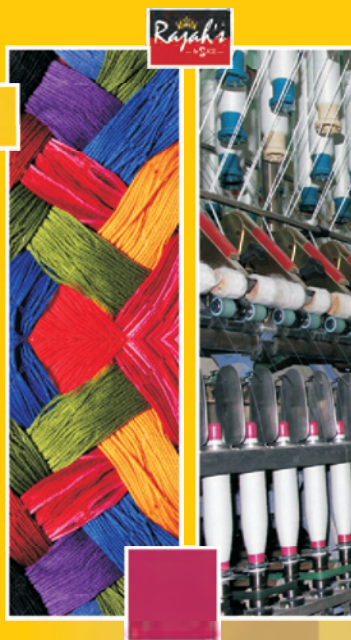




# Sitara Chemical Industries Limited

1<sup>st</sup> Quarter Report  
September 30, 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  
Bank Islami Pakistan Limited  
Habib Metropolitan Bank Limited  
Bank Al-Habib Limited  
Soneri Bank Limited  
The Bank of Khyber  
Askari Commercial Bank

## 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.

## Factories

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

# Director 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 1st quarter ended September 30, 2017.

## Financial Review:

During the quarter under review, your Company has recorded a net sales of Rs.2,364 million and gross profits of Rs 499 million as compared with net sales of Rs. 2,040 million and gross profits of Rs 549 million in the corresponding quarter of the last year. Profit after tax during the current quarter amounted to Rs. 339 million translating into earning per share of Rs.15.82/- as compared to profit after tax of Rs. 242 million and earnings per share of Rs. 11.28/- during the corresponding quarter of last year. Your company witnessed an improvement of 15.88% in net sales revenue compared with the net sales of the corresponding quarter of last year. Gross margins during the current quarter remained under pressure due to higher electricity prices owing to increased coal prices in international market compared with corresponding quarter of the last year. However, improvement in bottom line results of the current quarter was witnessed after adjustment of current tax liability against unused tax credits of prior year and reversal of taxable temporary differences under the Income Tax Ordinance, 2001.

Erection of 04 new Ring frames of 552 spindles each at Textile division of the company has been completed during the quarter under review and started commercial production as well.

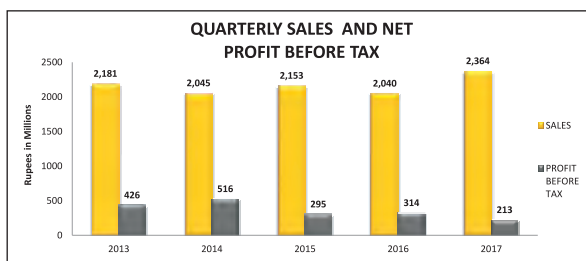
## Future Outlook:


With the improvement of power supply and law & order situation in the country, we expect growth of industrial sector particularly textile sector of the country with better yarn prices in the local market during the remaining quarters of the ongoing fiscal year.

Again we must reiterate that we are focused and committed on our agenda of further diversification and induction of new product lines that creates shareholders' value on sustainable basis.

## 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.



  
**Muhammad Adrees**  
Chief Executive Officer  
Faisalabad: October 24, 2017

  
**Haseeb Ahmed**  
Director

# ڈائریکٹرز رپورٹ

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

سنہ 2017ء کے بورڈ آف ڈائریکٹرز کی طرف سے 30 ستمبر 2017ء کو ختم ہونے والی پہلی سہ ماہی کے غیر آڈٹ شدہ اکاؤنٹس پیش کرنے کے لیے خوش ہوں۔

