



**Sitara Chemical
Industries Limited**



3rd Quarter Report | March 31, 2022

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Company Information

Board of Directors

Chairman
Chief Executive Officer
Directors

Mr. Abdul Awal
Mr. Muhammad Adrees
Mr. Haseeb Ahmad
Mr. Haroon Ahmad Zuberi
Mr. Ahmad Nawaz
Mr. Ashraf Shahzad Ahmad
Mrs. Shala Waheed Sher

Mr. Mazhar Ali Khan
Mr. Zakir Hussain (FCA)

Company Secretary

Chief Financial Officer

Audit Committee

Chairman
Members

Mr. Haroon Ahmad Zuberi
Mr. Abdul Awal
Mr. Ahmad Nawaz

Human Resource & Remuneration Committee

Chairman
Members

Mr. Abdul Awal
Mr. Muhammad Adrees
Mrs. Shala Waheed Sher
Mr. Ghulam Abbas (ACA)

Head of Internal Audit

Auditors

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
Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi-75500

Factories

28 / 32 KM, Faisalabad - Sheikhpura Road, Pakistan

Directors' Report

In the name of Allah, the Most Beneficent, 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 third quarter ended on March 31, 2022.

Business Overview:

During the period under review, Company recorded a net sales of Rs. 15,431 million and gross profits of Rs. 2,098 million as compared with net sales of Rs. 10,960 million and gross profits of Rs. 2,500 million in the corresponding period of last year, witnessing a growth of 40.8% in net sales. Growth in net sale figure is attributable to both volumetric increase and price increase in Caustic and other allied chemicals. Profit after tax remained at Rs. 569 million as against profit after tax of Rs. 1,069 million during the corresponding period of last year. Earnings per share was recorded at Rs. 26.57 as against Rs. 49.91 during the corresponding period of last year.

Decrease in profitability is attributable to higher energy costs in the country after globally increase of energy and commodity prices. PKR depreciation against US\$ during the period also increased energy cost to some extent. Financial cost also increased after increase in SBP policy rate during the ongoing financial year as compared with last year's corresponding period, and increased working capital requirements. Gross margins of textile division of the company have remained better during the period under review as against corresponding period of last year due to better yarn prices and timely buying of cotton at economical prices at the start of financial year.


Future Outlook:

Work on expansion of existing coal fired power plant of the company is in progress and techno-commercial negotiations with technology suppliers and engineering company have been completed for major equipment and their LCs are underway.

Presently increased coal, RLNG, and palm oil prices in international market, as well as increase in SBP policy rates are the key challenges for the company; however, company is taking appropriate measures including optimum energy mix and market penetration in Oleo chemical market etc. to mitigate the adverse impacts of these challenges.

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
April 28, 2022
Faisalabad



Haseeb Ahmad
Director

ڈائریکٹرز رپورٹ

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

ستارہ کیمیکلز انڈسٹریز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی طرف سے ہم 31 مارچ 2022 کو ختم ہونے والی تیسری سہ ماہی کے غیر آڈٹ شدہ اکاؤنٹس پیش کرتے ہوئے پرمسرت ہیں۔

کاروباری جائزہ:

زیر جائزہ مدت کے دوران، آپ کی کمپنی نے 15,431 ملین روپے کی خالص فروخت کی ہے۔ اور مجموعی منافع 2,098 ملین روپے رہا۔ جبکہ پچھلے سال اسی عرصہ کے دوران خالص فروخت 10,960 ملین روپے اور مجموعی منافع 2,500 ملین روپے تھا، خالص فروخت میں 40.8 فیصد اضافہ دیکھا گیا۔ خالص فروخت کی شرح میں اضافہ کا سبب اور دوسرے متعلقہ کیمیکل کے حجم کی فروخت میں اضافے کی وجہ سے ہے۔ ٹیکس کے بعد کمایا گیا منافع 569 ملین روپے رہا جبکہ پچھلے سال اسی عرصہ کے دوران ٹیکس کے بعد کمایا گیا منافع 1,069 ملین روپے تھا۔ فی حصص آمدنی 26.57 روپے رہی جبکہ پچھلے سال اسی مدت کے دوران فی حصص آمدنی 49.91 روپے تھی۔

