



Sitara Chemical Industries Limited  
3<sup>rd</sup> Quarter Report  
March 31, 2017



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# Company Information

## Board of Directors

Chairman  
Chief Executive Officer  
Directors

Mr. Muhammad Khalil  
Mr. Muhammad Adrees  
Mr. Haseeb Ahmed  
Mr. Waheed Akhter Sher  
Mr. Abdul Awal  
Mr. Muneeb-ul-Haq  
Mr. Ahmad Nawaz

## 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. Muneeb-ul-Haq

## Human Resource & Remuneration Committee

Chairman  
Members

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

## Head of Internal Audit

Mr. Zakir Hussain (FCA)

## 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  
Askari Bank Limited

## Website of the Company

[www.sitara.com.pk](http://www.sitara.com.pk)

## Registered Office

601-602 Business Centre, Mumtaz  
Hassan Road, Karachi-74000

## Share Registrar Address

THK Associates (Private) Limited,  
1st Floor, 40-C, Block-6, P.E.C.H.S.,  
Karachi.-75400

## 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 of the Company for the 3rd quarter ended March 31, 2017.

During the current period of nine months under review, your Company has recorded a cumulative net sales of Rs.7,263 million and gross profits of Rs 1,807 million as compared with net sales of Rs. 7,222 million and gross profits of Rs 1,601 million in the corresponding period of last year. Cumulative profits after tax during the period under review amounted to Rs.789 million translating into earning per share of Rs.36.84 as compared with profit after tax of Rs 602 million and earnings per share of Rs.28.10 during the corresponding period of last year.

Your company has witnessed an improvement of 12.22% in gross margins % during the current period of nine months as compared with corresponding period of last year which is attributable towards savings in energy cost after induction of 40 MW coal fired power plant and improvement in yarn prices. However, gross margins of chemical division during the 3rd quarter remained little depressed due to increase in energy cost after shifting of industrial user of natural gas on Regasified Liquefied Natural Gas (RLNG) under the Govt. policy.

### Future Outlook:

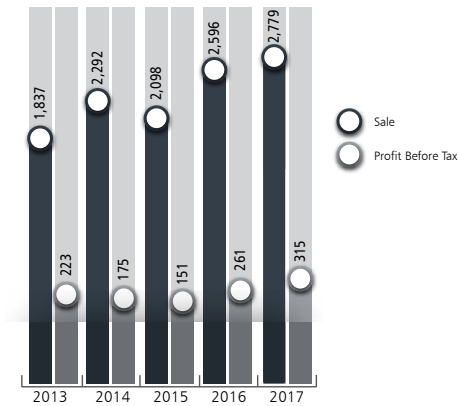
By the Grace of Almighty Allah, Carbon Dioxide (CO<sub>2</sub>) 50 MT plant has been completed and started commercial production. Further, LC of Steam Operated Absorption Chiller in order to provide a standby arrangement for the smooth production of Sodium Hypochlorite and Caustic Soda has been established, and its erection & installation will be completed during the current financial year as per our project timelines (InshaAllah).

Moving forward, with improved law and order situation in the country and expected GDP growth in the country during the current fiscal year and in the years to come, we stand committed to capitalize on right opportunities and pursuing on a profitable growth agenda that creates shareholders' value on sustainable basis.

# Directors' Review

## Acknowledgments:

We take this opportunity to thank our valued business partners and stakeholders for their continued support, trust and assistance for the progress and prosperity of the Company. Company also appreciates its staff for their continuous dedication, commitment and support.



For the 3rd Quarter ended March 31.

Muhammad Adrees  
Chief Executive Officer  
Faisalabad: April 21, 2017

## ڈائریکٹرز رپورٹ

شروع اللہ کے نام سے جو بڑا مہربان اور رحم کرنے والا ہے۔

ستارہ کیمیکلز انڈسٹریز لمیٹیڈ کے بورڈ آف ڈائریکٹرز کی جانب سے میں 31 مارچ 2017 کو ختم ہونے والی تیسری سہ ماہی کے غیر آڈٹ شدہ اکاؤنٹس کی جائزہ رپورٹ پیش کر رہا ہوں۔