پہلی سہ ماہی کے دوران الحمد للہ آپ کی کمپنی نے 2364 ملین روپے کی خالص فروخت کی ہے۔ اور مجموعی منافع 499 ملین روپے رہا۔ جو کہ پچھلے سال اسی سہ ماہی میں خالص فروخت 2040 ملین روپے اور مجموعی منافع 549 ملین روپے تھا۔ موجودہ سہ ماہی کے دوران ٹیکس کے بعد منافع 339 ملین روپے رہا جس سے فی حصص آمدنی 15.82 روپے رہی جو کہ پچھلے سال اسی سہ ماہی کے دوران ٹیکس کے بعد منافع 242 ملین روپے اور فی حصص آمدنی 11.28 روپے تھی۔ آپ کی کمپنی نے پچھلے سال اسی سہ ماہی کے دوران خالص فروخت میں 15.88 فیصد بہتری دیکھی۔ تاہم موجودہ سال کی پہلی سہ ماہی کے دوران مجموعی مارجن دباؤ میں رہے جس کی وجہ بین الاقوامی مارکیٹ میں کوسٹ کی قیمتوں میں اضافے کے باعث پچھلے سال کی اسی سہ ماہی کے مقابلے میں بجلی کی قیمتوں میں اضافہ ہے۔ تاہم، موجودہ سہ ماہی کے نچلے حصے کے نتائج میں بہتری کے بعد موجودہ سال کے غیر استعمال شدہ ٹیکس کریڈٹس کے مقابلے میں موجودہ ٹیکس کی ذمہ داری کی ایڈجسٹمنٹ اور انکم ٹیکس آرڈیننس 2001 کے تحت قابل ٹیکس عارضی فرق کو تبدیل کرنے کے بعد دیکھا گیا۔ موجودہ سہ ماہی کے دوران کمپنی کے ٹیکسٹائل ڈویژن میں 1552 اسپنڈل کے 04 نئے رنگ فریز کی تنصیب مکمل ہو چکی ہے اور تجارتی پیداوار بھی شروع ہو چکی ہے۔

## مستقبل پر نظر:

بجلی کی پیداوار اور ملک میں امن و امان کی بہتر صورتحال ہونے کے ساتھ ہم رواں سال کی باقی سہ ماہیوں میں ملک کے صنعتی شعبے خاص طور پر ٹیکسٹائل سیکٹر میں مقامی مارکیٹ میں یارن کی قیمتوں میں اضافے کے باعث بہتری کی امید کرتے ہیں۔ ایک بار پھر ہمیں دوبارہ اس بات کا یقین ہونا چاہیے کہ ہم اپنے متعدد متنوع اور نئی مصنوعات لائنوں کی شمولیت کے بارے میں اپنے ایجنڈے پر توجہ مرکوز کرتے ہیں جو شراکت داروں کی مالیت کو پائیدار بنیاد فراہم کرتا ہے۔

## 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 معترف اور فخر کرتی ہے۔

محمد ادریس

چیف ایگزیکٹو آفیسر

فیصل آباد 24 اکتوبر 2017

# Condensed Interim Balance Sheet (Un-Audited)

## As At September 30, 2017

		Un-audited September 30, 2017 (Rupees in thousand)	Audited June 30, 2017
	Note		
<b>NON - CURRENT ASSETS</b>			
Property, plant and equipment	4	9,516,587	9,413,115
Intangible assets		18,864	13,089
Investment property	5	2,929,416	2,926,570
Long-term investments		31,579	31,579
Long-term loans and advances		1,268,281	1,267,852
Long-term deposits		111,210	111,210
		13,875,937	13,763,415
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		752,091	644,412
Stock-in-trade		1,235,992	1,194,327
Trade debts		1,103,137	1,163,485
Advance sales tax		34,277	-
Loans and advances		2,707,061	2,335,623
Trade deposits and short-term prepayments		10,308	5,692
Other receivables		15,137	12,053
Other financial assets		213,500	274,883
Cash and bank balances		231,001	131,002
		6,302,504	5,761,477
		20,178,441	19,524,892
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital		214,294	214,294
Reserves		1,382,293	1,402,817
Un-appropriated profits		7,363,398	7,007,851
		8,959,985	8,624,962
<b>SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>			
		1,209,684	1,226,133
<b>NON - CURRENT LIABILITIES</b>			
Long-term financing	6	1,919,438	2,143,017
Long-term deposits		17,543	23,743
Deferred liabilities		852,918	983,139
		2,789,899	3,149,899
<b>CURRENT LIABILITIES</b>			
Trade and other payables		3,315,315	3,238,773
Sales tax payable		-	40,126
Profit / financial charges payable		81,995	82,220
Short term borrowings		2,914,008	2,290,759
Current portion of long term financing		907,555	872,020
		7,218,873	6,523,898
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7	20,178,441	19,524,892

