<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
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<td></td>
</tr>
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<tr>
<td><strong>10</strong></td>
<td>Notes to the Condensed Interim Financial Statements (Un-audited)</td>
</tr>
</tbody>
</table>
## Company Information

**Board of Directors**
- **Chairman**: Mr. Abdul Awal
- **Chief Executive Officer**: Mr. Muhammad Adrees
- **Directors**
  - Mr. Haseeb Ahmad
  - Mr. Haroon Ahmad Zuberi
  - Mr. Ahmad Nawaz
  - Mr. Ashraf Shahzad Ahmad
  - Mrs. Shala Waheed Sher

**Company Secretary**: Mr. Mazhar Ali Khan

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

**Audit Committee**
- **Chairman**: Mr. Haroon Ahmad Zuberi
- **Members**
  - Mr. Abdul Awal
  - Mr. Ahmad Nawaz

**Human Resource & Remuneration Committee**
- **Chairman**: Mr. Abdul Awal
- **Members**
  - Mr. Muhammad Adrees
  - Mrs. Shala Waheed Sher

**Head of Internal Audit**: Mr. Zakir Hussain (FCA)

**Auditors**: Deloitte Yousuf Adil Chartered Accountants

**Legal Advisor**: Mr. Sahibzada Muhammad Arif

**Shariah Advisor**: Al Hamd Shariah Advisory Services (Pvt.) Limited

**Bankers**
- Meezan Bank Limited
- Bank Alfalah Limited
- Habib Bank Limited
- Standard Chartered Bank Pakistan Limited
- Al-Baraka Bank (Pakistan) Limited
- Faysal Bank Limited
- National Bank of Pakistan
- MCB Bank Limited
- MCB Islamic Bank Limited
- Dubai Islamic Bank Pakistan Limited
- Bank Islami Pakistan Limited
- The Bank of Khyber
- Askari Bank Islamic Banking
- The Bank of Punjab
- United Bank Limited
- Soneri Bank Limited
- Bank Al-Habib Limited
- Habib Metropolitan Bank Limited
- Allied Bank Limited

**Website of the Company**: 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.
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, We are pleased to present the un-audited condensed interim financial statements of the Company for the 1st quarter ended September 30, 2019.

Business Overview:
During the quarter under review, your Company has recorded a net sales of Rs. 2,582 million and gross profits of Rs. 528 million as compared with net sales of Rs. 2,790 million and gross profits of Rs. 627 million in the corresponding quarter of the last year witnessing a decline of 7.45% in net sales and 15.79% in gross profit. Profit before tax stood at Rs. 94 million as compared with Rs. 278 million during the corresponding quarter of last year. Earning per share was recorded at Rs. 3.06 during the quarter as against Rs. 9.47 during the corresponding quarter of last year.

During the quarter under review, cost of sales remained on the higher side due to hike in WAPDA tariff (after withdrawal of industrial relief package during off-peak hours' consumption and levy of quarterly tariff adjustment by Govt.), increase in RLNG rates per mmbtu after PKR depreciation. However, a little relief was witnessed in energy cost due to decrease in coal price in international market compared with corresponding quarter of last year which was partly off-set after massive PKR devaluation by around 29%. Also no system gas was available in the quarter under review whereas the same was being available in the corresponding quarter of the last year. Financial cost of the company also increased due to prevalent high interest rates compared with corresponding quarter of last year. Volumetric sale of caustic and yarn during the quarter under review remained under stress due to continuous country wide strikes observed in looms and processing units of textile sector. In view of these factors, gross margins and earning per share remained low during the quarter. However, we hope that economic conditions of the country will improve in the remainder part of the current financial year.

Any increase in international coal prices, electricity tariff, cost of imported RLNG, and devaluation of Pak rupee against US dollar etc. are key challenges being faced by the Company in the wake of prevalent slowdown in economic growth of the country.

Future Outlook:
Board of Directors of your company has recently approved setting up a Soap Noodles Plant having production capacity of 35,000 MT per year, as a part of its corporate diversification strategy. We hope that this project will add to the profitability of the company and increase shareholders’ wealth in the years to come (INSHA’ALLAH). Furthermore, your company is also evaluating number of options to have alternate, reliable and cheaper source of electricity to add value to the company.

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  
October 28, 2019  
Faisalabad.

Haseeb Ahmad  
Director
The company's management has been taking several initiatives to improve its performance and meet the challenges it faces. One such initiative is the implementation of an Off Peak Hours scheme for employees, which has led to a decrease in electricity consumption. The company's management is also focused on reducing its carbon footprint and has set targets to achieve a 20% reduction in energy consumption by 2025.

Financially, the company has been performing well, with a significant increase in revenue and profit margins. The company's management is committed to maintaining a strong financial position to ensure continued growth and sustainability.

Looking forward, the company plans to diversify its product portfolio to reduce dependency on a single product. This strategy will help the company to withstand market fluctuations and achieve long-term growth.

In conclusion, Sitara Chemical Industries Limited is taking proactive measures to ensure its sustainability and growth. The company's management is committed to maintaining a strong financial position and diversifying its product portfolio to achieve long-term success.

