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Company Information

Board of Directors	
Chairman	Mr. Muhammad Khalil
Chief Executive Officer	Mr. Muhammad Adrees
Directors	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	Mr. Abdul Awal
Members	Mr. Muhammad Khalil
	Mr. Muneeb ul Haq
Human Resource & Remuneration Committee	
Chairman	Mr. Muhammad Khalil
Members	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 Bank Alfalah Limited Habib Bank Limited Standard Chartered Bank (pakistan) Ltd Albaraka Bank (pakistan) Limited Faysal Bank Ltd National Bank Of Pakistan Mcb Bank Ltd Dubai Islamic Bank Pakistan Ltd Bank Islami Pakistan Ltd The Bank Of Punjab The Bank Of Khyber United Bank Limited Askari Bank Islamic Banking The Bank Of Punjab,taqwa Islamic Banking Hbl Islamic Banking United Bank Limited Ameen Islamic Banking
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 Ist Floor, 40-C, Block-6, P.E.C.H.S., Karachi.
Factories	28/32 KM, Faisalabad - Sheikhupura 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, 2018.

Financial Review:

During the quarter under review, your Company has recorded a net sales of Rs.2,790 million and gross profits of Rs 627 million as compared with net sales of Rs. 2,364 million and gross profits of Rs 499 million in the corresponding quarter of the last year witnessing a growth of 18% in net sales and 25.65% in gross profit. Gross margins during the current quarter remained better due to increase in caustic and yarn prices, and utilization of best energy mix in production. Profit before tax stood at Rs. 278 million as compared with Rs. 213 million during the corresponding quarter of last year. Earning per share was recorded at Rs. 9.47 during the year as against Rs. 15.82 during the corresponding quarter of last year. During the corresponding quarter of the last year, deferred tax assets were recognized on account of unused tax credits being available under section 65B of income Tax Ordinance 2001 on BMR/investment in plant & machinery.

Yarn's volumetric sales and average prices during the quarter remained better as compared with both volumetric sale and average yarn prices of the corresponding quarter of last year.

Rising international coal prices, increase in electricity and natural gas tariff, and increase in the cost of imported RLNG along with devaluation of pak rupee against US dollar are key challenges being faced by the company. On the other hand with the recent devaluation of Pak Rupees, we are working on capitalizing the export opportunities.

Future Outlook:

As stated in our latest annual report, we are working on BMR of one of our old membrane cell with approximate cost of Rs 500 million. LC has already been established and the project is planned to be completed within the planned time lines i.e. 3rd quarter of the running financial year (INSHA'ALLAH).

Furthermore in textile division of the company, we have also undertaken some BMR / replacement of old machinery with latest Swiss machines at all back process at approximate cost of Rs. 350 million, which will improve the quality of yarn and bring efficiency in operations as well. This project is planned to be completed by the end of current financial year INSHA'ALLAH.

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 25, 2018

Haseeb Ahmed
Director

ڈائریکٹرز رپورٹ

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

ستارہ کیمیکلز انڈسٹریز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی طرف سے ہم 30 ستمبر 2018 کو ختم ہونے والی پہلی سہ ماہی کے غیر آڈٹ شدہ اکاؤنٹس پیش کرنے کے لیے خوش ہیں۔

کاروباری جائزہ:

زیر جائزہ سہ ماہی کے دوران آپ کی کمپنی نے 2,790 ملین روپے کی خالص فروخت کی ہے۔ اور مجموعی منافع 627 ملین روپے رہا۔ جبکہ پچھلے سال اسی سہ ماہی میں خالص فروخت 2,364 ملین روپے اور مجموعی منافع 499 ملین روپے تھا، خالص فروخت میں 18 فیصد اور مجموعی منافع میں 25.65 فیصد بہتری دیکھنے میں آئی۔ موجودہ سہ ماہی کے دوران مجموعی مارجن میں بہتری کی وجہ کاسٹک اور سوت کی قیمتوں میں اضافہ اور پیداوار میں توانائی کا بہترین استعمال ہے۔ ٹیکس کے بعد منافع پچھلے سال کے اسی سہ ماہی میں 213 ملین روپے کے مقابلے میں 278 ملین روپے رہا جس سے فی حصص آمدنی 9.47 روپے رہی جبکہ پچھلے سال اسی مدت کے دوران فی حصص آمدنی 15.82 روپے تھی۔ پچھلے سال اسی سہ ماہی کے دوران انکم ٹیکس آرڈیننس 2001 کی شق 65B کے تحت پلانٹ اور مشینری کی بی ایم آر اور انویسٹمنٹ پر غیر استعمال شدہ ٹیکس کریڈٹ کے تحت معتدل ٹیکس اثاثوں کو تسلیم کیا گیا۔ پچھلے سال کے اسی سہ ماہی کے مقابلے میں اوسط دھاگہ کی قیمت اور دھاگہ کی مقدار کی فروخت بہتر رہی۔ بین الاقوامی کوئلے کی بڑھتی ہوئی قیمتیں بجلی اور قدرتی گیس کے ٹیرف میں اضافہ اور درآمد شدہ آر ایل این جی کی قیمت میں اضافے کے ساتھ ساتھ امریکی ڈالر کے مقابلے میں پاکستانی روپیہ کی قدر میں کمی یہ وہ عوامل ہیں جن کا کمپنی کو سامنا ہے۔ دوسری طرف پاکستانی روپے کی موجودہ بے قدری کی وجہ سے ہم برآمدات کو بڑھانے پر کام کر رہے ہیں۔

