-	52,568
	Containers and cylinders	-	-
	Factory equipment	646	9,185
	Electric equipment	876	2,841
	Office equipment	417	2,549
	Furniture and fittings	339	1,418
	Vehicles	1,435	10,824
		4,879	1,087,886
	Written down value of operating assets disposed off	(1,387)	(14,942)
	Depreciation charged during the period / year	(250,052)	(435,157)
		<u>5,242,829</u>	<u>5,489,389</u>
5	INVESTMENT PROPERTY		
	Land	1,543,398	2,719,148
	Building	5,166	5,440
		<u>1,548,564</u>	<u>2,724,588</u>
5.1	Land - at cost		
	Balance at beginning of the period / year	2,719,148	2,699,760
	Acquisitions	2,250	19,388
	Classified as held for sale	(1,178,000)	-
	Balance at end of the period / year	<u>1,543,398</u>	<u>2,719,148</u>
5.2	The fair value of the investment property as at June 30, 2010 is Rs. 2,729 million. The fair value has been arrived at on the basis of valuation carried out by W.W. Engineering Services (Private) Limited, an independent valuer not connected with the Company. The valuation was arrived at by reference to market evidence of transaction price for similar items.		
6	LONG-TERM LOANS AND ADVANCES		
	These include loans and advances to related parties amounting to Rs. Nil million (June 30, 2010: Rs.0.279 million).		
7	TRADE DEBTS		
	These include receivable from related parties amounting to Rs. 29.070 million (June 30, 2010: Rs. 37.887 million).		
8	LOANS AND ADVANCES		
	These include loans and advances to related parties amounting to Rs. 1.392 million (June 30, 2010: Rs. 0.714 million).		
9	OTHER RECEIVABLES		
	These include receivable from related parties amounting to Rs. 2.138 million (June 30, 2010: Rs. 3.104 million).		

10 SHARE CAPITAL

December 31 2010 Un-audited	June 30 2010 Audited		December 31 2010 Un-audited	June 30 2010 Audited
No of shares			Rupees in thousand	
		<i>Authorized</i>		
40,000,000	40,000,000	A class ordinary shares of Rs. 10/- each	400,000	400,000
20,000,000	20,000,000	B class ordinary shares of Rs. 10/- each	200,000	200,000
		Issued, subscribed and paid up		
		"A" class ordinary shares of Rs. 10/- each		
		fully paid		
8,640,000	8,640,000	- fully paid in cash	86,400	86,400
10,804,398	9,783,950	- issued as fully paid bonus shares (Note:10.1)	108,044	97,840
1,985,009	1,985,009	- issued as fully paid under scheme of arrangement for amalgamation	19,850	19,850
21,429,407	20,408,959		214,294	204,090
			Number of shares	
At the begging of the year			20,408,959	20,408,959
Bonus shares of Rs. 10/ each issued during the period			1,020,448	-
At the end of the year			21,429,407	20,408,959

11 LONG-TERM FINANCING

	December 31 2010 Un-audited	June 30 2010 Audited
	Rupees in thousand	
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	393,967	833,135
	3,238,743	3,521,048
Less: current portion	951,484	785,808
	2,287,259	2,735,240

12 TRADE AND OTHER PAYABLES

These include Murabaha payable amounting to Rs. 411.911 million (June 30, 2010: Rs. 124.921 million). The aggregate un-availed facilities available to the Company from commercial banks amounted to Rs. 1,689 million (June 30, 2010: Rs. 2,528 million). These are subject to profit margin ranging from 12.96% to 14.76% (June 30, 2010: 13.03% to 14.67%) per annum payable quarterly and are secured against joint pari passu charge over present and future current assets of the chemical division and pledge of stocks and charge over present and future current assets of the textile division.

	December 31 2010 Un-audited	June 30 2010 Audited
	Rupees in thousand	
13 CONTINGENCIES AND COMMITMENTS		
13.1 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	193,335	188,290

13.2 Commitments		Six months ended		Three months ended	
		December 31 2010	December 31 2009	December 31 2010	December 31 2009
Capital expenditure				94,320	-
Outstanding letters of credit for raw material and spares				93,410	17,390
		Rupees in thousand			
14 SALES - NET		Six months ended		Three months ended	
		December 31 2010	December 31 2009	December 31 2010	December 31 2009
		Rupees in thousand			
Local		3,234,743	3,081,289	1,662,757	1,565,364
Export		25,705	22,452	13,809	10,422
		3,260,448	3,103,741	1,676,566	1,575,786
Less: Commission and discount		85,808	59,552	42,545	32,330
Sales tax		257,123	262,940	126,322	127,213
		342,931	322,492	168,867	159,543
		2,917,517	2,781,249	1,507,699	1,416,243
		Rupees in thousand			
15 COST OF SALES		Six months ended		Three months ended	
		December 31 2010	December 31 2009	December 31 2010	December 31 2009
		Rupees in thousand			
Raw material consumed		840,175	528,431	487,995	261,961
Fuel and power		1,150,383	896,561	648,795	370,393
Salaries, wages and benefits		119,760	111,336	60,287	55,538
Factory overheads		402,519	336,863	197,633	187,384
		2,512,837	1,873,191	1,394,710	875,276
Work-in-process					
Opening stock		22,219	26,240	24,177	23,993
Closing stock		(56,126)	(23,655)	(56,126)	(23,655)
		(33,907)	2,585	(31,949)	338
Cost of goods manufactured		2,478,930	1,875,776	1,362,761	875,614
Finished goods					
Opening stock		209,906	445,964	230,664	556,440
Closing stock		(437,933)	(403,968)	(437,933)	(403,968)
		(228,027)	41,996	(207,269)	152,472
		2,250,903	1,917,772	1,155,492	1,028,086
		Rupees in thousand			
16 PROVISION FOR TAXATION		Six months ended		Three months ended	
		December 31 2010	December 31 2009	December 31 2010	December 31 2009
		Rupees in thousand			
Current		117,147	139,509	59,687	34,255
Deferred		(42,998)	(38,466)	(24,049)	(31,776)
		74,149	101,043	35,638	2,479