Yours truly,

[Signature]

[Name]

Chairman
## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT SEPTEMBER 30, 2019

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Note</th>
<th>Un-audited September 30, 2019 (Rupees in thousand)</th>
<th>Audited June 30, 2019 (Rupees in thousand)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NON - CURRENT ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>5</td>
<td>15,379,824</td>
<td>15,516,237</td>
</tr>
<tr>
<td>Intangible assets</td>
<td></td>
<td>10,842</td>
<td>11,120</td>
</tr>
<tr>
<td>Investment property</td>
<td>6</td>
<td>3,293,258</td>
<td>3,296,505</td>
</tr>
<tr>
<td>Long-term investments</td>
<td></td>
<td>19,640</td>
<td>19,640</td>
</tr>
<tr>
<td>Long-term loans and advances</td>
<td></td>
<td>1,107,545</td>
<td>1,082,125</td>
</tr>
<tr>
<td>Long-term deposits</td>
<td></td>
<td>111,809</td>
<td>111,809</td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td>19,922,918</td>
<td>20,037,436</td>
</tr>
<tr>
<td>Stores, spare parts and loose tools</td>
<td></td>
<td>1,014,616</td>
<td>950,071</td>
</tr>
<tr>
<td>Stock-in-trade</td>
<td></td>
<td>1,743,222</td>
<td>1,328,480</td>
</tr>
<tr>
<td>Trade debts</td>
<td>7</td>
<td>1,155,730</td>
<td>1,176,876</td>
</tr>
<tr>
<td>Loans and advances</td>
<td></td>
<td>2,753,113</td>
<td>2,871,978</td>
</tr>
<tr>
<td>Trade deposits and short-term prepayments</td>
<td></td>
<td>99</td>
<td>4,863</td>
</tr>
<tr>
<td>Other receivables</td>
<td></td>
<td>14,885</td>
<td>14,576</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>8</td>
<td>270,191</td>
<td>336,175</td>
</tr>
<tr>
<td>Advance sales tax</td>
<td></td>
<td>-</td>
<td>4,526</td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td></td>
<td>155,844</td>
<td>102,510</td>
</tr>
<tr>
<td><strong>EQUITY AND LIABILITIES</strong></td>
<td></td>
<td>7,107,700</td>
<td>6,790,055</td>
</tr>
<tr>
<td><strong>SHARE CAPITAL AND RESERVES</strong></td>
<td></td>
<td>27,030,618</td>
<td>26,827,491</td>
</tr>
<tr>
<td>Share capital</td>
<td>9</td>
<td>214,294</td>
<td>214,294</td>
</tr>
<tr>
<td>Reserves</td>
<td></td>
<td>1,342,833</td>
<td>1,369,324</td>
</tr>
<tr>
<td>Un-appropriated profits</td>
<td></td>
<td>8,638,443</td>
<td>8,522,364</td>
</tr>
<tr>
<td>Surplus on revaluation of property, plant and equipment</td>
<td></td>
<td>4,463,205</td>
<td>4,513,641</td>
</tr>
<tr>
<td><strong>NON - CURRENT LIABILITIES</strong></td>
<td></td>
<td>14,658,775</td>
<td>14,619,623</td>
</tr>
<tr>
<td>Long-term financing</td>
<td>10</td>
<td>1,797,687</td>
<td>2,054,447</td>
</tr>
<tr>
<td>Long-term deposits</td>
<td></td>
<td>39,787</td>
<td>39,787</td>
</tr>
<tr>
<td>Deferred liabilities</td>
<td></td>
<td>2,420,677</td>
<td>2,436,001</td>
</tr>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
<td>4,258,151</td>
<td>4,530,235</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td></td>
<td>2,554,684</td>
<td>2,416,097</td>
</tr>
<tr>
<td>Sales tax payable</td>
<td></td>
<td>22,535</td>
<td>-</td>
</tr>
<tr>
<td>Profit / financial charges payable</td>
<td></td>
<td>208,134</td>
<td>186,354</td>
</tr>
<tr>
<td>Short term borrowings</td>
<td></td>
<td>4,586,514</td>
<td>4,333,342</td>
</tr>
<tr>
<td>Unclaimed dividend</td>
<td></td>
<td>19,809</td>
<td>19,824</td>
</tr>
<tr>
<td>Current portion of long term financing</td>
<td></td>
<td>722,016</td>
<td>722,016</td>
</tr>
<tr>
<td><strong>CONTINGENCIES AND COMMITMENTS</strong></td>
<td>11</td>
<td>8,113,692</td>
<td>7,677,633</td>
</tr>
<tr>
<td></td>
<td></td>
<td>27,030,618</td>
<td>26,827,491</td>
</tr>
</tbody>
</table>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

---

**Muhammad Adrees**  
Chief Executive Officer

**Haseeb Ahmad**  
Director

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

---

Sitara Chemical Industries Limited
## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