زیر جائزہ نو ماہ کے مدت کے دوران آپ کی کمپنی کی مصنوعات کی فروخت 7,263 ملین روپے رہی اور مجموعی منافع 1,807 ملین روپے رہا جبکہ پچھلے سال اسی عرصہ کے دوران مصنوعات کی فروخت 7,222 ملین روپے تھی اور مجموعی منافع 1,601 ملین روپے تھا۔ زیر جائزہ مدت کا ٹیکس کے بعد کمایا گیا خالص منافع 789 ملین روپے رہا اور فی شیئر آمدنی 36.84 روپے رہی۔ جبکہ پچھلے سال اسی عرصہ کے دوران ٹیکس کے بعد کمایا گیا خالص منافع 602 ملین روپے تھا اور فی شیئر آمدنی 28.10 روپے تھی۔

پچھلے سال کے مقابلے میں اس سال زیر جائزہ مدت کے نو ماہ کے دوران مجموعی مارجن میں 12.22 فیصد کا اضافہ دیکھا گیا جس کی بنیادی وجہ 40 میگا واٹ کوئلے پر چلنے والے پاور پلانٹ سے حاصل ہونے والی توانائی کی لاگت میں کمی ہے اور ایران کی قیمت میں بہتری بھی ہے۔ تاہم تیسری سہ ماہی میں کیمیکل ڈویژن کے مجموعی مارجن میں معمولی سی کمی دیکھی گئی جس کی بنیادی وجہ گورنمنٹ کی طرف سے صنعتی صارفین کو قدرتی گیس کی فراہمی کی بجائے ریلیگنیفائیڈ گیس (RLNG) پر منتقلی ہے جس کی وجہ سے توانائی کی قیمت میں اضافہ ہوا۔

مستقبل پر نظر

اللہ رب العالمین کے فضل و کرم سے 50 میٹرک ٹن مائع کاربن ڈائی آکسائیڈ (CO2 فوڈ گریڈ) پلانٹ کی تکمیل کے بعد تجارتی پیداوار شروع ہو چکی ہے۔ اس کے علاوہ بھاپ سے چلنے والے ایک عدد چلر جو کہ کمپنی کی مصنوعات سوڈیم ہائیپوکلورائیٹ اور کاسٹک سوڈا کی متواتر پیداوار میں مددگار ثابت ہوگا کی خریداری کے لیے LC بھی کھولی جا چکی ہے۔ جس کی تنصیب اور تعمیر کا کام موجودہ سال میں مکمل ہو جائے گا۔ (انشاء اللہ)۔

ملک میں امن و امان کی بہتر صورت حال اور موجودہ اور آنے والے مالی سالوں میں پاکستان کی مجموعی قومی پیداوار میں متوقع اضافہ کے باعث ہم صحیح مواقع کو استعمال کرتے ہوئے منافع بخش ترقی کے استحکام کے پراجیکٹس ہیں تاکہ حصہ داروں کی مجموعی دولت میں اضافہ ہو سکے۔

اعترافات

ہم اس موقع پر اپنے محترم کاروباری شراکت داروں کی مستقل حوصلہ افزائی، مدد اور اعتماد کا شکریہ ادا کرتے ہیں۔ کمپنی اپنے ملازمین کی مستقل مزاجی، محنت لگن اور صلاحیتوں کی محنت ہے اور اس پر فخر کرتی ہے۔

محمد ادریس

چیف ایگزیکٹو آفیسر

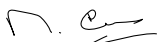
فیصل آباد۔ 21 اپریل 2017

# Condensed Interim Balance Sheet (Un-audited)

## As at March 31, 2017

		Un-audited March 31, 2017 (Rupees in thousand)	Audited June 30, 2016
	Note		
<b>NON - CURRENT ASSETS</b>			
Property, plant and equipment	5	9,377,437	8,789,143
Intangible assets		13,453	14,543
Investment property	6	2,960,925	2,872,992
Long-term investments		31,059	100,125
Long-term loans and advances		1,267,029	1,265,177
Long-term deposits		111,209	110,858
		13,761,112	13,152,838
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		545,474	413,630
Stock-in-trade		1,372,086	1,103,513
Trade debts		1,165,118	1,124,985
Advance sales tax		-	61,214
Loans and advances		2,112,488	1,597,384
Trade deposits and short-term prepayments		30,664	6,580
Other receivables		7,680	9,564
Other financial assets		202,921	197,069
Cash and bank balances		171,655	188,425
		5,608,086	4,702,364
		19,369,198	17,855,202
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital	7	214,294	214,294
Reserves		1,417,548	1,362,766
Un-appropriated profits		6,556,265	5,958,347
		8,188,107	7,535,407
<b>SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>		1,299,088	1,355,695
<b>NON - CURRENT LIABILITIES</b>			
Long-term financing	8	1,867,759	1,655,407
Long-term deposits		15,685	3,885
Deferred liabilities		1,152,143	1,017,941
		3,035,587	2,677,233
<b>CURRENT LIABILITIES</b>			
Trade and other payables		2,990,886	2,790,765
Profit / financial charges payable		92,419	82,952
Short term borrowings		2,882,906	2,672,034
Current portion of long term financing		830,152	741,116
Sales tax payable		50,053	-
		6,846,416	6,286,867
<b>CONTINGENCIES AND COMMITMENTS</b>	9	19,369,198	17,855,202

