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Vision & Mission



Vision Statement

Strive to develop and employ innovative technological solutions to add value to business with progressive and proactive approach. The Leading Chemical Company. Commitment towards uncompromised Reliability, Quality, Services and Safety. Assure customer the most complete value package to become chosen partner in customer's view. High return generation for sustainable growth. View change as rule of life. Together with the employees, to ensure success.

Mission Statement

Better bottom line results with well contained risks through continuing growth and diversification. Create opportunities for success through trusted and reliable partnership.



Company Information



Board of Directors	Mrs. Sharmeen Imran Mr. Imran Ghafoor Mr. Haroon Ahmed Zuberi Mr. Ejaz Hussain Mr. Yasir Ahmed Awan Mr. Zahid Aslam Mr. Mahmood Ahmad	Chairperson Chief Executive Officer Executive Director Non-Executive Director Non-Executive Director Independent Director Independent Director				
Chief Financial Officer	Mr. Waqar Hafeez (FCA)	Mr. Waqar Hafeez (FCA)				
Company Secretary	Mr. Mazhar Ali Khan					
Head of Internal Audit	Mr. Zia-ul-Mustafa					
Audit Committee	Mr. Zahid Aslam Mr. Mahmood Ahmad Mrs. Sharmeen Imran Mr. Zia-ul-Mustafa	Chairman Member Member Secretary				
Human Resource and Remuneration Committee	Mr. Mahmood Ahmad Mr. Imran Ghafoor Mr. Ejaz Hussain	Chairman Member Member				
External Auditors	M/s. Yousuf Adil, Chartered Accountants					
Legal Advisor	Sahibzada Waqar Arif					
Registered Office	601-602 Business Centre, Mumtaz Hassan Road, Off. I.I. Chundrigar Road, Karachi-74000. Ph: 021 32401373, 32413944					
Company Website	www.sitaraperoxide.com					
Bankers	Al Baraka Bank (Pakistan) Limited Askari Bank Limited Bank Alfalah Limited Faysal Bank Limited Habib Bank Limited MCB Bank Limited Meezan Bank Limited National Bank Limited Soneri Bank Limited Standard Chartered Bank (Pakistan) Limited Summit Bank Limited United Bank Limited JS Bank Limited First Women Bank Limited Bank Al Habib Limited					
Share Registrar	THK Associates (Private) Limited Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi - 75500, Pakistan. UAN: (92 21) 111-000-322 Ph: (92 21) 35310183-84 Fax: (92 21) 35310191					
Head Office & Project Location	26 - KM Sheikhupura Road, Faisalabad. Ph : (92 41) 2400900-2, 2400904-5					



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE 18th Annual General Meeting of the shareholders of Sitara Peroxide Limited (the "Company") will be held on Wednesday, 27th day of October 2021 at 3:00 p.m. via videolink, to transact the following business:

ORDINARY BUSINESS:

- i. To confirm the minutes of the Annual General Meeting held on October 24, 2020.
- ii. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2021 together with the Reports of Directors and Auditors thereon.
- iii. To appoint Auditors and to fix their remuneration for the year ending June 30, 2022. The present auditors, M/s. Yousuf Adil, Chartered Accountants, have retired and being eligible, have offered themselves for re-appointment. The Board of Directors recommends, based on the recommendation of Board Audit Committee, appointment of M/s. Yousuf Adil as auditors for the ensuing year.
- iv. To transact any other ordinary business with the permission of the Chair.

By order of the Board

Karachi:

Dated: September 25, 2021

MAZHAR ALI KHAN

Company Secretary

NOTES:

CORONA VIRUS CONTINGENCY PLANNING FOR ANNUAL GENERAL MEETING OF SHAREHOLDERS

Due to current COVID-19 situation, as per the advice of the Government and directives of the Securities and Exchange Commission of Pakistan ("SECP") in terms of its Circular No.4 of 2021 dated February 15, 2021 and subsequent Circular No.6 of 2021 dated March 3, 2021, the Company intends to convene this AGM virtually via video conference facility while ensuring compliance with the quorum requirements and request to the Members to consolidate their attendance and voting at the AGM through proxies.

Accordingly, the Company has made arrangements to ensure that all participants, including shareholders, can now participate in the AGM proceedings via video link. Those members who are willing to attend and participate in the AGM are requested to register themselves by sending an email along with following particulars and valid copy of both sides of Computerized National Identity Card (CNIC) at reg.agm2021@sitaraperoxide.com with subject of 'Registration for AGM' not less than 48 hours before the time of the meeting:

Name of Shareholder	CNIC Number	CDC Account No./Folio No.	Cell Number	Email Address

Notice of Annual General Meeting



Members who will be registered, after necessary verification as per the above requirement, will be provided a password protected video link by the Company via email. The said link will remain open from 2:30 p.m. on the date of AGM till the end of the meeting.

