



SITARA CHEMICAL INDUSTRIES LIMITED

BALANCE SHEET AS AT JUNE 30, 2003

	2003	2002
	(Rupees in thousand)	
FIXED CAPITAL EXPENDITURE		
Operating assets	1,690,052	1,167,942
Non operating land - at cost	94,245	73,622
Capital work in progress	32,563	489,605
	1,816,860	1,731,169
LONG TERM DEPOSITS AND ADVANCES	9,854	5,441
CURRENT ASSETS		
Stores, spares and loose tools	127,429	111,733
Stock in trade	229,807	178,189
Trade debts	291,950	178,790
Loans and advances	282,463	167,640
Investments	32,271	20,185
Deposits and prepayment	2,518	2,620
Other receivables	1,862	2,481
Cash and bank balances	76,846	55,580
	1,045,146	717,218
CURRENT LIABILITIES		
Short term financing	118,000	82,028
Current portion of long term liabilities	58,161	55,815
Creditors, accrued and other liabilities	644,664	413,583
Taxation	135,414	118,913
Dividends	90,508	94,156
	1,046,747	764,495
WORKING CAPITAL	(1,601)	(47,277)
TOTAL CAPITAL EMPLOYED	1,825,113	1,689,333
SURPLUS ON REVALUATION OF FIXED ASSETS	116,083	290,038
REDEEMABLE CAPITAL		
Musharika Term Finance Certificates (MTFCs)	50,000	100,000
Term Finance Certificates (TFCs)	360,000	360,000
Contribution to takaful reserve by		
MTFC holders'	8,161	11,630
TFC holders'	5,571	-
DEFERRED LIABILITIES		
Taxation	290,546	155,100
Staff retirement gratuity	5,077	6,005
	295,623	161,105
LONG TERM DEPOSITS	18,873	15,137
CONTINGENCIES AND COMMITMENTS	-	-
	854,311	937,910
	970,802	751,423
PRESENTED BY:		
CAPITAL AND RESERVES		
Authorised capital	300,000	300,000
Issued, subscribed and paid up capital	185,536	185,536
Capital reserves	97,490	97,490
Revenue reserves	597,776	393,397
Takaful reserves	90,000	75,000
	970,802	751,423

CHIEF EXECUTIVE

DIRECTOR



SITARA CHEMICAL INDUSTRIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2003

	Note	2003 (Rupees in thousand)	2002
Sales	33	3,167,908	2,912,875
Cost of goods sold	34	<u>2,655,965</u>	<u>2,355,997</u>
Gross profit		511,943	556,878
Operating expenses			
Administration	35	<u>100,635</u>	<u>115,456</u>
Selling	36	<u>23,299</u>	<u>16,445</u>
		<u>123,934</u>	<u>131,901</u>
Operating profit		388,009	424,977
(Loss)/gain on disposal of fixed assets - net		<u>(72)</u>	<u>1,331</u>
Other income	37	<u>20,426</u>	<u>11,047</u>
		<u>20,354</u>	<u>12,378</u>
		408,363	437,355
Financial and other charges			
Financial	38	<u>108,958</u>	<u>67,154</u>
Other	39	<u>13,453</u>	<u>26,057</u>
		<u>122,411</u>	<u>93,211</u>
Net profit for the year before taxation		285,952	344,144
Taxation	40	<u>94,866</u>	<u>111,827</u>
Net profit for the year after taxation		191,086	232,317
Unappropriated profit brought forward (Refer statement of changes in equity)		<u>139,099</u>	<u>38,848</u>
Profit available for appropriation		330,185	271,165
Appropriations			
Proposed cash dividend @ Rs. 4.75/- per share (2002 @ Rs. 5/- per share)		<u>88,130</u>	<u>92,768</u>
Transferred to general reserve		<u>200,000</u>	<u>110,000</u>
Transferred to takaful reserve		<u>15,000</u>	<u>35,000</u>
		<u>303,130</u>	<u>237,768</u>
Unappropriated profit carried forward		<u>27,055</u>	<u>33,397</u>
Earning per share - basic	41	<u>10.30</u>	<u>12.52</u>

CHIEF EXECUTIVE

DIRECTOR



SITARA CHEMICAL INDUSTRIES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2003

	Share Capital	Capital Reserves	Revenue Reserves		Takaful Reserves	Total	
			General Reserve	Unappropriated Profit			
(Rupees in thousand)							
Balance as at July 01, 2001	185,536	97,490	250,000	38,848	288,848	40,000	611,874
Net profit for the year	-	-	-	232,317	232,317	-	232,317
Transferred to general reserve	-	-	110,000	(110,000)	-	-	-
Transferred to takaful reserve	-	-	-	(35,000)	(35,000)	35,000	-
Dividend Rs. 5/- per share	-	-	-	(92,768)	(92,768)	-	(92,768)
Balance as at June 30, 2002	185,536	97,490	360,000	33,397	393,397	75,000	751,423
Effect of changes in accounting policies:							
Staff retirement gratuity	-	-	-	414	414	-	414
Incremental depreciation on revalued assets relating to previous years				105,288	105,288		105,288
Restated balance as at June 30, 2002	185,536	97,490	360,000	139,099	499,099	75,000	857,125
Net profit for the year	-	-	-	191,086	191,086	-	191,086
Incremental depreciation on revalued assets for the year - net of deferred tax				10,721	10,721		10,721
Transferred to general reserve	-	-	200,000	(200,000)	-		-
Transferred to takaful reserve	-	-	-	(15,000)	(15,000)	15,000	-
Dividend Rs. 4.75/- per share	-	-	-	(88,130)	(88,130)	-	(88,130)
Balance as at June 30, 2003	185,536	97,490	560,000	37,776	597,776	90,000	970,802

The annexed notes from 1 to 47 form an integral part of these accounts.