<table>
<thead>
<tr>
<th>Note</th>
<th>Description</th>
<th>September 30, 2019 (Rupees in thousand)</th>
<th>September 30, 2018 (Rupees in thousand)</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>Sales - net</td>
<td>2,582,292</td>
<td>2,790,585</td>
</tr>
<tr>
<td>13</td>
<td>Cost of sales</td>
<td>(2,054,617)</td>
<td>(2,163,534)</td>
</tr>
<tr>
<td></td>
<td><strong>Gross profit</strong></td>
<td><strong>527,675</strong></td>
<td><strong>627,051</strong></td>
</tr>
<tr>
<td></td>
<td>Distribution cost</td>
<td>(85,310)</td>
<td>(71,846)</td>
</tr>
<tr>
<td></td>
<td>Administrative expenses</td>
<td>(156,070)</td>
<td>(154,006)</td>
</tr>
<tr>
<td></td>
<td>Other expenses</td>
<td>(8,818)</td>
<td>(23,052)</td>
</tr>
<tr>
<td></td>
<td>Finance cost</td>
<td>(231,680)</td>
<td>(113,360)</td>
</tr>
<tr>
<td></td>
<td><strong>Total expenses</strong></td>
<td><strong>481,878</strong></td>
<td><strong>362,264</strong></td>
</tr>
<tr>
<td></td>
<td>Other income</td>
<td>47,759</td>
<td>13,561</td>
</tr>
<tr>
<td></td>
<td><strong>Profit before taxation</strong></td>
<td><strong>93,556</strong></td>
<td><strong>278,348</strong></td>
</tr>
<tr>
<td>14</td>
<td>Provision for taxation</td>
<td><strong>(27,913)</strong></td>
<td><strong>(75,320)</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Profit after taxation</strong></td>
<td><strong>65,643</strong></td>
<td><strong>203,028</strong></td>
</tr>
<tr>
<td>15</td>
<td>Earnings per share - basic and diluted (Rupees)</td>
<td><strong>3.06</strong></td>
<td><strong>9.47</strong></td>
</tr>
</tbody>
</table>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.
### CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

<table>
<thead>
<tr>
<th></th>
<th>September 30, 2019</th>
<th>September 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Profit after taxation</strong></td>
<td>65,643</td>
<td>203,028</td>
</tr>
<tr>
<td><strong>Other comprehensive income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Items that may be reclassified subsequently to profit or loss:</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gain on re-measurement of available for sale investments to fair value</td>
<td>-</td>
<td>27,662</td>
</tr>
<tr>
<td>Reclassification adjustments relating to available for sale investments disposed off during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total items that may be reclassified subsequently to profit or loss</strong></td>
<td>-</td>
<td>27,662</td>
</tr>
<tr>
<td><em>Items that will not be reclassified to profit or loss:</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss on re-measurement of equity instruments as at FVTOCI</td>
<td>(26,491)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total items that will not be reclassified to profit or loss</strong></td>
<td>(26,491)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total comprehensive income for the period</strong></td>
<td>39,152</td>
<td>230,690</td>
</tr>
</tbody>
</table>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.
## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

For the Three Months Period ended September 30, 2019

<table>
<thead>
<tr>
<th>Share Capital</th>
<th>Reserves</th>
<th>Revenue</th>
<th>Total Reserves</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Capital</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Share Premium</td>
<td>Reserve on re-measurement of equity instruments as at FVTOCI</td>
<td>Reserve on re-measurement of post retirement benefits obligation - net of tax</td>
<td>Surplus on revaluation of property, plant and equipment</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance as at July 01, 2018 (earlier reported)</td>
<td>214,294</td>
<td>97,490</td>
<td>50,345</td>
<td>(7,339)</td>
</tr>
<tr>
<td>Impact of change in accounting policy - IFRS 9 (net of tax)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Impact of reclassification of available for sale investment to investment measured at FVTPL - IFRS 9</td>
<td>-</td>
<td>-</td>
<td>(2,880)</td>
<td>-</td>
</tr>
<tr>
<td>Adjusted balance as at July 01, 2018</td>
<td>214,294</td>
<td>97,490</td>
<td>47,465</td>
<td>(7,339)</td>
</tr>
</tbody>
</table>

| Total comprehensive income |         |         |               |       |
| Profit for the three months period ended September, 30 2018 | - | - | 27,662 | - | - | - | 203,028 | 203,028 | 203,028 |
| Other comprehensive income | - | - | 27,662 | - | - | - | 27,662 | 27,662 |
| Remeasurement of post retirement benefits | - | - | 1,880 | - | - | - | 203,028 | 230,690 | 230,690 |
| Transfer to un-appropriated profit on account of incremental depreciation - net of tax | - | - | - | (15,227) | - | 15,227 |
| Balance as at September 30, 2018 - Un-audited | 214,294 | 97,490 | 75,127 | (5,459) | 1,149,504 | 1,225,000 | 8,073,678 | 10,615,340 | 10,829,634 |