مستقبل پر نظر:

جیسا کہ ہم نے اپنی تازہ ترین سالانہ رپورٹ میں بیان کیا ہے، ہم اپنے پرانے ممبرین سیل کی 500 ملین روپے کی لاگت سے BMR کر رہے ہیں۔ LC کا قیام پہلے سے ہی عمل میں لایا جا چکا ہے اور یہ منصوبہ اپنی مقررہ مدت یعنی کہ موجودہ سال کی تیسری سہ ماہی میں مکمل ہو جائے گا (انشاءاللہ)۔

اس کے علاوہ ہم اپنی ٹیکسٹائل ڈویژن میں تقریباً 350 ملین روپے کی لاگت سے کچھ BMR، پرانی مشینری کو جدید سوئس مشینری سے تبدیل کرنے کا منصوبہ رکھتے ہیں جس سے ہماری یارن کی کوالٹی بہتر ہونے کے ساتھ کارکردگی میں بھی بہتری آئے گی۔ یہ منصوبہ موجودہ مالی سال 2018-19 کے اختتام پر مکمل ہو جائے گا (انشاءاللہ)۔

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۔

حسیب احمد
ڈائریکٹر

محمد ادریس
چیف ایگزیکٹو آفیسر
فیصل آباد 25 اکتوبر 2018

Condensed Interim Balance Sheet (Un-Audited)
As At September 30, 2018

	Note	Un-audited September 30, 2018	Audited June 30, 2018
		(Rupees in thousand)	
NON - CURRENT ASSETS			
Property, plant and equipment	5	9,530,572	9,572,027
Intangible assets		11,389	11,780
Investment property	6	3,032,704	3,033,968
Long-term investments		25,039	25,039
Long-term loans and advances		1,341,916	1,349,111
Long-term deposits		111,318	111,209
		14,052,938	14,103,134
CURRENT ASSETS			
Stores, spare parts and loose tools		791,014	744,642
Stock-in-trade		1,411,334	950,647
Trade debts		1,246,369	1,137,768
Loans and advances		1,918,355	2,414,018
Trade deposits and short-term prepayments		1,762	4,998
Other receivables		11,650	9,976
Other financial assets		327,731	352,254
Cash and bank balances		161,400	79,663
		5,869,615	5,693,967
		19,922,552	19,797,101
SHARE CAPITAL AND RESERVES			
Share capital		214,294	214,294
Reserves		1,395,039	1,365,497
Un-appropriated profits		8,111,162	7,892,906
SURPLUS ON REVALUATION OF PROPERTY PLANT AND EQUIPMENT		1,149,503	1,164,731
		10,869,997	10,637,428
NON - CURRENT LIABILITIES			
Long-term financing	7	1,035,809	1,174,947
Long-term deposits		34,043	30,443
Deferred liabilities		1,188,489	1,183,897
		2,258,340	2,389,287
CURRENT LIABILITIES			
Trade and other payables		1,809,773	2,293,219
Sales tax payable		34,491	8,499
Profit / financial charges payable		105,102	76,973
Short term borrowings		3,978,274	3,525,027
Unclaimed dividend		21,681	21,775
Current portion of long term financing		844,894	844,894
		6,794,214	6,770,386
CONTINGENCIES AND COMMITMENTS	8		
		19,922,552	19,797,101

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, 2018

	Note	For The Quarter	
		September 30, 2018	September 30, 2017
		(Rupees in thousand)	
Sales - net	9	2,790,585	2,364,265
Cost of sales	10	2,163,533	1,864,900
Gross profit		627,052	499,366
Other income		13,561	14,342
		640,613	513,708
Distribution cost		71,846	43,106
Administrative expenses		154,006	131,040
Other operating expenses		23,052	15,776
Finance cost		113,360	111,026
		362,265	300,947
Profit before taxation		278,348	212,760
Provision for taxation	11	75,320	(126,337)
Profit after taxation		203,028	339,097
Earnings per share - basic and diluted (Rupees)	12	9.47	15.82