عالمی سطح پر توانائی اور اجناس کی قیمتوں میں اضافے کے بعد منافع میں کمی ملک میں توانائی کی بلند قیمتوں سے منسوب ہے۔ زیر جائزہ مدت کے دوران امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی کی وجہ سے توانائی کی قیمت میں بھی کچھ حد تک اضافہ ہوا ہے۔ گزشتہ سال کی اسی مدت کے مقابلے میں جاری مالی سال کے دوران اسٹیٹ بینک کی پالیسی کی شرح میں اضافے اور ورکنگ کپیٹل کی ضروریات میں اضافے کے بعد مالیاتی لاگت میں بھی اضافہ ہوا ہے۔ زیر جائزہ مدت کے دوران کمپنی کے ٹیکسٹائل ڈویژن کا مجموعی مارجن گزشتہ سال کے اسی عرصے کے مقابلے میں بہتر رہا جس کی وجہ مالی سال کے آغاز میں سوت کی بہتر قیمتوں اور مناسب قیمتوں پر روئی کی بروقت خریداری ہے۔

مستقبل پر نظر:

کمپنی کے موجودہ کونسلے سے چلنے والے بجلی گھر کی توسیع کا کام جاری ہے اور بڑے آلات کے لیے ٹیکنالوجی سپلائرز اور انجینئرزنگ کمپنی کے ساتھ ٹیکنو کمرشل مذاکرات مکمل ہو چکے ہیں اور ان کے LCs پر کام جاری ہے۔

اس وقت بین الاقوامی مارکیٹ میں کونسلے، RLNG اور پام آئل کی قیمتوں میں اضافہ، نیز اسٹیٹ بینک کے پالیسی ریٹ میں اضافہ کمپنی کے لیے اہم چیلنجز ہیں۔ تاہم، کمپنی ان چیلنجز کے منفی اثرات کو کم کرنے کے لیے مناسب اقدامات کر رہی ہے جس میں اولیو کیمیکل کی مارکیٹ تک رسائی اور بہترین انرجی کس وغیرہ شامل ہیں۔

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 28 اپریل 2022



حبیب احمد

ڈائریکٹر

Shariah Review Report

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022



ALHAMD SHARIAH ADVISORY SERVICES

(PVT) LIMITED

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Apr 21, 2022

نحمده و نصلى على رسوله الكريم

Shariah Review Report

For the period ended 31st Mar 2022

We have reviewed the business activities of **Sitara Chemical Industries Limited** for the quarter ended 31st March, 2022 in accordance with the provisions of Shariah Governance Regulations, 2018; and in our opinion;

- the transactions, the documentations and the procedures adopted have been in accordance with principles of Shariah;
- the affairs have been carried out in accordance with rules and principal of Shariah; and
- The income received during the period was purified where necessary, and was treated in accordance with the requirements of Shariah Governance Regulations, 2018;

In the end; we pray to Allah Almighty to grant us success and help us at every step, keep us away from every hindrance and difficulty, and give financial success to Sitara Chemical Industries Limited.

And Allah Knows Best.

Mufti Muhammad Ibrahim Essa

For and on behalf of

Alhamd Shariah Advisory Services (Pvt.) Limited

Mufti Ubaid Ur Rahman Zubairi

For and on behalf of

Alhamd Shariah Advisory Services (Pvt.) Limited



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**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022**