The annexed selected notes 1 to 18 form an integral part of this condensed interim financial information.



Muhammad Adrees  
Chief Executive Officer



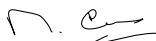
Haseeb Ahmed  
Director

# Condensed Interim Profit and Loss Account (Un-audited)

## For the nine months ended March 31, 2017

		Nine months ended		Quarter ended	
		March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	Note	(Rupees in thousand)			
Sales - net	10	7,262,678	7,222,159	2,779,019	2,595,688
Cost of sales	11	(5,455,765)	(5,620,912)	(2,163,240)	(2,091,595)
Gross profit		1,806,913	1,601,247	615,779	504,093
Distribution cost		(135,694)	(150,791)	(41,876)	(50,484)
Administrative expenses		(392,573)	(349,352)	(138,981)	(118,422)
Other expenses		(73,617)	(65,064)	(23,382)	(18,761)
Finance cost		(261,063)	(192,886)	(113,544)	(67,733)
		(862,947)	(758,093)	(317,783)	(255,400)
Other Income		53,075	41,004	16,168	12,330
		997,041	884,158	314,164	261,023
Share of Profit/(loss) of associates					
- net of tax		(4,073)	1,540	1,401	(77)
Profit before taxation		992,968	885,698	315,565	260,946
Provision for taxation	12	(203,443)	(283,617)	(30,281)	(79,862)
Profit after taxation		789,525	602,081	285,284	181,084
Earnings per share - basic and diluted					
(Rupees)	13	36.84	28.10	13.31	8.45

The annexed selected notes 1 to 18 form an integral part of this condensed interim financial information.

  
Muhammad Adrees  
Chief Executive Officer

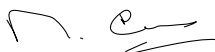
  
Haseeb Ahmed  
Director

# Condensed Interim Statement of Comprehensive Income (Un-audited)

## For the nine months ended March 31, 2017

	Nine months ended		Quarter ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	(Rupees in thousand)			
Profit after taxation	789,525	602,081	285,284	181,084
Other comprehensive income				
Items that may be reclassified subsequently to profit and loss				
Surplus/(Deficit) on re-measurement of investment available for sale to fair value	50,443	(8,452)	17,538	1,402
Reclassification adjustment relating to available for sale financial assets disposed off during the period/year	4,339	-	285	-
Total items that may be reclassified subsequently to profit and loss	54,782	(8,452)	17,823	1,402
Items that will not be reclassified subsequently to profit and loss				
Remeasurement of post retirement benefits obligation	-	-	-	-
Impact of deferred tax	-	-	-	-
Total comprehensive income for the period	844,307	593,629	303,107	182,486

The annexed selected notes 1 to 18 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 nine months ended March 31, 2017

Share Capital	Reserves					Total Reserves	Total
	Share Premium	Reserve on re-measurement of available for sale investments	Remeasurement on post retirement benefits obligation net of tax	General Reserve	Un-appropriated Profit		
Rupees in thousand							
214,294	97,490	47,024	(5,933)	1,225,000	5,314,313	6,677,894	6,892,188
-	-	-	-	-	602,081	602,081	602,081
-	-	-	-	-	-	-	-
-	-	(8,452)	-	-	-	(8,452)	(8,452)
-	-	(8,452)	-	-	602,081	593,629	593,629
-	-	-	-	-	-	50,758	50,758
-	-	-	-	-	(192,865)	(192,865)	(192,865)
214,294	97,490	38,572	(5,933)	1,225,000	5,774,287	7,129,416	7,343,710
214,294	97,490	46,642	(6,366)	1,225,000	5,958,347	7,321,113	7,535,407
-	-	-	-	-	789,525	789,525	789,525
-	-	-	-	-	-	-	-
-	-	54,782	-	-	-	54,782	54,782
-	-	54,782	-	-	789,525	844,307	844,307
-	-	-	-	-	54,832	54,832	54,832
-	-	-	-	-	(246,439)	(246,439)	(246,439)
214,294	97,490	101,424	(6,366)	1,225,000	6,556,265	7,973,813	8,188,107

The annexed selected notes 1 to 18 form an integral part of this condensed interim financial information.