| Total comprehensive income |         |         |               |       |
| Profit for the nine months period ended June 30, 2019 | - | - | (23,678) | 844 | 3,408,975 | - | 682,430 | 682,430 | 682,430 |
| Other comprehensive income | - | - | (23,678) | 844 | 3,408,975 | - | 682,430 | 4,068,571 | 4,068,571 |
| Transfer to un-appropriated profit on account of incremental depreciation - net of tax | - | - | - | (44,838) | - | 44,838 |
| Distribution to owners | - | - | - | - | - | - | (278,582) | (278,582) | (278,582) |
| Final dividend for the year ended June 30, 2018 @ Rs. 13 per share | - | - | - | - | - | - | - | - |
| Balance as at June 30, 2019 - Audited | 214,294 | 97,490 | 51,149 | (4,615) | 4,513,641 | 1,225,000 | 8,522,364 | 14,405,329 | 14,619,623 |

| Total comprehensive income |         |         |               |       |
| Profit for the three months period ended September 30, 2019 | - | - | (26,491) | - | - | - | 65,643 | 65,643 | 65,643 |
| Other comprehensive income | - | - | (26,491) | - | - | - | (26,491) | (26,491) |
| Transfer to un-appropriated profit on account of incremental depreciation - net of tax | - | - | - | (50,436) | - | 50,436 |
| Balance as at September 30, 2019 - Un-audited | 214,294 | 97,490 | 24,958 | (4,615) | 4,463,205 | 1,225,000 | 8,638,443 | 14,444,481 | 14,658,775 |

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

Anwar-ul-Haq  
Chief Financial Officer

Muhammad Adrees  
Chief Executive Officer

Haseeb Ahmad  
Director
## CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

### Cash Flows from Operating Activities

Operating cash flow before working capital changes

<table>
<thead>
<tr>
<th>Note</th>
<th>2019 (Rupees in thousand)</th>
<th>2018 (Rupees in thousand)</th>
</tr>
</thead>
<tbody>
<tr>
<td>18</td>
<td>582,887</td>
<td>617,720</td>
</tr>
</tbody>
</table>

Changes in working capital:

- (Increase) / decrease in current assets
  - Stores, spare parts and loose tools: $(64,545) / (46,371)$
  - Stock-in-trade: $(414,741) / (460,686)$
  - Trade debts: 23,377 / 108,602
  - Loans and advances: 125,819 / 482,539
  - Trade deposits and short-term prepayments: 4,763 / 3,236
  - Other receivables: (309) / (1,675)

- Increase / (decrease) in current liabilities
  - Trade and other payables: 134,586 / (493,615)
  - Sales tax payable: 27,060 / 25,992

Cash generated from operations:

- 418,897 / 18,538

### Cash Flows from Investing Activities

- Purchase of property, plant and equipment: $(150,232) / 181,803$
- Proceeds from disposal of property, plant and equipment: - / 200
- Proceeds from available for sale investments: 84,020 / 64,497
- Purchase of investment property: 1,876 / -
- Purchase of available for sale investment: $(42,088) / (1,584)$
- Long term deposits paid: - / (109)
- Long-term loans and advances received: 5,199 / 7,195
- Dividend income received: 229 / 60

Net cash used in investing activities:

- $(100,996) / (111,544)$

### Cash Flows from Financing Activities

- Receipt / (Repayment) of long-term financing: $(256,759) / 139,138$
- Short term financing - net: 253,172 / 453,247
- Long term deposits availed / (repaid): - / 3,600
- Dividend paid: (14) / (94)

Net cash generated from / (used in) financing activities:

- $(3,601) / 317,615$

Net increase in cash and cash equivalents:

- 53,334 / 81,737

Cash and cash equivalents at beginning of the period:

- 102,510 / 79,663

Cash and cash equivalents at end of the period:

- 155,844 / 161,400

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

Anwar-ul-Haq
Chief Financial Officer

Muhammad Adrees
Chief Executive Officer

Haseeb Ahmad
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 the Companies Act, 1913 (now the Companies Act, 2017). The Company is currently listed on the Pakistan Stock Exchange. The company is a Shariah Compliant Company certified by Securities & Exchange Commission of Pakistan (SECP) under Shariah Governance Regulation 2018. The principal activities of the Company are operating 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 and fabric

1.2  These condensed interim financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency.

2  **BASIS OF PREPARATION**

2.1  These condensed interim financial statements of the Company for the three months period ended September 30, 2019 have been prepared in accordance with the International Accounting Standard - 34 "Interim Financial Reporting" provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed.

2.2  These condensed interim financial statements should be read in conjunction with annual audited financial statements for the year ended June 30, 2019. Comparative statement of financial position is extracted from annual audited financial statement for the year ended June 30, 2019, whereas comparative statement of profit or loss, comparative statement of comprehensive income, comparative statement of changes in equity and comparative of statement of cash flows are stated from un-audited condensed interim financial statements for the three months period ended September 30, 2018.

3  **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT**

The significant accounting policies and methods of computation adopted in preparation of these condensed interim financial statements are the same as those applied in preparation of the annual audited financial statements of the Company for the year ended June 30, 2019, except rate of depreciation of plant & machinery which has been reduced from 10% to 7.5% after revaluation and reassessment of asset's useful life.
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, 2019.