		Un-audited March 31, 2022	Audited June 30, 2021
		(Rupees in thousand)	
ASSETS	Note		
NON - CURRENT ASSETS			
Property, plant and equipment	5	17,362,575	16,923,448
Intangible assets		8,611	9,007
Investment property	6	3,302,161	3,312,590
Long-term investments		25,039	25,039
Long-term loans and advances		900,587	1,038,354
Long-term deposits		124,376	124,366
		21,723,349	21,432,804
CURRENT ASSETS			
Stores, spare parts and loose tools		978,907	897,133
Stock-in-trade		3,521,678	2,745,163
Trade debts		1,776,291	1,362,775
Loans and advances		3,290,971	3,378,876
Trade deposits and short-term prepayments		22,535	7,762
Other receivables		13,991	12,635
Other financial assets	7	822,815	511,778
Cash and bank balances		263,045	191,103
		10,690,233	9,107,225
		32,413,582	30,540,029
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	8	214,294	214,294
Reserves		1,395,794	1,413,700
Un-appropriated profits		10,801,495	10,270,574
Surplus on revaluation of property, plant and equipment		3,807,350	3,983,297
		16,218,933	15,881,865
NON - CURRENT LIABILITIES			
Long-term financing	9	1,929,399	1,865,065
Long-term deposits		92,047	69,047
Deferred liabilities	10	2,546,155	2,563,865
		4,567,601	4,497,977
CURRENT LIABILITIES			
Trade and other payables		3,147,812	2,229,904
Profit / financial charges payable		192,083	161,118
Short term borrowings		7,242,590	6,748,994
Provision for taxation		187,228	278,150
Unclaimed dividend		26,231	23,500
Current portion of long term financing		831,104	718,521
		11,627,048	10,160,187
CONTINGENCIES AND COMMITMENTS	11		
		32,413,582	30,540,029

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

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022

		Nine months period ended		Three months period ended	
		March 31,	March 31,	March 31,	March 31,
		2022	2021	2022	2021
Note		(.....Rupees in thousand.....)			
Revenue from contract with customers	12	15,431,464	10,960,356	6,046,381	3,965,526
Cost of sales	13	(13,333,930)	(8,460,282)	(5,157,065)	(3,146,737)
Gross profit		2,097,534	2,500,074	889,316	818,789
Distribution cost		(270,016)	(216,773)	(93,959)	(76,092)
Administrative expenses		(546,935)	(448,638)	(175,735)	(153,717)
Other expenses		(55,595)	(116,653)	(25,957)	(35,080)
Finance cost		(614,691)	(423,822)	(243,956)	(141,495)
		(1,487,237)	(1,205,886)	(539,607)	(406,384)
Other income		130,726	186,447	46,561	44,853
Profit before taxation		741,023	1,480,635	396,270	457,258
Provision for taxation	14	(171,756)	(411,196)	(80,862)	(144,558)
Profit after taxation		569,268	1,069,439	315,408	312,700
Earnings per share - basic and diluted - (Rupees)	15	26.57	49.91	14.72	14.59

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



Chief Financial Officer



Chief Executive Officer



Director

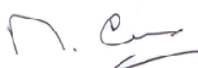
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022**

	Nine months period ended		Three months period ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	(.....Rupees in thousand.....)			
Profit after taxation	569,268	1,069,439	315,408	312,700
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
(Loss) / Gain on investments classified as Equity instruments as at FVTOCI	(21,066)	77,486	(12,586)	28,939
Related tax impact	3,160	(11,623)	1,888	(4,341)
Surplus on disposals of equity instruments as at FVTOCI	-	4,833	-	4,833
Other comprehensive (loss) / income	(17,906)	70,696	(10,698)	29,431
Total comprehensive income for the period	551,362	1,140,135	304,710	342,131

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



Chief Financial Officer



Chief Executive Officer



Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022**

Share Capital	Reserves							Total
	Capital				Revenue		Total Reserves	
	Share Premium	Reserve on re-measurement of equity instruments as at FVTOCI - net of tax	Reserve on re-measurement of post retirement benefits obligation- net of tax	Surplus on revaluation of property, plant and equipment	General Reserve	Un-appropriated profit		
(..... Rupees in thousand)								
214,294	97,490	40,075	(4,779)	4,237,712	1,225,000	8,882,763	14,478,261	14,692,555
-	-	-	-	-	-	1,069,439	1,069,439	1,069,439
-	-	70,697	-	-	-	-	70,697	70,697
-	-	70,697	-	-	-	1,069,439	1,140,136	1,140,136
-	-	-	-	(190,811)	-	190,811	-	-
-	-	-	-	-	-	(214,294)	(214,294)	(214,294)
214,294	97,490	110,772	(4,779)	4,046,901	1,225,000	9,928,719	15,404,103	15,618,397
-	-	-	-	-	-	278,251	278,251	278,251
-	-	(13,548)	(1,235)	-	-	-	(14,783)	(14,783)
-	-	(13,548)	(1,235)	-	-	278,251	263,468	263,468
-	-	-	-	(63,604)	-	63,604	-	-
214,294	97,490	97,224	(6,014)	3,983,297	1,225,000	10,270,574	15,667,571	15,881,865
-	-	-	-	-	-	569,268	569,268	569,268
-	-	(17,906)	-	-	-	-	(17,906)	(17,906)
-	-	(17,906)	-	-	-	569,268	551,362	551,362
-	-	-	-	(175,947)	-	175,947	-	-
-	-	-	-	-	-	(214,294)	(214,294)	(214,294)
214,294	97,490	79,318	(6,014)	3,807,350	1,225,000	10,801,495	16,004,639	16,218,933