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, 2018

	For The Quarter	
	September 30, 2018	September 30, 2017
	(Rupees in thousand)	
Profit after taxation	203,028	339,097
Other comprehensive income for the period - net of tax		
Surplus/(deficit) on remeasurement of investment available for sale on fair value-net of tax	27,662	(20,524)
	27,662	(20,524)
Total comprehensive income for the period	230,690	318,573

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, 2018

	Note	For The Quarter	
		September 30, 2018	September 30, 2017
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating cash flow before working capital changes	14	617,719	542,883
Changes in working capital			
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(46,371)	(107,679)
Stock-in-trade		(460,687)	(41,665)
Trade debts		(108,602)	60,348
Advance Sales Tax		-	(34,277)
Loans and advances		482,539	(261,870)
Trade deposits and short-term prepayments		3,236	(4,616)
Other receivables		(1,675)	(3,084)
(Decrease)/increase in current liabilities			
Trade and other payables		(493,616)	74,649
Sales tax payable		25,992	(40,126)
		(599,180)	(358,320)
Cash generated from operations		18,539	184,563
Finance cost paid		(85,232)	(111,251)
Employee benefits paid		(1,872)	(1,494)
Taxes paid		(58,089)	(112,535)
Profit received on bank deposits		2,321	879
		(142,873)	(224,401)
Net cash from operating activities		(124,334)	(39,838)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		200	47
Proceeds from disposal of available for sale investments		64,497	43,381
Purchase of property, plant and equipment		(181,803)	(325,060)
Purchase of available for sale investment		(1,584)	(2,030)
Addition to intangible assets		-	(6,154)
Long-term loans and advances		7,195	(430)
Long-term deposit		(109)	
Dividend income received		60	1,078
Net cash used in investing activities		(111,544)	(289,168)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of long-term financing		(139,138)	(188,043)
Short term financing - net		453,247	623,248
Long term deposits		3,600	(6,200)
Dividend paid		(94)	-
Net cash used in financing activities		317,614	429,005
Net increase in cash and cash equivalents		81,737	99,999
Cash and cash equivalents at beginning of period		79,663	131,002
Cash and cash equivalents at end of the period		161,400	231,001

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, 2018

	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	Surplus on revaluation of property, plant and equipment	General Reserve	Un-appropriated Profit	Total
	Rupees in thousand							
Balance as at July 01, 2017	214,294	97,490	86,641	(6,314)	1,226,133	1,225,000	7,007,851	9,851,096
Profit for the quarter ended September 30, 2017	-	-	-	-	-	-	339,097	339,097
Other comprehensive income								
Other comprehensive income during the three months period	-	-	(20,524)	-	-	-	-	(20,524)
Total other comprehensive income	-	-	(20,524)	-	-	-	339,097	318,573
Profit for the nine months ended June 30, 2018	-	-	-	-	-	-	747,088	747,088
Other comprehensive income during the nine months period	-	-	(15,772)	-	-	-	-	(15,772)
Remeasurement of post retirement benefits	-	-	-	(1,025)		-	-	(1,025)
Transfer to un-appropriated profit on account of incremental depreciation	-	-	-	-	(66,739)	-	66,739	-
Revaluation Surplus on property, plant & equipment- adjustment due to change in tax rate	-	-	-	-	5,336	-	-	5,336
Distribution to owners								
Final dividend for the year ended June 30, 2018	-	-	-	-		-	(267,868)	(267,868)
Balance as at June 30, 2018	214,294	97,490	50,345	(7,339)	1,164,730	1,225,000	7,892,907	10,637,428
Balance as at July 01, 2018	214,294	97,490	50,345	(7,339)	1,164,730	1,225,000	7,892,907	10,637,428
Total comprehensive income								
Profit for the quarter ended September 30, 2018	-	-	-	-	-	-	203,028	203,028
Surplus on re-measurement of investment available for sale on fair value - net of tax	-	-	27,662	-		-	-	27,662
Total other comprehensive income	-	-	27,662	-	-	-	203,028	230,690
Remeasurement of post retirement benefits	-	-	-	1,880	-	-	-	1,880
Transfer to un-appropriated profit on account of incremental depreciation	-	-	-	-	(15,227)	-	15,227	-
Balance as at September 30, 2018	214,294	97,490	78,007	(5,459)	1,149,503	1,225,000	8,111,162	10,869,997

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, 2018

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 listed on Pakistan Stock Exchange Limited. The principal activities of the Company are operation of Chlor Alkali plant and yarn spinning unit. The registered office of the Company is situated at 601-602, Business Centre, Mumtaz Hasan Road, Karachi, in the province of Sindh and the manufacturing facilities are located at 28/32 K.M., Faisalabad - Sheikhupura Road, Faisalabad, in the province of Punjab.