**Haseeb Ahmed**  
Director



**Muhammad Adrees**  
Chief Executive Officer

# Condensed Interim Cash Flow Statement (Un-audited)

## For the nine months ended March 31, 2017

	Note	Nine months ended	
		March 31, 2017	March 31, 2016
(Rupees in thousand)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating cash flow before working capital changes	16	1,711,750	1,439,611
Changes in working capital			
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(131,844)	(71,486)
Stock-in-trade		(268,573)	(373,041)
Trade debts		(40,133)	(69,388)
Advance sales tax		111,267	24,617
Loans and advances		(351,156)	(116,324)
Trade deposits and short-term prepayments		(24,084)	(16,781)
Other receivables		1,884	5,003
Increase in current liabilities			
Trade and other payables		197,793	600,401
		(504,846)	(16,999)
Cash generated from operations		1,206,904	1,422,612
Finance cost paid		(251,596)	(158,786)
Employee benefits paid		(6,211)	(3,343)
Taxes paid		(230,897)	(352,340)
Profit received		8,595	10,268
		(480,109)	(504,201)
Net cash generated from operating activities		726,795	918,411
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(1,060,973)	(2,547,305)
Proceeds from disposal of property, plant and equipment		5,512	3,138
Proceeds from available for sale investments - net		121,554	101,733
Purchase of investment property		(91,650)	(132,111)
Long-term loans and advances		(1,852)	(1,354)
Long-term deposits		(351)	-
Sales tax payable		-	6,646
Dividend income received		5,231	4,045
Net cash used in investing activities		(1,022,529)	(2,565,208)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipt / (payment) of long-term financing - net		301,388	1,305,486
Short term financing - net		210,872	495,981
Long term deposits		11,800	(1,134)
Dividend paid		(245,096)	(191,752)
Net cash generated from / (used in) financing activities		278,964	1,608,581
Net decrease in cash and cash equivalents		(16,770)	(38,216)
Cash and cash equivalents at beginning of the period		188,425	256,977
Cash and cash equivalents at end of the period		171,655	218,761

The annexed selected notes 1 to 18 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 nine months ended March 31, 2017

### 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 Pakistan Stock Exchange. 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 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 of the Company for the nine months period ended March 31, 2017 has been prepared in accordance with the International Accounting Standard - 34 "Interim Financial Reporting" 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, 2016. Comparative balance sheet is extracted from annual audited financial statements for the year ended June 30, 2016 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, 2016.

### 3 ACCOUNTING POLICIES AND ESTIMATES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended 30 June 2016.

### 4 ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on past experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. However, actual results may differ from these estimates.

During the preparation of this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the audited annual financial statements for the year ended June 30, 2016.

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

## For the nine months ended March 31, 2017

		Un-audited March 31, 2017	Audited June 30, 2016	
5	PROPERTY, PLANT AND EQUIPMENT	(Rupees in thousand)		
	Operating assets	5.1	9,155,783	5,307,233
	Capital work-in-progress		221,654	3,481,910
			9,377,437	8,789,143
5.1	Operating assets			
	Opening written down value		5,307,233	5,439,242
	Additions during the period / year:			
	Freehold land		6,942	29,339
	Building on freehold land - Mills		927,877	66,496
	Plant and machinery		2,632,773	64,839
	Grid station and electric installation		58,325	33
	Containers and cylinders		-	32
	Factory equipment		3,406	3,419
	Electric equipment		665,415	16,036
	Office equipment		3,570	6,139
	Furniture and fittings		3,767	1,321
	Vehicles		19,153	10,525
			4,321,228	198,179
	Revaluation surplus		-	166,348
	Written down value of operating assets disposed off during the period / year		(4,170)	(3,863)
	Depreciation charged during the period / year		(468,508)	(492,673)
			9,155,783	5,307,233