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

Chief Financial Officer

Chief Executive Officer

Director


**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022**

		Nine months period ended	
		March 31, 2022	March 31, 2021
	Note	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating cash flow before working capital changes	18	2,240,842	2,601,720
Changes in working capital:			
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(81,774)	(104,340)
Stock-in-trade		(776,515)	456,563
Trade debts		(412,445)	(350,746)
Loans and advances		(286,269)	(519,354)
Trade deposits and short-term prepayments		(14,773)	(11,821)
Other receivables		(1,357)	(2,084)
Increase / (decrease) in current liabilities			
Trade and other payables		850,427	220,138
Sales tax payable		319,377	(127,238)
		(403,327)	(438,882)
Cash generated from operations		1,837,515	2,162,837
Finance cost paid		(583,726)	(464,332)
Employee benefits paid		(6,629)	(9,572)
Taxes paid		(158,552)	(63,620)
		(748,907)	(537,524)
Net cash generated from operating activities		1,088,608	1,625,313
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,402,008)	(2,808,486)
Purchase of investment property		(4,147)	-
Purchase of intangible assets		(665)	-
Proceeds from disposal of property, plant and equipment		4,300	19,199
Purchase of other financial assets		(328,943)	(144,185)
Long term deposits paid		(11)	(766)
Long-term loans and advances received		200,134	8,164
Profit received		26,297	4,748
Dividend income received		6,427	8,449
Net cash used in investing activities		(1,498,616)	(2,912,877)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing obtained		703,721	1,405,626
Repayment of long-term financing		(526,805)	(684,434)
Short term financing - net		493,596	781,156
Long term deposits availed		23,000	7,000
Dividend paid		(211,563)	(212,324)
Net cash (used in) / generated from financing activities		481,949	1,297,024
Net increase in cash and cash equivalents		71,942	9,458
Cash and cash equivalents at beginning of the period		191,103	81,643
Cash and cash equivalents at end of the period		263,045	91,101

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



Chief Financial Officer



Chief Executive Officer



Director

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022**

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 nine months period ended March 31, 2022 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, 2021. Comparative statement of financial position is extracted from annual audited financial statement for the year ended June 30, 2021, whereas comparative statement of profit or loss, comparative statement of comprehensive income, comparative statement of changes in equity and comparative statement of cash flows are stated from un-audited condensed interim financial statements for the nine months period ended March 31, 2021.

- 2.3** These condensed interim financial statements are un-audited. However, a limited scope review has been performed by statutory auditor of the Company in accordance with Section 237 of Companies Act, 2017 and they have issued their review report thereon.

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, 2021.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparation these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements for year ended June 30, 2021.

	Note	Un-audited March 31, 2022	Audited June 30, 2021
5 PROPERTY, PLANT AND EQUIPMENT			
(Rupees in thousand)			
Operating assets	5.1 & 5.2	16,771,256	16,859,588
Capital work-in-progress		591,319	63,860
		17,362,575	16,923,448
5.1 Operating assets			
Opening written down value		16,859,588	14,798,051
Additions during the period / year:			
Freehold land		8,956	4,513
Buildings on freehold land - Mill		110,710	421,723
Plant and machinery		-	-
Grid station and electric installations		618,981	2,476,064
Containers and cylinders		-	18,247
Containers and cylinders		112	36,964
Factory equipment		30,737	20,167
Electric equipment		55,380	236,740
Office equipment		5,951	14,614
Furniture and fittings		2,616	9,716
Vehicles		52,818	10,039
		886,261	3,248,787
Written down value of assets disposed off during the period / year		(3,151)	(90,953)
Depreciation charged during the period / year		(971,443)	(1,096,297)
		16,771,256	16,859,588