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

  
**Anwar-ul-Haq**  
 Chief Financial Officer


## Condensed Interim Profit and Loss Account (Un-Audited) For The Quarter Ended September 30, 2017

		For The Quarter	
		September 30, 2017	September 30, 2016
	Note	(Rupees in thousand)	
Sales - net	8	2,364,265	2,040,404
Cost of sales	9	1,864,900	1,491,308
Gross profit		499,365	549,096
Other income		14,342	28,087
		513,707	577,183
Distribution cost		43,106	44,564
Administrative expenses		131,040	119,936
Other operating expenses		15,775	23,256
Finance cost		111,026	75,638
		300,947	263,394
Profit before taxation		212,760	313,789
Provision for taxation	10	(126,337)	72,112
Profit after taxation		339,097	241,677
Earnings per share - basic and diluted (Rupees)	11	15.82	11.28

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

  
Anwar-ul-Haq  
Chief Financial Officer

# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	For The Quarter	
	September 30, 2017	September 30, 2016
	(Rupees in thousand)	
Profit after taxation	339,097	241,677
Other comprehensive income for the period - net of tax		
Surplus/(deficit) on remeasurement of investment available for sale on fair value	(20,524) (20,524)	29,626 29,626
Total comprehensive income for the period	318,573	271,303

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




**Anwar-ul-Haq**  
Chief Financial Officer



# CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2017

		For The Quarter	
		September 30,	September 30,
	Note	2017	2016
		(Rupees in thousand)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating cash flow before working capital changes	14	542,883	509,053
Changes in working capital			
(Increase) / decrease in current assets		(107,679)	(144,595)
Stores, spare parts and loose tools		(41,665)	(68,714)
Stock-in-trade		60,348	(24,959)
Trade debts		(34,277)	30,162
Advance Sales Tax		(261,870)	(270,769)
Loans and advances		(4,616)	(2,021)
Trade deposits and short-term prepayments		(3,084)	347
Other receivables			
(Decrease)/increase in current liabilities		74,649	(40,539)
Trade and other payables		(40,126)	-
Sales tax payable		(358,320)	(521,088)
Cash generated from operations		184,563	(12,035)
Finance cost paid		(111,251)	(68,337)
Employee benefits paid		(1,494)	(865)
Taxes paid		(112,535)	(40,834)
Profit received on bank deposits		879	876
		(224,401)	(109,160)
<b>Net cash from operating activities</b>		<b>(39,838)</b>	<b>(121,195)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of property, plant and equipment		47	-
Proceeds from disposal of available for sale investments		43,381	-
Purchase of property, plant and equipment		(325,060)	(187,099)
Purchase of available for sale investment		(2,030)	65,000
Additions to intangible assets		(6,154)	-
Purchase of investment property		-	(5,447)
Long-term loans and advances		(430)	(1,597)
Dividend income received		1,078	-
<b>Net cash used in investing activities</b>		<b>(289,168)</b>	<b>(129,143)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long term financing		-	834,115
Payment of long-term financing		(188,043)	(174,840)
Short term financing - net		623,248	(438,522)
Long term deposits		(6,200)	3,800
Dividend paid		-	(2)
<b>Net cash used in financing activities</b>		<b>429,005</b>	<b>224,551</b>
<b>Net increase in cash and cash equivalents</b>		<b>99,999</b>	<b>(25,787)</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>131,002</b>	<b>188,425</b>
<b>Cash and cash equivalents at end of the period</b>		<b>231,001</b>	<b>162,638</b>