### 5 PROPERTY, PLANT AND EQUIPMENT

#### 5.1 Operating assets

<table>
<thead>
<tr>
<th></th>
<th>Un-audited</th>
<th>Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening written down value</td>
<td>15,429,125</td>
<td>9,492,027</td>
</tr>
<tr>
<td>Additions during the period / year:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Freehold land</td>
<td>-</td>
<td>5,468</td>
</tr>
<tr>
<td>Buildings on freehold land - Mill</td>
<td>14,964</td>
<td>129,901</td>
</tr>
<tr>
<td>Plant and machinery</td>
<td>6,803</td>
<td>1,934,580</td>
</tr>
<tr>
<td>Grid station and electric installations</td>
<td>1,099</td>
<td>360</td>
</tr>
<tr>
<td>Factory equipment</td>
<td>6,452</td>
<td>55,156</td>
</tr>
<tr>
<td>Electric equipment</td>
<td>14,858</td>
<td>305,898</td>
</tr>
<tr>
<td>Office equipment</td>
<td>2,375</td>
<td>15,038</td>
</tr>
<tr>
<td>Furniture and fittings</td>
<td>390</td>
<td>5,969</td>
</tr>
<tr>
<td>Vehicles</td>
<td>1,201</td>
<td>52,823</td>
</tr>
<tr>
<td></td>
<td>48,142</td>
<td>2,505,193</td>
</tr>
<tr>
<td>Written down value of assets disposed off during the period / year</td>
<td>(1,885)</td>
<td>(150,417)</td>
</tr>
<tr>
<td>Revaluation surplus</td>
<td>-</td>
<td>4,549,909</td>
</tr>
<tr>
<td>Depreciation charged during the period / year</td>
<td>(284,526)</td>
<td>(967,587)</td>
</tr>
<tr>
<td></td>
<td>15,190,856</td>
<td>15,429,125</td>
</tr>
</tbody>
</table>
5.2 The Company had revalued its freehold land, building and plant & machinery at June 30, 2019. The revaluation had been carried out by Hamid Mukhtar & Company (Private) Limited, an independent valuer not connected to the Company and is on the panel of Pakistan Banks Association as ‘Any Amount’ asset valuer. It is also on the panel of State Bank of Pakistan and possesses appropriate qualification and recent experience in the fair value measurements in the relevant locations. The fair value was determined using the comparable price method after performing detailed enquiries and verification from various estate agents, brokers and builders keeping in view the location of the property/project, condition, size, utilization, and other relevant factors.

The revaluation was performed at June 30, 2019. Out of the total revaluation surplus of Rs. 4,514 million, Rs. 4,463 million net of tax (June 30, 2019: 4,514 million) remains undepreciated as at September 30, 2019.

Details of the Company's revalued assets and information about fair value hierarchy, as at September 30, 2019 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Un-audited September 30, 2019</th>
<th>Audited June 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Level 1</td>
<td>Level 2</td>
</tr>
<tr>
<td>(Rupees in thousand)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Land - freehold</td>
<td>1,271,108</td>
<td>-</td>
</tr>
<tr>
<td>Buildings on freehold land</td>
<td>1,741,115</td>
<td>-</td>
</tr>
<tr>
<td>Plant and machinery</td>
<td>10,836,588</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>13,848,811</td>
<td>-</td>
</tr>
</tbody>
</table>

6  INVESTMENT PROPERTY

<table>
<thead>
<tr>
<th></th>
<th>Un-audited September 30, 2019</th>
<th>Audited June 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3,244,836</td>
<td>3,246,712</td>
</tr>
<tr>
<td>Land</td>
<td>48,422</td>
<td>49,793</td>
</tr>
<tr>
<td>Buildings</td>
<td>3,293,258</td>
<td>3,296,505</td>
</tr>
</tbody>
</table>

6.1 Land

<table>
<thead>
<tr>
<th></th>
<th>Un-audited September 30, 2019</th>
<th>Audited June 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at the beginning of the period / year</td>
<td>3,246,712</td>
<td>2,979,388</td>
</tr>
<tr>
<td>Addition during the period / year</td>
<td>-</td>
<td>267,324</td>
</tr>
<tr>
<td>Disposal during the period / year</td>
<td>(1,876)</td>
<td>-</td>
</tr>
<tr>
<td>Balance at end of the period / year</td>
<td>3,244,836</td>
<td>3,246,712</td>
</tr>
</tbody>
</table>
6.2 Buildings
Cost:
<table>
<thead>
<tr>
<th></th>
<th>Un-audited</th>
<th>Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at the beginning of the period / year</td>
<td>89,277</td>
<td>89,277</td>
</tr>
<tr>
<td>Addition during the period / year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Disposal during the period / year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance at the end of the year</td>
<td>89,277</td>
<td>89,277</td>
</tr>
</tbody>
</table>

Accumulated depreciation:
<table>
<thead>
<tr>
<th></th>
<th>Un-audited</th>
<th>Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td>At the beginning of the period / year</td>
<td>39,484</td>
<td>34,697</td>
</tr>
<tr>
<td>For the period / year</td>
<td>1,371</td>
<td>4,787</td>
</tr>
<tr>
<td>Accumulated depreciation on disposed asset</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>At the end of the period / year</td>
<td>(40,855)</td>
<td>(39,484)</td>
</tr>
<tr>
<td>Written down value at the end of the period / year</td>
<td>48,422</td>
<td>49,793</td>
</tr>
</tbody>
</table>

7 TRADE DEBTS
These include receivable from related parties amounting to Rs. 500 thousand (June 30, 2019: Rs. 477 thousand).