	Six months ended		Three months ended	
	December 31 2010	December 31 2009	December 31 2010	December 31 2009
17	Rupees in thousand			
EARNINGS PER SHARE - BASIC AND DILUTED				
Profit for the period (Rupees in thousands)	126,975	325,329	64,597	162,683
Weighted average number of ordinary shares outstanding during the period	21,429	21,429	21,429	21,429
Earnings per share (Rupees)	5.93	15.18	3.01	7.59

18 **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:

		Six months ended	
		December 31 2010	December 31 2009
		Rupees in thousand	
Relationship with the Company	Nature of transactions		
Associated Undertakings	Sales	21,157	23,740
	Organizational expenses recovered	528	362
	Organizational expenses paid	2,313	2,360
	Power charges paid	448,762	357,745
	Dividend received	3,392	1,867
	Donation	14,443	14,245
Key Management Personnel	Remuneration to Executives	22,197	29,206
	Post-employment benefits	2,112	2,111

19 **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

19.1 Information about operating segments is as follows:

	Chemical Division		Textile Division		Total		Total	
	Six months ended				December 31, 2010	December 31, 2010	December 31, 2009	December 31, 2010
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009				
	(Rupees in thousand)							
Revenue from external customers - net	2,229,996	2,173,900	687,521	607,349	2,917,517	2,781,249		
Depreciation on property, plant and equipment	234,776	201,552	15,276	17,627	250,052	219,179		
Segment profit	447,123	660,914	73,484	52,538	520,607	713,452		
	(Rupees in thousand)							
Capital expenditure	Un-audited December 31, 2010	Audited June 30, 2009	Un-audited December 31, 2010	Audited June 30, 2009	Total Un-audited December 31, 2010	Total Audited June 30, 2010		
Segment assets	3,456	1,087,306	1,423	581	4,879	1,087,887		
Segment liabilities	7,807,993	6,639,891	1,290,316	940,911	9,098,309	7,580,802		
	409,200	341,677	852,484	84,175	1,261,684	425,852		

	Six months ended	
	December 31 2010	December 31 2009
	Rupees in thousand	
19.2 Reconciliations of reportable segments are as follows:		
Revenue		
Total revenue for reportable segments	2,917,517	2,781,249
Other revenue	-	-
Entity's revenue	<u>2,917,517</u>	<u>2,781,249</u>
Profit for the period		
Total profit for reportable segments	520,607	713,452
Unallocated corporate income / (expenses)		
Other operating income	25,112	10,900
Administrative expenses	980	55
Other operating expenses	(15,428)	(39,731)
Finance cost	(323,097)	(291,800)
Share of profit of associates - net of tax	(3,805)	33,496
Impairment loss on investment in associate	(3,245)	-
Profit before income tax expense	<u>201,124</u>	<u>426,372</u>
	Un-audited December 31 2010	Audited June 30 2010
	Rupees in thousand	
Assets		
Total assets for reportable segments	9,098,309	7,580,802
Other unallocated corporate assets	2,634,731	2,729,656
Entity's assets	<u>11,733,040</u>	<u>10,310,458</u>
Liabilities		
Total liabilities for reportable segments	1,261,684	425,852
Other unallocated corporate liabilities	10,471,356	9,884,606
Entity's liabilities	<u>11,733,040</u>	<u>10,310,458</u>

19.3 The Company has no reportable geographical segment.

	Six months ended	
	December 31 2010	December 31 2009
	Rupees in thousand	
20 OPERATING CASH FLOW BEFORE WORKING CAPITAL CHANGES		
Profit before taxation	201,124	426,372
Adjustments for:		
Depreciation on property, plant and equipment	250,052	218,874
Depreciation on investment property	274	305
Impairment loss on investment in associated company	3,245	10,613
Finance cost	323,097	291,800
Share of profit of associated companies - net of tax	3,805	(33,496)
Gain on disposal of property, plant and equipment - net	(1,488)	(996)
Gain on sale of available for sale investments	(27)	(2,196)
Exchange gain	(62)	(34)
Provision for employee benefits	4,532	2,111
Provision for workers' profit participation fund	11,274	21,100
Provision for workers' welfare fund	4,284	8,018

Dividend income	(1,953)	(611)
Gain / (loss) on re-measurement of available for sale financial assets	15,180	-
Reversal of provision for doubtful debts	-	(310)
Share of other comprehensive income of associate	(64)	-
Transfer from other comprehensive income to surplus on property plant and equipment	22,286	-
Profit on bank deposits	540	(4,294)
	<u>634,975</u>	<u>510,884</u>
	<u>836,099</u>	<u>937,256</u>

21 *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 _____.

22 *RE-ARRANGEMENT AND RECLASSIFICATION*

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

23 *GENERAL*

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