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




**Anwar-ul-Haq**  
Chief Financial Officer

# Condensed Interim Statement Of Changes In Equity (un-audited)


## For The Quarter Ended September 30, 2017

	Capital Reserves			Revenue Reserves			
	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, 2016	214,294	97,490	46,642	(6,366)	1,225,000	5,958,347	7,535,407
Profit for the quarter ended September 30, 2016	-	-	-	-	-	241,677	241,677
<b>Other comprehensive income</b>							
Other comprehensive income during the three months period	-	-	29,626	-	-	-	29,626
Total other comprehensive income	-	-	29,626	-	-	241,677	271,303
Profit for the nine months ended June 30, 2017	-	-	-	-	-	924,705	924,705
Other comprehensive income during the nine months period	-	-	10,373	-	-	-	10,373
Remeasurement of post retirement benefits	-	-	-	52	-	-	52
Transfer of revaluation surplus on reclassification of investment in associates to investment available for sale	-	-	-	-	-	56,452	56,452
Transfer to un-appropriated profit on account of incremental depreciation	-	-	-	-	-	73,109	73,109
<b>Distribution to owners</b>							
Final dividend for the year ended June 30, 2016	-	-	-	-	-	(246,439)	(246,439)
Balance as at June 30, 2017	214,294	97,490	86,641	(6,314)	1,225,000	7,007,851	8,624,962
Balance as at July 01, 2017	214,294	97,490	86,641	(6,314)	1,225,000	7,007,851	8,624,962
<b>Total comprehensive income</b>							
Profit for the quarter ended September 30, 2017	-	-	-	-	-	339,097	339,097
Surplus on re-measurement of investment available for sale on fair value	-	-	(20,524)	-	-	-	(20,524)
Total other comprehensive income	-	-	(20,524)	-	-	339,097	318,573
Transfer to un-appropriated profit on account of incremental depreciation	-	-	-	-	-	16,450	16,450
Balance as at September 30, 2017	214,294	97,490	66,117	(6,314)	1,225,000	7,363,398	8,959,985

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

  
**Anwar-ul-Haq**  
 Chief Financial Officer

# Selected Explanatory Notes To The Condensed Interim Financial Information (Un-Audited) For The Quarter Ended September 30, 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 Act, 2017). 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 237 of the Companies Act, 2017.

- 2.2 This condensed interim financial information should be read in conjunction with annual audited financial statements for the year ended June 30, 2017. Comparative balance sheet is extracted from annual audited financial statements for the year ended June 30, 2017 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, 2016.

## 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, 2017.

# Selected Explanatory Notes To The Condensed Interim Financial Information (Un-Audited) For The Quarter Ended September 30, 2017

			Un-audited September 30, 2017 (Rupees in thousand)	Audited June 30, 2017
	Note			
<b>4</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>			
		Operating assets	9,392,435	9,227,921
		Capital work-in-progress	124,152	185,194
			<u>9,516,587</u>	<u>9,413,115</u>
<b>4.1</b>	<b>Operating assets</b>			
		Opening written down value	9,227,921	5,307,233
		Additions during the period / year:		
		Free hold land	-	94,588
		Building on freehold land - Mills	69,109	946,176
		Plant and machinery	270,044	2,751,791
		Factory equipment	3,060	4,261
		Electric equipment	35,145	783,857
		Office equipment	490	3,825
		Furniture and fittings	2,316	4,056
		Vehicles	1,347	32,743
			<u>381,511</u>	<u>4,621,297</u>
		Written down value of operating assets disposed off during the period / year	(54)	(4,340)
		Depreciation charged during the period / year	(216,943)	(696,269)
			<u>9,392,435</u>	<u>9,227,921</u>
<b>5</b>	<b>INVESTMENT PROPERTY</b>			
		Land	2,854,289	2,854,289
		Building	75,127	72,281
			<u>2,929,416</u>	<u>2,926,570</u>
<b>5.1</b>	<b>Land - at cost</b>			
		Balance at beginning of the period / year	2,854,289	2,819,105
		Acquisitions	-	35,184
		Balance at end of the period / year	<u>2,854,289</u>	<u>2,854,289</u>
		<b>Building - at cost</b>		
		Cost	101,865	77,920
		Add: Transfer from capital work in progress	4,590	23,944
		Balance at the end of period/year	<u>106,455</u>	<u>101,864</u>
		Accumulated Depreciation:		
		At the beginning of the period / year	29,583	24,033
		For the period / year	1,745	5,550
		At the end of the period / year	<u>31,328</u>	<u>29,583</u>
		Written down value at the end of the period / year	<u>75,127</u>	<u>72,281</u>
<b>6</b>	<b>LONG-TERM FINANCING</b>			
		Diminishing Musharka (from financial institutions - secured)	1,919,438	2,143,017
			<u>1,919,438</u>	<u>2,143,017</u>