Shareholders can also provide their comments and questions for the agenda items of the AGM at the email address comments.agm2021@sitaraperoxide.com.

Members are therefore, encouraged to attend the AGM through video link or by consolidating their attendance through proxies.

CLOSURE OF SHARE TRANSFER BOOKS

The Share Transfer Books of the Company will remain closed from October 21, 2021 to October 27, 2021 (both days inclusive). Transfers received in order at the office of Share Registrar M/s. THK Associates (Pvt.) Limited, Plot no. 32-C, Jami Commercial Street 2, D.H.A Phase VII, Karachi before the close of business on October 20, 2021 will be treated in time for the purpose to attend and vote at the Annual General Meeting of the Company.

PARTICIPATION IN THE ANNUAL GENERAL MEETING.

A member entitled to attend and vote at this meeting is entitled to appoint another person as his/her proxy to attend and vote. Proxies in order to be effective must be received at Company's Share Registrar's Office M/s. THK Associates (Pvt.) Limited, Plot no. 32-C, Jami Commercial Street 2, D.H.A Phase VII, Karachi duly stamped and signed not less than 48 hours before the time of meeting.

CDC ACCOUNT HOLDERS WILL HAVE TO FOLLOW FURTHER UNDER MENTIONED GUIDELINES AS LAID DOWN BY THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN.

a) For attending the meeting:

- i) In case of individuals, the account holders or sub-account holders and their registration details are uploaded as per the regulations, shall authenticate their identity by showing their original Computerized National Identity Card (CNIC), or Original Passport at the time of attending the meeting.
- ii) In case of Corporate Entities, the Board of Directors' resolution/power of attorney with specimen signature of the nominees shall be produced (unless it has been provided earlier) at the time of the meeting.

b) For appointing proxies:

- In case of individuals, the account holders or sub account holders and their registration details are uploaded as per the regulations, shall submit the proxy form as per the above requirements. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- ii) In case of corporate entities, the Board of Directors' resolution/power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity, shall be submitted (unless it has been provided earlier) along with proxy form to the company's registrar.
- iii) Form of proxy is attached to the notice of meeting being sent to the members. Proxy Form may also be downloaded from the Company's website i.e. www.sitaraperoxide.com.



Notice of Annual General Meeting

CONVERSION OF PHYSICAL SHARES INTO BOOK ENTRY FORM

The Securities and Exchange Commission of Pakistan (SECP) through its letter No.CSD/ED/Misc/2016-639-640 dated March 26, 2021 has advised the Listed Companies to adhere with the provision of the Section 72 of the Companies Act, 2017 (the Act) by replacing shares issued by them in Physical Form with the shares to be issued in the Book-Entry Form. Sitara Peroxide Limited (the "Company"), being a listed company is also required to comply with aforesaid provision of Act.

The shareholders of Sitara Peroxide Limited having physical folios/share certificates are requested to convert their shares from Physical Form into Book Entry Form as soon as possible. The shareholders may contact their Broker, a PSX Member, CDC Participant or CDC Investor Account Service provider for assistance in opening CDS Account and subsequent induction of the physical shares into Book Entry Form.

It would facilitate the shareholders in many ways including safe custody of shares, no loss of shares, avoidance of formalities required for the issuance of duplicate shares and readily available for sale and purchase in open market at better rates. The shareholders of Company may contact the Share Registrar and Transfer Agent of the Company, namely M/s. THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A Phase VII, Karachi for the conversion of Physical Shares into Book-Entry Form.

ELECTRONIC CIRCULATION OF ANNUAL REPORTS VIA EMAIL OR CD/DVD:

Pursuant to the provision of Companies Act, 2017, annual reports are being sent to the shareholders electronically (Email or CD/DVD).

However, shareholders who wish to receive hardcopy of Financial Statements shall have to fill the attached standard request form (also available on the company's website www.sitaraperoxide.com) and send at the Company's address.

PLACEMENT OF FINANCIAL STATEMENTS:

The audited financial statements of the Company for the year ended June 30, 2021 have been placed at the Company's website: www.sitaraperoxide.com.

Members are requested to promptly notify any change in their addresses.