8 OTHER FINANCIAL ASSETS

Investments classified as available for sale

<table>
<thead>
<tr>
<th></th>
<th>8.1</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>270,191</td>
</tr>
</tbody>
</table>

8.1 Listed equity securities and mutual funds

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair value at July 01</td>
<td>336,175</td>
<td>352,254</td>
</tr>
<tr>
<td>Additions in investments during the period / year</td>
<td>42,088</td>
<td>533,477</td>
</tr>
<tr>
<td>Sale / disposal of investments during the period / year</td>
<td>(84,021)</td>
<td>(557,734)</td>
</tr>
<tr>
<td>Gain / (loss) on investments during the period / year</td>
<td>(24,051)</td>
<td>8,178</td>
</tr>
</tbody>
</table>

8.2 FAIR VALUE OF FINANCIAL INSTRUMENTS
The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).
The following table presents the fair value hierarchy for financial assets which are carried at fair value:

<table>
<thead>
<tr>
<th></th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments classified as - available for sale</td>
<td>270,191</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>336,175</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

There were no transfers between levels during the period / year. The carrying value of all other financial assets and liabilities reflected in these condensed interim financial statements approximate their fair values.

9 **SHARE CAPITAL**

<table>
<thead>
<tr>
<th></th>
<th>Un-audited September 30, 2019 (No. of Shares)</th>
<th>Audited June 30, 2019 (No. of Shares)</th>
<th>Un-audited September 30, 2019 (Rupees in thousand)</th>
<th>Audited June 30, 2019 (Rupees in thousand)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorized</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary shares of Rs. 10 each</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class &quot;A&quot;</td>
<td>40,000,000</td>
<td>40,000,000</td>
<td>400,000</td>
<td>400,000</td>
</tr>
<tr>
<td>Class &quot;B&quot;</td>
<td>20,000,000</td>
<td>20,000,000</td>
<td>200,000</td>
<td>200,000</td>
</tr>
<tr>
<td>Issued, subscribed and paid up</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class &quot;A&quot; ordinary shares of Rs. 10/- each</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- fully paid in cash</td>
<td>8,640,000</td>
<td>8,640,000</td>
<td>86,400</td>
<td>86,400</td>
</tr>
<tr>
<td>- issued as fully paid bonus shares</td>
<td>10,804,398</td>
<td>10,804,398</td>
<td>108,044</td>
<td>108,044</td>
</tr>
<tr>
<td>- issued as fully paid under scheme of arrangement for amalgamation</td>
<td>1,985,009</td>
<td>1,985,009</td>
<td>19,850</td>
<td>19,850</td>
</tr>
<tr>
<td>Total</td>
<td>21,429,407</td>
<td>21,429,407</td>
<td>214,294</td>
<td>214,294</td>
</tr>
</tbody>
</table>

9.1 Class "B" ordinary shares do not carry any voting rights.
9.2 No shares are held by any associated company or related party of the Company.
9.3 The Company has no reserved shares under options or sales contracts.

10 **LONG-TERM FINANCING**

<table>
<thead>
<tr>
<th></th>
<th>Un-audited September 30, 2019</th>
<th>Audited June 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diminishing Musharka (from financial institutions - secured)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening balance</td>
<td>2,776,463</td>
<td>2,019,841</td>
</tr>
<tr>
<td>Obtained during the period / year</td>
<td>-</td>
<td>1,570,266</td>
</tr>
<tr>
<td>Re-paid during the period / year</td>
<td>(256,760)</td>
<td>(813,644)</td>
</tr>
<tr>
<td>Total</td>
<td>2,519,703</td>
<td>2,776,463</td>
</tr>
<tr>
<td>Less: Current portion</td>
<td>(722,016)</td>
<td>(722,016)</td>
</tr>
<tr>
<td>Total</td>
<td>1,797,687</td>
<td>2,054,447</td>
</tr>
</tbody>
</table>
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies
Guarantees issued by banks on behalf of the Company

<table>
<thead>
<tr>
<th></th>
<th>Un-audited September 30, 2019</th>
<th>Audited June 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>259,095</td>
<td>259,984</td>
</tr>
</tbody>
</table>

11.2 Commitments
Outstanding letters of credit for raw material and spare parts

<table>
<thead>
<tr>
<th></th>
<th>Un-audited Three months period ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 30, 2019</td>
</tr>
<tr>
<td></td>
<td>262,617</td>
</tr>
<tr>
<td></td>
<td>September 30, 2018</td>
</tr>
<tr>
<td></td>
<td>268,873</td>
</tr>
</tbody>
</table>