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022**

- 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. 3,807 million net of tax (June 30, 2021: 3,983 million) remains undepreciated as at March 31, 2022

Details of the Company's revalued assets and information about fair value hierarchy, as at March 31, 2022 are as follows:

	Un-audited March 31, 2022			Audited June 30, 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Land - freehold	-	1,300,875	-	-	1,291,918	-
Buildings on freehold land	-	1,852,912	-	-	1,884,576	-
Plant and machinery	-	12,093,216	-	-	12,177,580	-
	-	15,247,003	-	-	15,354,074	-

		Un-audited March 31, 2022	Audited June 30, 2021
	Note	(Rupees in thousand)	
6 INVESTMENT PROPERTY			
Land	6.1	3,265,405	3,270,232
Buildings	6.2	36,756	42,358
		<u>3,302,161</u>	<u>3,312,590</u>
6.1 Land			
Balance at the beginning of the period / year		3,270,232	3,269,147
Addition during the period / year		4,146	1,085
Transfer to property, plant and equipment		(8,973)	-
Balance at end of the period / year		<u>3,265,405</u>	<u>3,270,232</u>
6.2 Buildings			
Cost:			
Balance at the beginning of the period / year		90,438	90,438
Addition during the period / year		-	-
Transfer to property, plant and equipment		(2,738)	-
Balance at the end of the year		<u>87,700</u>	<u>90,438</u>
Accumulated depreciation:			
At the beginning of the period / year		48,080	44,045
For the period / year		2,864	4,035
At the end of the period / year		<u>(50,944)</u>	<u>(48,080)</u>
Written down value at the end of the period / year		<u>36,756</u>	<u>42,358</u>
7 OTHER FINANCIAL ASSETS			
Investments held at FVTOCI	7.1	245,210	266,874
Investments held at FVTPL	7.2	577,605	244,904
		<u>822,815</u>	<u>511,778</u>
7.1 Investment designated as fairvalue through other comprehensive income (FVTOCI)			
Fair value at July 01		266,874	189,582
Additions in investments during the period / year		27,218	89,208
		<u>294,092</u>	<u>278,790</u>
Disposal		(25,856)	(79,150)
		<u>268,236</u>	<u>199,640</u>
(Loss) / gain on investments during the period / year		<u>(23,026)</u>	<u>67,234</u>
		<u>245,210</u>	<u>266,874</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022**

	Un-audited March 31, 2022	Audited June 30, 2021
	(Rupees in thousand)	
7.2 Investment designated as fairvalue through profit and Loss (FVTPL)		
Fair value at July 01	244,903	6,987
Additions in investments during the period / year	776,124	1,199,372
Sale / disposal of investments during the period / year	(459,000)	(964,782)
	562,027	241,577
Gain / (loss) on investments during the period / year	15,578	3,326
	<u>577,605</u>	<u>244,904</u>

7.3 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:

	Un-audited March 31, 2022			Audited June 30, 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Investments classified at FVTOCI	245,210	-	-	266,874	-	-
Investments classified at FVTPL	577,605	25,039	-	244,904	-	-

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.

8 SHARE CAPITAL

Un-audited March 31 2022	Audited June 30 2021		Un-audited March 31, 2022	Audited June 30, 2021
.....No of shares.....			(Rupees in thousand)	
		Authorized		
		Ordinary shares of Rs. 10 each		
40,000,000	40,000,000	Class "A"	400,000	400,000
20,000,000	20,000,000	Class "B"	200,000	200,000
		Issued, subscribed and paid up		
		Class "A" ordinary shares of Rs. 10/- each		
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>

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

8.2 The Company has no reserved shares under options and sales contracts.

9 LONG-TERM FINANCING

Diminishing Musharka (from financial institutions - secured)

Opening balance	2,583,586	2,099,980
Obtained during the period / year	703,722	1,519,599
Re-paid during the period / year	(526,805)	(1,035,993)
	2,760,503	2,583,586
Less: Current portion	(831,104)	(718,521)
	<u>1,929,399</u>	<u>1,865,065</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022**