Chairperson's Review



Valued Shareholders,

On behalf of the Board of Directors, I am pleased to present to you the financial statements of Sitara Peroxide Limited (SPL) for the year ended June 30, 2021.

During this year, the macro-economic environment of Pakistan remained challenging. By the grace of God, Economy of Pakistan has fully rebounded after Covid-19 lock-downs. During the previous year, Your Management has been able to earn profits during the current financial year by effectively controlling production costs, managing operational and financial costs and maintaining its market share despite highly challenging business environment.

We are driven by our vision to be the leading hydrogen peroxide manufacturing company of Pakistan. SPL's aim is to enhance its competitive position by extending manufacturing capacities, strengthening research and development, further expanding its presence in market and delivering on all fronts. We will continue to operate with commitment and integrity with strong focus on achieving optimal performance by investing in our health, safety and environment.

I am pleased to report that the performance of the Board remained par excellence throughout the year and its contributions effectively steered the Company towards achieving its objectives. Simultaneously, the Board has actively monitored core aspects of corporate governance via the HR and Remuneration Committee and Audit Committee. Board of Sitara Peroxide Limited continues to play a crucial role in leading the company towards its mission of becoming a leading hydrogen peroxide manufacturing Company in Pakistan. Despite several factors like commodity crises, rising cost of energy and looming risk of devaluation of Pak Rupee, I am positive that SPL is well equipped to face and overcame future challenges and is well prepared to capitalize on coming opportunities.

On behalf of the Board, I acknowledge the unwavering commitment of our management and employees; and want to express appreciation for our customers, suppliers, Government and all other stakeholders who have supported and contributed towards SPL's advancement and progress.

Faisalabad September 25, 2021 Mrs. Sharmeen Imran Chairperson



The Directors of Sitara Peroxide Limited are pleased to submit their annual report along with audited financial statements of the Company for the financial year ended June 30, 2021.

Business Review

Current financial year proved to be challenging for local Hydrogen Peroxide manufacturing industry. In addition to the above, devaluation of Pak Rupee, rising cost of energy, higher KIBOR and frequent changes in monetary and fiscal policies continued to exert significant pressure on the economy in general and manufacturing industry in particular. Despite these ongoing challenges, the Company managed to retain its market share in local market.

The Company produced achieved production capacity of 73% which is 5% lower than the capacity utilization achieved during previous financial year. The management remained focus to ensure safe and stable operations of our plant.

FINANCIAL OVERVIEW

	2021	2020
	F	lupees
Sales	1,865,396,616	1,745,355,899
Cost of sales	1,674,177,794	1,422,134,718
Gross profit	191,218,822	323,221,181
Profit before taxation	13,652,939	88,955,149
Net profit after taxation	34,708,339	74,241,976
Earning per share – basic and diluted	0.63	1.35

The company registered annual sales of Rs. 1,865 million against Rs. 1,745 million in corresponding financial year showing year on year decrease of 6%. Prices of hydrogen peroxide remained comparatively stable during the year. Cost of sales of the Company remained Rs. 1,674 million against Rs. 1,422 million during the last year showing decrease of 15%. Gross profit decreased to Rs. 191 million in the current year as compared to Rs. 323 million in the corresponding financial year due to higher costs of chemicals, rise in packing cost, lower capacity utilization, increase in tariff of RLNG in second half of the financial year and provision for GIDC amounting Rs. 75 million. Due to efficient monitoring of operating procedures, administration, distribution and other operating expenses are kept in check. The company recorded net profit of Rs. 35 million during current year against net profit of Rs. 74 million in the corresponding year. Earning per share for the current financial year remained Rs. 0.63 against earning per share of Rs. 1.35 in last financial year.

Marketing Overview

We believe in quality production and all that is essential for building long-term relationships with our customers for mutual success and growth. We believe in creating opportunities for success by building our credibility and maintaining reliable partnerships. Sitara peroxide Limited is bound to become the most trusted supplier for Hydrogen Peroxide, available in various forms and concentrations to meet our clients' specific needs. Your company has established a strong marketing and sale network to capture the maximum market share.

Your company maintained the momentum of growth through strong marketing efforts and operational efficiencies despite of the highly challenging business environment. By the grace of Almighty Allah, we are successful in retaining our market share in the current year and now as the local economy in general and textile sector in particular is expected to recover, your management is confident to avail this opportunity fully.