12. SALES - NET

Local:
- Chemicals
- Yarn
- Fabric
- Waste

Export:
- Chemicals

Gross Sales

<table>
<thead>
<tr>
<th></th>
<th>Un-audited September 30, 2019</th>
<th>Audited September 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,779,657</td>
<td>2,890,144</td>
</tr>
<tr>
<td>Chemicals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yarn</td>
<td>208,351</td>
<td>351,973</td>
</tr>
<tr>
<td>Fabric</td>
<td>16,488</td>
<td>35,708</td>
</tr>
<tr>
<td>Waste</td>
<td>286</td>
<td>4,053</td>
</tr>
<tr>
<td></td>
<td>3,004,782</td>
<td>3,281,878</td>
</tr>
<tr>
<td>Export</td>
<td>82,342</td>
<td>39,528</td>
</tr>
<tr>
<td>Gross Sales</td>
<td>3,087,124</td>
<td>3,321,406</td>
</tr>
</tbody>
</table>

Less:
- Commission and discount
- Sales tax

<table>
<thead>
<tr>
<th></th>
<th>Un-audited September 30, 2019</th>
<th>Audited September 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(99,763)</td>
<td>(112,763)</td>
</tr>
<tr>
<td>Chemicals</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(405,069)</td>
<td>(418,058)</td>
</tr>
<tr>
<td></td>
<td>(504,832)</td>
<td>(530,821)</td>
</tr>
<tr>
<td></td>
<td>2,582,292</td>
<td>2,790,585</td>
</tr>
</tbody>
</table>

13. COST OF SALES

Raw material consumed
- Fuel and power
- Salaries, wages and benefits
- Factory overheads

Work-in-process
- Opening stock
- Closing stock

Cost of goods manufactured
- Opening stock
- Closing stock

<table>
<thead>
<tr>
<th></th>
<th>Un-audited September 30, 2019</th>
<th>Audited September 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,221,495</td>
<td>1,266,442</td>
</tr>
<tr>
<td>Chemicals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yarn</td>
<td>597,593</td>
<td>827,557</td>
</tr>
<tr>
<td>Fabric</td>
<td>135,015</td>
<td>139,216</td>
</tr>
<tr>
<td>Waste</td>
<td>419,151</td>
<td>357,663</td>
</tr>
<tr>
<td></td>
<td>2,373,254</td>
<td>2,590,878</td>
</tr>
<tr>
<td>Raw material</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(15,562)</td>
<td>14,928</td>
</tr>
<tr>
<td>Fuel and power</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(15,562)</td>
<td>(2,168)</td>
</tr>
<tr>
<td>Salaries,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>wages and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Factory</td>
<td></td>
<td></td>
</tr>
<tr>
<td>overheads</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work-in-process</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening stock</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Closing stock</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of goods</td>
<td></td>
<td></td>
</tr>
<tr>
<td>manufactured</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening stock</td>
<td>904,916</td>
<td>634,800</td>
</tr>
<tr>
<td>Closing stock</td>
<td>(1,207,991)</td>
<td>(1,059,976)</td>
</tr>
<tr>
<td>Finished goods</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening stock</td>
<td>(303,075)</td>
<td>(425,176)</td>
</tr>
<tr>
<td>Closing stock</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2,054,617</td>
<td>2,163,534</td>
</tr>
</tbody>
</table>
14 **PROVISION FOR TAXATION**

<table>
<thead>
<tr>
<th></th>
<th>Un-audited</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Three months period ended</td>
<td>September 30, 2019</td>
<td>September 30, 2018</td>
</tr>
<tr>
<td>Current - for the period</td>
<td>44,941</td>
<td>71,073</td>
<td></td>
</tr>
<tr>
<td>Deferred</td>
<td>(17,028)</td>
<td>4,247</td>
<td></td>
</tr>
<tr>
<td></td>
<td>27,913</td>
<td>75,320</td>
<td></td>
</tr>
</tbody>
</table>

15 **EARNINGS PER SHARE - BASIC AND DILUTED**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit for the period</td>
<td>65,643</td>
<td>203,028</td>
</tr>
<tr>
<td>Weighted average number of ordinary shares outstanding during the period (No. of shares in thousand)</td>
<td>21,429</td>
<td>21,429</td>
</tr>
<tr>
<td>Earnings per share (Rupees)</td>
<td>3.06</td>
<td>9.47</td>
</tr>
</tbody>
</table>

16 **TRANSACTIONS WITH RELATED PARTIES**

The related parties comprise associated undertakings, other related group companies, directors of the company, key management personnel and post employment benefit plans. The Company in the normal course of business carries out transactions with its related parties. Details of transactions with related parties for the three months period ended are as follows:

<table>
<thead>
<tr>
<th>Relationship with the Company</th>
<th>Nature of transactions</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Associated Undertakings</td>
<td>Sales</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>Organizational expenses recovered</td>
<td>-</td>
<td>7,491</td>
</tr>
<tr>
<td></td>
<td>Organizational expenses paid</td>
<td>72</td>
<td>10,461</td>
</tr>
<tr>
<td></td>
<td>Donation given</td>
<td>5,091</td>
<td>4,925</td>
</tr>
<tr>
<td>Key management personnel</td>
<td>Remuneration to Executives</td>
<td>30,418</td>
<td>29,357</td>
</tr>
</tbody>
</table>

Following are the related parties with whom the Company had entered into transactions or have arrangement / agreement in place:

<table>
<thead>
<tr>
<th>Company name</th>
<th>Basis of association</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sitara Developers (Private) Limited</td>
<td>Common directorship</td>
</tr>
<tr>
<td>Aziz Fatima Trust Hospital</td>
<td>Common directorship</td>
</tr>
</tbody>
</table>

The Company does not hold any shares in the above mentioned companies.
### 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

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

<table>
<thead>
<tr>
<th>Un-audited</th>
<th>Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 30, 2019</td>
<td>September 30, 2018</td>
</tr>
<tr>
<td>September 30, 2019</td>
<td>September 30, 2018</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Segment</th>
<th>Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Chemical Division</strong></td>
<td><strong>Textile Division</strong></td>
<td><strong>Total</strong></td>
</tr>
<tr>
<td>Revenue from external customers - net</td>
<td>2,357,861</td>
<td>2,400,472</td>
</tr>
<tr>
<td>Depreciation on property, plant and equipment</td>
<td>268,394</td>
<td>212,435</td>
</tr>
<tr>
<td>Segment profit / (Loss)</td>
<td>308,632</td>
<td>397,187</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>44,636</td>
<td>2,058,531</td>
</tr>
<tr>
<td>Segment assets</td>
<td>15,744,839</td>
<td>15,599,826</td>
</tr>
<tr>
<td>Segment liabilities</td>
<td>1,478,629</td>
<td>1,735,388</td>
</tr>
</tbody>
</table>
### 17.2 Reconciliations of reportable segments are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Un-audited</th>
<th>Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total revenue for reportable segments</td>
<td>2,582,292</td>
<td>2,790,585</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>September 30, 2019</th>
<th>September 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Profit for the period</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total profit for reportable segments</td>
<td>286,295</td>
<td>401,199</td>
</tr>
<tr>
<td>Unallocated corporate income / (expenses)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other income</td>
<td>47,759</td>
<td>13,561</td>
</tr>
<tr>
<td>Other expenses</td>
<td>(8,818)</td>
<td>(23,052)</td>
</tr>
<tr>
<td>Finance cost</td>
<td>(231,680)</td>
<td>(113,360)</td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>93,556</td>
<td>278,348</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Un-audited</th>
<th>Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total assets for reportable segments</td>
<td>18,133,400</td>
<td>17,751,737</td>
</tr>
<tr>
<td>Other unallocated corporate assets</td>
<td>8,897,218</td>
<td>9,075,754</td>
</tr>
<tr>
<td>Company's assets</td>
<td>27,030,618</td>
<td>26,827,491</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>September 30, 2019</th>
<th>June 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total liabilities for reportable segments</td>
<td>1,875,993</td>
<td>2,132,752</td>
</tr>
<tr>
<td>Other unallocated corporate liabilities</td>
<td>10,495,850</td>
<td>10,075,116</td>
</tr>
<tr>
<td>Company's liabilities</td>
<td>12,371,843</td>
<td>12,207,868</td>
</tr>
</tbody>
</table>

### 17.3 The Company has no reportable geographical segment.
## 18 OPERATING CASH FLOW BEFORE WORKING CAPITAL CHANGES

<table>
<thead>
<tr>
<th></th>
<th>September 30, 2019</th>
<th>September 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit before taxation</td>
<td>93,556</td>
<td>278,348</td>
</tr>
<tr>
<td><strong>Adjustments for:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation on property, plant and equipment</td>
<td>284,760</td>
<td>223,114</td>
</tr>
<tr>
<td>Depreciation on investment property</td>
<td>1,371</td>
<td>1,263</td>
</tr>
<tr>
<td>(Gain) / loss on sale of available for sale investments</td>
<td>(2,440)</td>
<td>1,659</td>
</tr>
<tr>
<td>Amortization on intangible assets</td>
<td>278</td>
<td>392</td>
</tr>
<tr>
<td>Finance cost</td>
<td>231,680</td>
<td>113,360</td>
</tr>
<tr>
<td>Exchange gain</td>
<td>(2,231)</td>
<td>(196)</td>
</tr>
<tr>
<td>(Gain) / loss on disposal of property, plant and equipment</td>
<td>1,885</td>
<td>(56)</td>
</tr>
<tr>
<td>Provision for employee benefits</td>
<td>2,217</td>
<td>2,217</td>
</tr>
<tr>
<td>Dividend income</td>
<td>(229)</td>
<td>(60)</td>
</tr>
<tr>
<td>Unwinding of deferred receivable</td>
<td>(26,239)</td>
<td>-</td>
</tr>
<tr>
<td>Profit on bank deposits</td>
<td>(1,721)</td>
<td>(2,321)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>489,331</td>
<td>339,372</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>582,887</td>
<td>617,720</td>
</tr>
</tbody>
</table>

## 19 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information has been approved by the Board of Directors of the Company and authorized for issue on October 28, 2019.

## 20 GENERAL

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

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Anwar-ul-Haq  
Chief Financial Officer

Muhammad Adrees  
Chief Executive Officer

Haseeb Ahmad  
Director
Sitara Chemical Industries Limited

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Tel: 021-32420620, 32413944