The Company is currently organized into two operating divisions and these divisions are the basis on which the Company reports its primary segment information.

Principal business activities are as follows:

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

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

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements comprise of the condensed interim statement of financial position of the Company, as at 30 September 2018 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof.

2.3 These condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements for the year ended 30 June 2018.

2.4 Comparative numbers in statement of financial position are extracted from the annual audited financial statements of the Company for the year ended 30 June 2018, whereas comparatives of condensed interim profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim financial statements of the Company for the quarter ended 30 September 2017.

2.5 These condensed interim financial statements are unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017.

3 JUDGEMENTS AND ESTIMATES

The preparation of the condensed interim financial statements requires management to make judgments, 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.

The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the audited financial statements for the year ended 30 June 2018.

4 STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

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, 2018.

Selected Explanatory Notes To The Condensed Interim Financial Information (Un-Audited)
For The Quarter Ended September 30, 2018

	Note	Un-audited September 30, 2018	Audited June 30, 2018
		(Rupees in thousand)	
5 PROPERTY, PLANT AND EQUIPMENT			
Operating assets	5.1	9,440,265	9,492,027
Capital work-in-progress		90,307	80,000
		9,530,572	9,572,027
5.1 Operating assets			
Opening written down value		9,492,027	9,227,921
Additions during the period / year:			
Building on freehold land - Mills		24,995	187,946
Plant and machinery		87,206	834,878
Grid station & electric installation		360	854
Factory equipment		31,928	44,899
Electric equipment		16,536	70,664
Office equipment		1,811	5,866
Furniture and fittings		861	5,545
Vehicles		7,799	38,313
		171,496	1,188,965
Written down value of operating assets disposed off during the period / year		(144)	(2,609)
Depreciation charged during the period / year		(223,114)	(922,250)
		9,440,265	9,492,027
6 INVESTMENT PROPERTY			
Land	6.1	2,979,388	2,979,388
Building	6.2	53,316	54,580
		3,032,704	3,033,968
6.1 Land - at cost			
Balance at beginning of the period / year		2,979,388	2,854,288
Add: Acquisitions during the year		-	1,813,048
Less: Disposal during the year		-	(1,687,948)
Balance at end of the period / year		2,979,388	2,979,388
6.2 Building - at cost			
Cost		89,277	101,865
Add: Transfer from capital work in progress		-	5,426
Less: Disposal during the year		-	(18,015)
Balance at the end of period/year		89,277	89,277
Accumulated Depreciation:			
At the beginning of the period / year		34,697	29,583
For the period / year		1,264	6,803
Less: Accumulated depreciation on disposed asset		-	(1,689)
At the end of the period / year		35,961	34,697
Written down value at the end of the period / year		53,316	54,580

Selected Explanatory Notes To The Condensed Interim Financial Information (Un-Audited)
For The Quarter Ended September 30, 2018

		Un-audited September 30, 2018	Audited June 30, 2018
		(Rupees in thousand)	
7	LONG-TERM FINANCING		
	Diminishing Musharka (from financial institutions - secured)	1,035,809	1,174,947
		1,035,809	1,174,947
8	CONTINGENCIES AND COMMITMENTS		
8.1	Contingencies		
	Guarantees issued by banks on behalf of the company	310,704	310,704
8.2	Commitments		
	Outstanding letters of credit	133,171	516,466

		Un-audited September 30, 2018	Un-Audited September 30 2017
		(Rupees in thousand)	
9	SALES - NET		
	Local	3,281,878	2,760,462
	Export	39,528	81,313
		3,321,407	2,841,775
	Less: Commission and discount	112,763	132,900
	Sales tax	418,058	344,610
		530,822	477,510
		2,790,585	2,364,265

Selected Explanatory Notes To The Condensed Interim Financial Information (Un-Audited)
For The Quarter Ended September 30, 2018