Board of Directors

During the year, four board meetings were held and attended as follows:

Director			Meetings held	Meetings attended	
(i)	Mrs. Sharmeen Imran	(Chairperson	4	4	
(ii)	Mr. Imran Ghafoor (CEO)		4	4	
(iii)	Mr. Haroon Ahmad Zuberi		4	4	
(iv)	Mr. Ejaz Hussain		4	4	
(v)	Mr. Yasir Ahmed Awan		4	4	
(vi)	Mr. Zahid Aslam		4	4	
(vii)	Mr. Mahmood Ahmad		4	4	

The Board consists of seven directors, effectively representing interest of shareholders including minority stockholders. There are three non-executive directors, two independent directors and two executive directors. The independent directors have been representing the non-controlling/ minority interests, while non-executive directors are possessing relevant industry experience.

The status of directorship (independent, executive, nonexecutive) is indicated in the Statement of Compliance with the Code of Corporate Governance, issued by the Company.

To ensure effective, efficient and independent decision making, Board comprises of qualified professionals having knowledge, experience and expertise to run the affairs of the Company. In order to effectively monitor the Company's performance and keep its management accountable, the Board met at least once every quarter.

The Board held five meetings during the year, notices / agendas of which were timely circulated. Decisions made during the Board meetings were clearly stated in minutes of meetings maintained by Company Secretary and were duly circulated to all the directors for endorsement and were duly approved in the subsequent Board meetings. All meetings of the Board held during the year fulfilled minimum quorum requirements of attendance as prescribed by the applicable regulations and were also attended by the Chief Financial Officer and the Company Secretary.

Audit Committee comprises of three non-executive directors with the Chairman being an independent non-executive director. The Internal Audit Department, being a key component of the Company's internal control and risk governance framework, provides independent and objective evaluations on effectiveness of governance, risk management and control processes reporting directly to the Audit Committee.

The Human Resource and Remuneration Committee comprise of two non-executive directors and one executive director with the Chairman being an independent non-executive director.

Compliance with Corporate Governance

SPL's Board emphasizes on maintaining high governance standards across the Company. Being collectively responsible for the Company's vision and strategic direction and its values, the Board is accountable for business performance and long-term success of the Company.

Within a framework of internal controls, the Board provides leadership necessary for the Company to meet its performance objectives and achievement of core values. Generally accepted best practices have been implemented in addition to stipulated criteria and voluntary standards, with demonstration of highest levels of moral and ethical values, in addition to decision making based on honesty and responsibility in keeping with business sense, through a top-down approach, flowing downwards to all individuals either serving or closely associated with the Company.

Transparency in our operations and business decisions is prioritized with an equal importance to corporate accountability.

Corporate Governance exists at the very core of our policies for structuring, operating and controlling the Company



with a view to achieve long term strategic goals to satisfy shareholders, creditors, employees, customers and the suppliers. Adherence to the best ethical practices and compliance with applicable legal and regulatory requirements is ensured in a manner that is environment and people friendly and supports the local community needs.

Understanding that good corporate governance is an essential prerequisite for the integrity and credibility of any company, building confidence and trust by ensuring fairness and accountability; we surpass the minimum legal requirements for good corporate governance. Our Board has laid down solid foundations, which are reviewed and updated periodically, of oversight and management of the Company, through establishing a clear division of responsibilities between the Chairperson and the Board, recognizing respective roles of the Board and Management, and establishing an effective ethics and compliance framework.

As required under the Code of Corporate Governance, the Directors are pleased to state as follows:

- The financial statements of the Company, prepared by the management, present fairly its state of affairs, the results of its operations, cash flows and the changes in equity.
- Proper books of account have been maintained by the Company.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and the
 accounting estimates are based on reasonable and prudent judgments.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements and departures there from, if any, have been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts on the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of Corporate Governance, as detailed in the Listing Regulations.

Pattern of Shareholding

The pattern of shareholding of the company is annexed. No trading was made in shares of the Company by its Directors, CEO, CFO, Company Secretary, their spouses and minor Children, except as disclosed in pattern of shareholding.

Employee Benefit Plan

The Company operates a non-funded defined benefit plan (gratuity scheme) for its permanent employees. The latest actuarial valuation was carried out on June 30, 2021. The Company has fully paid all obligations against this scheme in 2020-21.

Dividends

The Board of the Company has not announced any dividend during the current financial year.

Auditors

The existing external auditors M/S Yousuf Adil, Chartered Accountants, shall retire on the conclusion of the 18th Annual General Meeting. Being eligible, they offered themselves for re-appointment as auditors of the Company for financial year ending June 30, 2022. The audit committee has recommended appointment of aforesaid M/S Yousuf Adil, Chartered Accountants as external auditors for the financial year ending June 30, 2022.