# Selected Explanatory Notes To The Condensed Interim Financial Information (Un-Audited) For The Quarter Ended September 30, 2017

	Un-audited September 30, 2017	Audited June 30, 2017
	<u>(Rupees in thousand)</u>	
<b>7 CONTINGENCIES AND COMMITMENTS</b>		
<b>7.1 Contingencies</b>		
Guarantees issued by banks on behalf of the company	210,300	210,300
<b>7.2 Commitments</b>		
Outstanding letters of credit for Coal Fired Power Plant	267,277	176,600
	Un-audited September 30, 2017	Un-Audited September 30 2016
	<u>(Rupees in thousand)</u>	
<b>8 SALES - NET</b>		
Local	2,760,462	2,467,005
Export	81,313	-
	2,841,775	2,467,005
Less: Commission and discount	132,900	118,763
Sales tax	344,610	307,838
	477,510	426,601
	2,364,265	2,040,404

# Selected Explanatory Notes To The Condensed Interim Financial Information (Un-Audited) For The Quarter Ended September 30, 2017

Un-audited  
September 30,  
2017  
Un-Audited  
September 30,  
2016  
(Rupees in thousand)

## 9 COST OF SALES

Raw material consumed	503,991	380,304
Fuel and power	1,009,672	758,918
Salaries, wages and benefits	118,366	80,875
Stores and spares	98,241	131,168
Repair and maintenance	17,576	7,944
Vehicle running and maintenance	793	615
Traveling and conveyance	4,786	6,153
Insurance	7,466	5,019
Depreciation	208,301	108,841
Amortization	378	364
Others	1,237	976
	1,970,807	1,481,177
Work-in-process		
Opening stock	11,630	9,670
Closing stock	(10,596)	(10,939)
	1,034	(1,269)
Cost of goods manufactured	1,971,841	1,479,908
Finished goods		
Opening stock	554,263	652,710
Purchases	-	-
Closing stock	(661,204)	(641,310)
	(106,941)	11,400
	1,864,900	1,491,308

# Selected Explanatory Notes To The Condensed Interim Financial Information (Un-Audited) For The Quarter Ended September 30, 2017

	Un-audited September 30, 2017	Un-Audited September 30, 2016
	<u>(Rupees in thousand)</u>	
<b>10 PROVISION FOR TAXATION</b>		
Current - for the period	4,861	117,706
Deferred	(131,198)	(45,594)
	<u>(126,337)</u>	<u>72,112</u>
<b>11 EARNINGS PER SHARE - BASIC AND DILUTED</b>		
Profit for the period	339,097	241,677
Weighted average number of ordinary shares outstanding during the period	21,429	21,429
Earnings per share (Rupees)	<u>15.82</u>	<u>11.28</u>