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

## For the nine months ended March 31, 2017

		Un-audited March 31, 2017	Audited June 30, 2016
		(Rupees in thousand)	
6	INVESTMENT PROPERTY	Note	
	Land	6.1	2,910,755
	Building	6.2	50,170
			2,960,925
6.1	Land - at cost		
	Balance at beginning of the period / year	2,819,105	2,657,058
	Acquisitions	91,650	162,047
	Disposal	-	-
	Balance at end of the period / year	2,910,755	2,819,105
6.2	Building - at cost		
	Cost	77,921	77,921
	Acquisitions	-	-
		77,921	77,921
	Accumulated Depreciation:		
	At the beginning of the period / year	24,034	18,516
	For the period / year	3,717	5,518
	At the end of the period / year	27,751	24,034
	Written down value at the end of the period / year	50,170	53,887

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

## For the nine months ended March 31, 2017

### 7 SHARE CAPITAL

Un-audited March 31 2017 .....No of shares.....	Audited June 30 2016		Un-audited March 31, 2017 (Rupees in thousand)	Audited June 30, 2016
40,000,000	40,000,000	Authorized		
		Class 'A' ordinary shares of Rs. 10/- each	400,000	400,000
<u>20,000,000</u>	<u>20,000,000</u>	Class 'B' ordinary shares of Rs. 10/- each	<u>200,000</u>	<u>200,000</u>
		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	10,804,398	- issued as fully paid bonus shares	108,044	108,044
1,985,009	1,985,009	- issued as fully paid under scheme		
		of arrangement for amalgamation	19,850	19,850
<u>21,429,407</u>	<u>21,429,407</u>		<u>214,294</u>	<u>214,294</u>

Class "B" ordinary shares do not carry any voting rights.

No shares are held by any associated Company or related party.

The Company has no reserved shares under options or sales contracts.

	Un-audited March 31, 2017 (Rupees in thousand)	Audited June 30, 2016
8 LONG-TERM FINANCING		
Opening balance	2,396,523	1,138,358
Obtained during the period / year	838,238	1,538,522
	<u>3,234,761</u>	<u>2,676,880</u>
Less: Paid during the period / year	536,850	280,357
	<u>2,697,911</u>	<u>2,396,523</u>
Less: Current portion	830,152	741,116
	<u>1,867,759</u>	<u>1,655,407</u>
9 CONTINGENCIES AND COMMITMENTS		
9.1 Contingencies		
Guarantees issued by banks on behalf of the Company	218,034	186,459
9.2 Commitments		
Outstanding letters of credit for Coal Power Project raw material and spares	223,548	301,573

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

## For the nine months ended March 31, 2017

	Nine months ended		Quarter ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	(Rupees in thousand)			
<b>10 SALES - NET</b>				
Local	8,607,722	8,630,803	3,216,678	3,072,233
Export	59,027	27,729	45,723	23,357
	8,666,749	8,658,532	3,262,401	3,095,590
Less: Commission and discount	366,757	371,325	118,082	133,616
Sales tax	1,037,314	1,065,048	365,300	366,286
	1,404,071	1,436,373	483,382	499,902
	7,262,678	7,222,159	2,779,019	2,595,688
<b>11 COST OF SALES</b>				
Raw material consumed	1,530,399	1,489,167	640,236	531,054
Fuel and power	2,440,082	3,189,964	1,038,051	964,754
Salaries, wages and benefits	293,936	244,969	106,499	78,938
Factory overheads	1,077,903	717,540	325,939	230,523
	5,342,320	5,641,640	2,110,725	1,805,269
Work-in-process				
Opening stock	9,671	8,102	9,445	7,351
Closing stock	(11,771)	(7,965)	(11,771)	(7,965)
	(2,100)	137	(2,326)	(614)
Cost of goods manufactured	5,340,220	5,641,777	2,108,399	1,804,655
Finished goods				
Opening stock	652,710	479,954	592,006	787,759
Purchases	-	-	-	-
Closing stock	(537,165)	(500,819)	(537,165)	(500,819)
	115,545	(20,865)	54,841	286,940
	5,455,765	5,620,912	2,163,240	2,091,595

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

## For the nine months ended March 31, 2017

		Nine months ended		Quarter ended	
		March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
		(Rupees in thousand)			
12	PROVISION FOR TAXATION				
	Current - for the period	67,808	341,747	(370)	105,385
	Prior year	127	6,898	-	-
	Deferred	135,508	(65,028)	30,651	(25,523)
		<u>203,443</u>	<u>283,617</u>	<u>30,281</u>	<u>79,862</u>
13	EARNINGS PER SHARE - BASIC AND DILUTED				
	Profit for the period	789,525	602,081	285,284	181,084
	Weighted average number of ordinary shares outstanding during the period	21,429	21,429	21,429	21,429
	Earnings per share (Rupees)	<u>36.84</u>	<u>28.10</u>	<u>13.31</u>	<u>8.45</u>
14	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:

		Nine months ended	
		March 31, 2017	March 31, 2016
Relationship with the Company		( Rupees in thousand)	
Nature of transactions			
Associated Undertakings	Sales	3,681	66,225
	Purchases	-	-
	Organizational expenses recovered	3	603
	Organizational expenses paid	840	1,112
	Donation	4,257	18,090
Key Management Personnel	Remuneration to Executives	120,079	106,286

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

## For the nine months ended March 31, 2017

### 15 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

#### 15.1 Information about operating segments is as follows:

	Chemical Division		Operating segments						Total	
			Textile Division							
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2016	March 31, 2016	March 31, 2016	March 31, 2016	March 31, 2017	March 31, 2016
			Nine months ended							
			(Rupees in thousand)							
Revenue from external customers - net	5,936,513	6,049,230	1,326,165	1,172,929					7,262,678	7,222,159
Depreciation on property, plant and equipment	435,704	335,123	32,804	32,574					468,508	367,697
Segment profit	1,209,489	1,077,851	69,157	23,253					1,278,646	1,101,104
	Total		Total		Total		Total		Total	
	Un-audited March 31, 2017	Audited June 30 2016	Un-audited March 31 2017	Audited June 30 2016	Un-audited March 31 2017	Audited June 30 2016	Un-audited March 31 2017	Audited June 30 2016	Un-audited March 31 2017	Audited June 30 2016
Capital expenditure	4,319,423	193,924	1,805	4,255			4,321,228		198,179	
Segment assets	12,680,937	11,831,420	1,982,999	1,608,079			14,663,936		13,439,499	
Segment liabilities	2,000,548	1,845,224	117,719	123,393			2,118,267		1,968,617	

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

## For the nine months ended March 31, 2017

### 15.2 Reconciliations of reportable segments are as follows:

	Nine months ended	
	March 31, 2017	March 31, 2016
	(Rupees in thousand)	
Revenue		
Total revenue for reportable segments	7,262,678	7,222,159
Profit for the period		
Total profit for reportable segments	1,278,646	1,101,104
Unallocated corporate income / (expenses)		
Other income	53,075	41,004
Other expenses	(73,617)	(65,064)
Finance cost	(261,063)	(192,886)
Share of profit of associates - net of tax	(4,073)	1,540
Profit before taxation	992,968	885,698
	Un-audited March 31, 2017	Audited June 30, 2016
	(Rupees in thousand)	
Assets		
Total assets for reportable segments	14,663,936	13,439,499
Other unallocated corporate assets	4,705,262	4,415,703
Entity's assets	19,369,198	17,855,202
Liabilities		
Total liabilities for reportable segments	2,118,267	1,968,617
Other unallocated corporate liabilities	7,763,736	6,995,483
Entity's liabilities	9,882,003	8,964,100

### 15.3 The Company has no reportable geographical segment.

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

## For the nine months ended March 31, 2017

		Nine months ended	
		March 31, 2017	March 31, 2016
		(Rupees in thousand)	
16	OPERATING CASH FLOW BEFORE WORKING CAPITAL CHANGES		
	Profit before taxation	992,968	885,698
	Adjustments for:		
	Depreciation on property, plant and equipment	468,508	367,697
	Depreciation on investment property	3,717	4,146
	Amortization on intangible assets	1,090	1,212
	Finance cost	261,063	192,886
	Share of profit of associated companies - net of tax	4,073	(1,540)
	(Gain) on disposal of property, plant and equipment - net	(1,342)	(1,164)
	(Gain) on sale of available for sale investments	(4,169)	-
	Reversal of impairment loss on investment in associated company	(5,237)	-
	Provision for employee benefits	4,905	4,989
	Dividend income	(5,231)	(4,045)
	Profit on bank deposits	(8,595)	(10,268)
		718,782	553,913
		<u>1,711,750</u>	<u>1,439,611</u>

### 17 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 April 21, 2017.

### 18 GENERAL

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



Muhammad Adrees  
Chief Executive Officer



Haseeb Ahmed  
Director

## Notes

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