Future Outlook

Natural Gas is our feedstock and our long term success and growth depends on continuous supply of natural gas at competitive tariff. The Company uses RLNG as feedstock in manufacturing of Hydrogen Peroxide and its captive power house in also run on RLNG. Currently, local manufacturing industry of hydrogen peroxide is facing challenge of unprecedented rise in tariff of RLNG. Unlike exporters, fertilizer manufacturers etc which receive natural gas at



subsidized rate, hydrogen peroxide industry is exposed to fluctuations in tariff of RLNG in international market. Major reason of rise in RLNG prices in international market is ongoing commodity crises which has pushed spot tariff of RLNG to record high levels. Global demand of RLNG has been on higher side due to resumption of economic activities after end of COVID-19 lockdowns. However, second long-term agreement for supply of additional RLNG between Pakistan and Qatar (in addition to existing RLNG agreement) 200 Million cubic feet per day (MMCFD) will become operational in coming months. After commencement of the above new agreement, we are hopeful that tariff of RLNG will come down.

Our Company has been striving to enter in bulk supply agreements with local industries to reduce packing costs. Further, research and development work has been continuously carried out to improve capacity utilization, efficiency of production process and to reduce input costs.

However, comparatively controlled COVID-19 situation in Pakistan due to efficient vaccination campaign by government, continuous supply of cheaper power/ natural gas to textile exporters, lower KIBOR and timely disbursements of refunds to exporters expected to have positive impact on textile sector. Financing under TERF Scheme by SBP will result in significant expansion/ BMR is textile industry. Therefore, textile exports are expected to rise rapidly in future. As textile sector is major consumer of hydrogen peroxide; the demand for hydrogen peroxide is also expected to remain higher in coming months.

Our focus remains to reduce costs, maintain quality and surpass output levels. As we look towards financial year 2021-22, we will continue to identify and implement sustainable ways of doing business to ensure profitability.

For and on behalf of the Board of Directors

September 25, **2021** Faisalabad

IMRAN GHAFOOR Chief Executive Officer

ڈائر پکٹرز رپورٹ

2022 کوختم ہونے والے مالی سال کے لئے کمپنی کے آؤیٹر کی حیثیت سے دویارہ تقرری کی چیش کش کی۔ آؤٹ کمپٹی نے ندکورہ مالی سال کے لئے ندکورہ بالا آڈیٹر کے طور پرایم الیس پوسف عاول، حیارٹرڈا کا ڈیٹٹس ، کی تقرری کی سفارش کی ہے۔

مستغتل كاحائزه

قدرتی گیس ہمارافیڈ اسٹاک ہے اور ہماری طویل مدتی کامیا بی اور موسابقتی نرخ پر قدرتی گیس کی مسلس فراہمی پر مخصر ہے۔ کمپنی ہائیڈروجن پر آکسائیڈ کی تیاری میں آرایل این ہی پر چتا ہے۔ فی الحال، ہائیڈروجن پر آکسائیڈ کی مقامی مینوفیکچر گے۔ اطراس کا کمپٹی یا ور ہاؤس بھی آرایل این ہی پر چتا ہے۔ فی الحال، ہائیڈروجن پر آکسائیڈ بین الاقوا می میں فیر معمولی اصابے کے چین کا سامنا ہے۔ برآ مدکندگان فر ٹیلائز رمینوفیکچررز وفیرہ کے برکس جوقد رتی گیس رعایتی نرخ پر حاصل کرتے ہیں، ہائیڈروجن پر آکسائیڈ بین الاقوا می مارکیٹ میں آرایل این بی کے فیر معمولی اصابے کی بڑی وجہ اشیاء کا جاری برکس ان ہو ہے۔ آرایل این بی کی قیمتوں میں اصابے کی بڑی وجہ اشیاء کا جاری برکس ان ہو ہوں کی انہوں کی عالمی ما گھ بی کے اسپاٹ ٹیرف کو بلندور ہے پر پہنچاویا ہے۔ 19 - COVID لاک ڈاؤن کے خاتمے کے بعد معاشی سرگرمیاں دوبارہ شروع ہونے کے وجہ ہے آرایل این بی کا عالمی ما گھر کی معاہدے کے علاوہ) 200 ملین کیو بک شد یومید (ایم ایم می النی تو کی معاہدے کے علاوہ) 200 ملین کیو بک