## 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:

		Un-audited September 30, 2017	Un-Audited September 30, 2016
Relationship with the Company	Nature of transactions	<u>(Rupees in thousand)</u>	
Associated Undertakings	Sales	37	17,123
	Purchases	-	-
	Organizational expenses recovered	-	216
	Organizational expenses paid	-	384
	Donation	5,801	2,526

# Selected Explanatory Notes To The Condensed Interim Financial Information (Un-Audited) For The Quarter Ended September 30, 2017

## 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		Operating segments Textile Division For the quarter ended				Total	Total
	Un-audited September 30, 2017	Un-audited September 30, 2016	Un-audited September 30, 2017	Un-audited September 30, 2016	Un-audited September 30, 2017	Un-audited September 30, 2016	Un-audited September 30, 2017	Un-audited September 30, 2016
	Rupees in thousand							
Revenue from external customers - net	1,986,919	1,742,550	377,346	297,854	2,364,265	2,040,404		
Depreciation on property, plant and equipment	206,294	107,343	10,649	9,893	216,943	117,236		
Segment profit	322,553	380,214	2,666	4,382	325,219	384,596		
	Chemical Division		Operating segments Textile Division For the quarter ended				Total	Total
	Un-audited September 30, 2017	Audited June 30, 2017	Un-audited September 30, 2017	Audited June 30, 2017	Un-audited September 30, 2017	Audited June 30, 2017	Un-audited September 30, 2017	Audited June 30, 2017
	Rupees in thousand							
Capital expenditure	381,406	4,587,304	105	33,993	381,511	4,621,297		
Segment assets	13,768,851	12,965,279	1,785,372	1,905,013	15,554,223	14,870,292		
Segment liabilities	2,497,932	2,339,161	114,691	158,545	2,612,623	2,497,706		



# Selected Explanatory Notes To The Condensed Interim Financial Information (Un-Audited) For The Quarter Ended September 30, 2017

	For the quarter ended	
	Un-audited September 30, 2017	Un-Audited September 30, 2016
	(Rupees in thousand)	
<b>13.2 Reconciliations of reportable segments are as follows:</b>		
<b>Revenue</b>		
Total revenue for reportable segments	2,364,265	2,040,404
Profit for the period		
Total profit for reportable segments	325,219	384,596
Unallocated corporate income / (expenses)		
Other operating income	14,342	28,087
Other operating expenses	(15,775)	(23,256)
Finance cost	(111,026)	(75,638)
Profit before income tax expense	212,760	313,789
	Un-audited September 30, 2017	Audited June 30, 2017
	(Rupees in thousand)	
<b>Assets</b>		
Total assets for reportable segments	15,554,223	14,870,292
Other unallocated corporate assets	4,624,218	4,654,600
Entity's assets	20,178,441	19,524,892
<b>Liabilities</b>		
Total liabilities for reportable segments	2,612,623	2,497,706
Other unallocated corporate liabilities	7,396,149	7,176,091
Entity's liabilities	10,008,772	9,673,797

**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, 2017

		For the quarter ended	
		Un-audited September 30, 2017	Un-Audited September 30, 2016
		(Rupees in thousand)	
14	OPERATING CASH FLOW BEFORE WORKING CAPITAL CHANGES		
	Profit before taxation	212,760	313,789
	Adjustments for:		
	Depreciation on property, plant and equipment	216,943	117,235
	Depreciation on investment property	1,745	1,248
	Amortization on intangible assets	378	364
	Finance cost	111,026	75,638
	(Gain) /Loss on disposal of property, plant and equipment	7	-
	(Gain) on sale of available for sale investments	(491)	-
	Provision for employee benefits	2,472	1,655
	Dividend income	(1,078)	-
	Profit on bank deposits	(879)	(876)
		330,123	195,264
		542,883	509,053

## 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 24, 2017.

## 16 GENERAL

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

  
Muhammad Adrees  
Chief Executive Officer

  
Haseeb Ahmed  
Director

  
Anwar-ul-Haq  
Chief Financial Officer

## Note

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