	Un-audited March 31, 2022	Audited June 30, 2021
	(Rupees in thousand)	
10 DEFERRED LIABILITIES		
Deferred tax	2,469,415	2,488,047
Deferred grant	5,989	5,989
Gratuity payable	43,454	42,532
Provision for Gas Infrastructure Development Cess (GIDC) and GIDC liability	27,297	27,297
	<u>2,546,155</u>	<u>2,563,865</u>

11 CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

Guarantees issued by banks on behalf of the Company	254,074	269,705
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11.2 Commitments

Outstanding letters of credit for raw material and spare parts	38,343	601,017
--	--------	---------

	Un-audited Nine months period ended		Un-audited Three months period ended	
	March 31 2022	March 31 2021	March 31 2022	March 31 2021
	(.....Rupees in thousand.....)			
12 REVENUE FROM CONTRACT WITH CUSTOMERS				
Local:				
Chemicals	15,046,259	10,439,383	5,896,451	3,661,622
Yarn	3,194,928	2,445,531	999,106	918,944
Fabric	186,407	267,257	128,056	187,760
Waste	25,439	27,252	7,258	16,157
	<u>18,453,033</u>	<u>13,179,423</u>	<u>7,030,871</u>	<u>4,784,483</u>
Export:				
Chemicals	101,389	62,948	22,824	2,581
Gross Sales	<u>18,554,422</u>	<u>13,242,371</u>	<u>7,053,695</u>	<u>4,787,064</u>
Less:				
Commission and discount	(420,750)	(382,142)	(142,760)	(135,034)
Sales Tax	(2,702,208)	(1,899,873)	(864,554)	(686,503)
	<u>(3,122,958)</u>	<u>(2,282,015)</u>	<u>(1,007,314)</u>	<u>(821,537)</u>
	<u>15,431,464</u>	<u>10,960,356</u>	<u>6,046,381</u>	<u>3,965,526</u>

13 COST OF SALES

Raw material consumed	4,526,375	2,451,442	1,757,625	845,456
Fuel and power	7,639,288	4,253,230	2,854,741	1,666,737
Salaries, wages and benefits	522,127	408,105	176,353	142,886
Factory overheads	1,475,316	1,276,452	501,082	423,075
	<u>14,163,107</u>	<u>8,389,229</u>	<u>5,289,802</u>	<u>3,078,154</u>
Work-in-process				
Opening stock	23,661	27,136	66,660	22,111
Closing stock	(69,795)	(25,160)	(69,795)	(25,160)
	<u>(46,134)</u>	<u>1,976</u>	<u>(3,135)</u>	<u>(3,049)</u>
Cost of goods manufactured	<u>14,116,973</u>	<u>8,391,205</u>	<u>5,286,667</u>	<u>3,075,105</u>
Finished goods				
Opening stock	1,422,735	1,016,084	1,905,594	1,018,639
Cost of testing of Soap Noodles Plant	(170,582)	-	-	-
Closing stock	(2,035,195)	(947,007)	(2,035,195)	(947,007)
	<u>(783,042)</u>	<u>69,077</u>	<u>(129,601)</u>	<u>71,632</u>
	<u>13,333,930</u>	<u>8,460,282</u>	<u>5,157,065</u>	<u>3,146,737</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022**

	Un-audited Nine months period ended		Un-audited Three months period ended	
	March 31 2022	March 31 2021	March 31 2022	March 31 2021
	(.....Rupees in thousand.....)			
14 PROVISION FOR TAXATION				
Current - for the period	187,228	444,251	70,896	160,312
Prior year	-	-	-	-
Deferred	(15,472)	(33,055)	9,966	(15,754)
	<u>171,756</u>	<u>411,196</u>	<u>80,862</u>	<u>144,558</u>
15 EARNINGS PER SHARE - BASIC AND DILUTED				
Profit for the period	569,268	1,069,439	315,408	312,700
Weighted average number of ordinary shares outstanding during the period (No. of shares in thousand)	21,429	21,429	21,429	21,429
Earnings per share (Rupees)	<u>26.57</u>	<u>49.91</u>	<u>14.72</u>	<u>14.59</u>