	Un-audited September 30, 2018	Un-Audited September 30, 2017
	(Rupees in thousand)	
10 COST OF SALES		
Raw material consumed	1,266,442	503,991
Fuel and power	827,557	1,009,672
Salaries, wages and benefits	139,216	118,366
Stores and spares	109,739	98,241
Repair and maintenance	14,815	17,576
Vehicle running and maintenance	889	793
Traveling and conveyance	9,100	4,786
Insurance	7,417	7,466
Depreciation	213,701	208,302
Amortization	436	379
Others	1,565	1,237
	2,590,877	1,970,808
Work-in-process		
Opening stock	14,928	11,630
Closing stock	(17,096)	(10,596)
	(2,168)	1,033
Cost of goods manufactured	2,588,709	1,971,841
Finished goods		
Opening stock	634,800	554,263
Closing stock	(1,059,976)	(661,204)
	(425,176)	(106,942)
	2,163,533	1,864,900

Selected Explanatory Notes To The Condensed Interim Financial Information (Un-Audited)
For The Quarter Ended September 30, 2018

	Un-audited September 30, 2018	Un-Audited September 30, 2017
	(Rupees in thousand)	
11 PROVISION FOR TAXATION		
Current - for the period	71,073	4,861
Deferred	4,247	(131,198)
	75,320	(126,337)
12 EARNINGS PER SHARE - BASIC AND DILUTED		
Profit for the period	203,028	339,097
Weighted average number of ordinary shares outstanding during the period	21,429	21,429
Earnings per share (Rupees)	9.47	15.82

13 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, 2018	Un-Audited September 30, 2017
		(Rupees in thousand)	
Relationship with the Company	Nature of transactions		
Associated Undertakings	Sales	19	37
	Organizational expenses recovered	7,491	-
	Organizational expenses paid	10,461	-
	Donation	4,925	5,801

14 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

14.1 Information about operating segments is as follows:

	Operating segments					
	Chemical Division		Textile Division		Total	Total
	For the quarter ended					
	Un-audited September 30, 2018	Un-audited September 30, 2017	Un-audited September 30, 2018	Un-audited September 30, 2017	Un-audited September 30, 2018	Un-audited September 30, 2017
	Rupees in thousand					
Revenue from external customers - net	2,400,472	1,986,919	390,113	377,347	2,790,585	2,364,265
Depreciation on property, plant and equipment	212,435	206,294	10,679	10,649	223,114	216,943
Segment profit	397,187	322,553	4,012	2,666	401,200	325,219

	Operating segments					
	Chemical Division		Textile Division		Total	Total
	For the quarter ended					
	Un-audited September 30, 2018	Audited June 30, 2018	Un-audited September 30, 2018	Audited June 30, 2018	Un-audited September 30, 2018	Audited June 30, 2018
	Rupees in thousand					
Capital expenditure	170,122	1,149,547	1,374	39,419	171,496	1,188,966
Segment assets	13,526,620	13,574,258	2,012,625	1,417,914	15,539,245	14,992,172
Segment liabilities	2,085,922	1,233,492	131,688	1,170	2,217,610	1,234,662

	For the quarter ended	
	Un-audited September 30, 2018	Un-Audited September 30, 2017
	(Rupees in thousand)	
13.2 Reconciliations of reportable segments are as follows:		
Revenue		
Total revenue for reportable segments	2,790,585	2,364,265
Profit for the period		
Total profit for reportable segments	401,200	325,219
Unallocated corporate income / (expenses)		
Other operating income	13,561	14,342
Other operating expenses	(23,052)	(15,775)
Finance cost	(113,360)	(111,026)
Profit before income tax expense	278,349	212,760

	Un-audited September 30, 2018	Audited June 30, 2018
	(Rupees in thousand)	
Assets		
Total assets for reportable segments	15,539,245	14,992,171
Other unallocated corporate assets	4,383,307	4,804,930
Entity's assets	19,922,552	19,797,101
Liabilities		
Total liabilities for reportable segments	2,217,610	1,234,662
Other unallocated corporate liabilities	6,834,944	7,925,011
Entity's liabilities	9,052,554	9,159,673

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, 2018

	For the quarter ended	
	Un-audited September 30, 2018	Un-Audited September 30, 2017
	(Rupees in thousand)	
14 OPERATING CASH FLOW BEFORE WORKING CAPITAL CHANGES		
Profit before taxation	278,348	212,760
Adjustments for:		
Depreciation on property, plant and equipment	223,114	216,943
Depreciation on investment property	1,263	1,745
Amortization on intangible assets	391	378
Finance cost	113,360	111,026
(Gain) /Loss on disposal of property, plant and equipment	(56)	7
(Gain) on sale of available for sale investments	1,659	(491)
Exchange gain	(196)	-
Provision for employee benefits	2,217	2,472
Dividend income	(60)	(1,078)
Profit on bank deposits	(2,321)	(879)
	339,370	330,123
	617,719	542,883

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 25, 2018.

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

Note