CHIEF EXECUTIVE

DIRECTOR



SITARA CHEMICAL INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2003

	2003	2002
	(Rupees in thousand)	
a) CASH GENERATED FROM OPERATING ACTIVITIES		
Net profit for the year before taxation	285,952	344,144
Depreciation	153,500	118,478
Provision for gratuity	2,069	2,843
Loss on foreign exchange	47	85
Profit on bank deposits / investment	(478)	(1,685)
Dividends	(2,827)	(1,721)
Loss/(gain) on disposal of fixed assets-net	72	(1,331)
Provision for doubtful debts	430	-
Surplus on value of investments	(11,642)	(2,455)
Financial charges	108,957	67,154
Operating profit before working capital changes	<u>536,080</u>	<u>525,512</u>
Changes in working capital		
(Increase)/decrease in current assets		
Stores, spares and loose tools	(12,422)	10,207
Stock in trade	(51,618)	85,169
Trade debts	(113,589)	9,326
Loans and advances	37,258	(133,866)
Deposits and prepayments	101	(315)
Other receivables	619	(404)
Increase in current liabilities		
Creditors, accrued and other liabilities	<u>218,229</u>	<u>23,649</u>
	<u>78,578</u>	<u>(6,234)</u>
Cash generated from operations	614,658	519,278
Financial charges paid	(84,860)	(58,584)
Payment of tax	(153,170)	(24,054)
Gratuity paid	(2,360)	(1,955)
Net cash from operating activities	<u>374,268</u>	<u>434,685</u>



SITARA CHEMICAL INDUSTRIES LIMITED

	2003	2003
	(Rupees in thousand)	
b) CASH GENERATED FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(249,256)	(590,277)
Proceeds from disposal of fixed assets-net	6,719	8,634
Investments	(444)	(5,400)
Long term loan and advances-net	237	(96)
Profit on deposits / investment	478	1,685
Dividends	2,827	1,721
Long term deposits	(4,650)	-
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Net cash used in investing activities	(244,089)	(583,733)
c) CASH GENERATED FROM FINANCING ACTIVITIES		
Proceeds of redeemable capital	-	360,000
Long term deposits	3,737	604
Repayment of:		
Musharika term finance certificates	(50,000)	-
MTFC holders' contribution to takaful reserves	(6,798)	-
Long term loans	-	(18,587)
Lease liabilities	-	(11,633)
Payment of dividends	(91,777)	(101,762)
Increase /(decrease) in short term financing-net	35,972	(63,243)
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Net cash (used in) / from financing activities	(108,866)	165,379
Net Increase in cash and bank balances (a+b+c)	21,313	16,331
Cash and bank balances as previously reported	55,580	39,334
Loss on foreign exchange	(47)	(85)
	55,533	39,249
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Cash and bank balances at the end of the year	76,846	55,580
CHIEF EXECUTIVE		DIRECTOR



SITARA CHEMICAL INDUSTRIES LIMITED

WORKING OF CASH FLOW STATEMENT

1. Trade debts	
Opening balance	178,790
Provision for the year	(430)
	<u>178,360</u>
Closing balance	(291,949)
	<u>(113,589)</u>
2. Loans and advances	
Opening balance	167,640
Advance income tax - opening	(114,667)
	<u>52,973</u>
Closing balance	(282,463)
	<u>(229,490)</u>
3. Creditors, accrued and other liabilities	
Opening balance	413,583
Markup/profit margin on long term and short term financing - Opening	(8,923)
	404,660
Closing balance	644,664
Markup/profit margin on long term and short term financing - Closing	(21,775)
	622,889
	<u>218,229</u>
4. Financial charges paid	
Markup/profit margin on long term and short term financing - Opening balance	8,923
Financial charges for the year	108,958
MTFC holders contribution to takaful reserves	(5,675)
TFC holders contribution to takaful reserves	(5,571)
Markup/profit margin on long term and short term financing - Closing balance	(21,775)
	<u>(84,860)</u>
5. Payment of tax	
Opening balance	118,913
Expense for the year	16,500
Prior years' adjustment	1,089
Advance income tax - opening	(114,667)
Closing balance	(135,413)
	<u>113,578</u>
6. Fixed capital expenditures	
Opening balance	1,731,168
Depreciation	(153,499)
Written down value of disposals	(10,065)
Closing balance	(1,816,860)
	<u>(249,256)</u>