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 period are as follows:

Relationship with the Company	Nature of transactions	Un-audited Nine months period ended	
		March 31 2022	March 31 2021
		(Rupees in thousand)	
Associated undertakings	Sales	214	113
	Organizational expenses paid	-	236
	Donation given	29,085	19,510
	Advances for supplies	-	8,124
Transaction with directors	Remuneration to Executives	117,139	103,692

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

Company name	Basis of association
Sitara Developers (Private) Limited	Common directorship
Aziz Fatima Trust Hospital	Common directorship

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022

17 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 fabric

17.1 Information about operating segments is as follows:

	Chemical Division		Textile Division		Total	Total
	Un-audited		Un-audited		Total	Total
	Nine months period ended		Nine months period ended		Total	Total
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	(----- Rupees in thousand -----)					
Revenue from external customers - net	12,538,076	8,627,160	2,893,387	2,333,197	15,431,463	10,960,357
Depreciation on property, plant and equipment	900,156	762,730	71,287	72,626	971,443	835,356
Segment profit / (loss)	212,522	1,417,135	584,095	180,152	796,617	1,597,287
	Un-audited March 31, 2022	Audited June 30, 2021	Un-audited March 31, 2022	Audited June 30, 2021	Total Un-audited March 31, 2022	Total Audited June 30, 2021
	(----- Rupees in thousand -----)					
Capital expenditure	859,757	3,104,103	26,504	144,684	886,261	3,248,787
Segment assets	23,893,457	22,059,864	2,961,894	2,849,246	26,855,351	24,909,110
Segment liabilities	13,202,222	11,466,087	244,468	402,381	13,446,690	11,868,468

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022**

		Un-audited	
		Nine months period ended	
		March 31,	March 31,
		2022	2021
		(Rupees in thousand)	
17.2	Reconciliations of reportable segments are as follows:		
	Revenue		
	Total revenue for reportable segments	15,431,463	10,960,357
	Profit for the period		
	Total profit for reportable segments	796,617	1,597,287
	Unallocated corporate income / (expenses)		
	Other expenses	(55,595)	(116,653)
	Profit before taxation	741,023	1,480,635
		Un-audited	Audited
		March 31,	June 30,
		2022	2021
		(Rupees in thousand)	
	Assets		
	Total assets for reportable segments	26,855,351	24,909,110
	Other unallocated corporate assets	5,558,231	5,630,919
	Company's assets	32,413,582	30,540,029
	Liabilities		
	Total liabilities for reportable segments	13,446,690	11,868,468
	Other unallocated corporate liabilities	2,747,959	2,789,696
	Company's liabilities	16,194,649	14,658,164

17.3 The Company has no reportable geographical segment.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022**

	Un-audited	
	Nine months period ended	
	March 31, 2022	March 31, 2021
	(Rupees in thousand)	
18 OPERATING CASH FLOW BEFORE WORKING CAPITAL CHANGES		
Profit before taxation	741,023	1,480,635
Adjustments for:		
Depreciation on property, plant and equipment	971,443	836,182
Depreciation on investment property	2,864	3,058
Amortization on intangible assets	690	751
Gain on sale of investments measured at FV-PL	-	(3,088)
Finance cost	614,691	423,822
Loss / (Gain) on disposal of property, plant and equipment	(1,149)	(5,299)
Loss / (Gain) on disposal of intangible assets	371	-
Provision for employee benefits	7,550	7,550
Dividend income	(6,427)	(8,449)
Exchange (gain) / loss	(1,071)	670
Unwinding of deferred receivable	(62,843)	(70,482)
Unwinding of GIDC payable	-	(60,150)
Write off - advances	-	1,267
Profit on bank deposits	(26,297)	(4,748)
	<u>1,499,822</u>	<u>1,121,085</u>
	<u>2,240,842</u>	<u>2,601,720</u>

19 DATE OF AUTHORIZATION FOR ISSUE

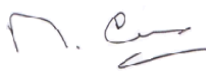
This condensed interim financial information has been approved by the Board of Directors of the Company and authorized for issue on April 28, 2022.

20 GENERAL

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



Chief Financial Officer



Chief Executive Officer



Director



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