ہاری کمپنی پیکنگ کے اخراجات کو کم کرنے کے لیے مقامی صنعتوں کے ساتھ بلک سپلائی معاہدے کرنے کی کوشش کر رہی ہے۔ مزید برآ ں،صلاحیت کے استعال، پیداواری عمل کی کا دکردگ کوبہتر بنانے اوران بٹ کے اخراجات کو کم کرنے کے لیے تحقیق اور ترقیاتی کام مسلسل جاری ہے۔

تاہم ، حکومت کی جانب ہے موڑ ویکسینیشن مہم ، ٹیکشائل برآ مدکنندگان کاستی بجل/قدرتی گیسکی مسلسل فراہمی ، کم KIBOR اور برآ مدکنندگان کوریفنڈز کی بروقت ادائیگی کی وجہ سے پاکستان میں نسبتا کنٹرول شدہ COVID کی صورت حال ٹیکشائل کیکٹر پر بثبت اثرات مرتب کرےگی۔اسٹیٹ بینک کی طرف نے ٹی ای آرایف سکیم کے تحت فنانسگ کے نتیج میں تمایاں توسیع ہوگی/ بیا ایم آرٹیکشائل انڈسٹری ہے۔اس لیے مستقبل میں ٹیکشائل کی برآ مدات میں تیزی سے اضافہ متوقع ہے۔جیسا کہ ٹیکشائل کیکٹر ہائیڈ روجن پرآ کسائیڈ کا بزا اصارف ہے۔ ہائیڈ روجن پرآ کسائیڈ کی ما تگ بھی آنے والے مہینوں میں زیادہ رہنے کی توقع ہے۔

ہماری توجہ اخراجات کو کم کرنا ،معیار کو برقر اررکھنا اور آوٹ پٹ کی سطح کوعبور کرنا ہے۔جیسا کہ ہم مالی سال 22-2021 کی طرف دیکھتے ہیں ،ہم منافع کویٹینی بنانے کے لیے کارو بار کرنے کے بائیدار طریقوں کی نشاند بھی اوران پرعملدر آمد جاری رکھیں گے۔

R

عمران عنور حف الگزیکنوآ فیسر 25 متمبر 2021 فيصل آباد

ڈائر بیٹے رز رپور^ٹ



ہونے کے ناطے، گورنس کی تا چیر، رسک پنجمنٹ اور کنٹر ول کمل ہے تعلق آ ڈٹ کمپنی کو براہ راست رپورٹنگ کرنے کے بارے میں آزاداور معقول تشفیص فراہم کرتا ہے۔ ہیومن ریسورس اینڈر بمونشن کمپنی وونان ایگر یکٹوڈا از یکٹرزاورا یک ایگر یکٹوڈا از یکٹر پرمشتل ہے جس کا چیئز مین ایک آزادنان ایگر یکٹوڈا از یکٹر ہے۔

كار بوريث كورنس كى بإسداري

الیس پی ایل کو بورڈ بوری کمپنی میں اعلیٰ حکمرانی کے معیارکو برقرار رکھنے پرزوردیتا ہے۔ کمپنی کے نقط نظراورا سڑ سنجگ سمت اوراس کی اقتدار کے لئے اجتمائی طور پرز مددار ہونے کے ناطے، یورز کاروباری اور کمپنی کی طویل مدتی کامیابی کے لئے جوابدہ ہے۔

اندرونی کنٹرول کے ایک فریم ورک کے اندر، بورڈ کمپنی کوکارکردگی کی اہداف اور بنیادی اقدار سے حصول کے لیے ضروری رہنمائی فراہم کرتا ہے۔ عموی طور پر قبول شدہ بہترین طریقوں کوکی مقررہ معیار اور رضا کا راننہ معیار کے علاوہ اعلیٰ اخلاقی اورا خلاقی اقدار کے اعلیٰ نمائش کے ساتھ ، کاروباری احساس کے ساتھ جوئے ایمانداری اور فرمدواری پرٹنی فیصلہ سازی کے علاوہ ، ایک ٹاپ ڈاون فقط نظر کے ذریعہ نافذ کیا گیا ہے۔ کمپنی کے ساتھ خدمات انجام وینے یا قریب سے وابستہ تمام افراد کی طرف بنچ کی طرف بہد جانا۔

کار پوریٹ احتساب کے مساوی اہمیت کے ساتھ ہمارے کا موں اورکور و باری فیصلوں میں شفافیت کوتر جے وی جاتی ہے۔

طویل یہ تی اسٹر پنجگ Long کارپوریٹ گورنش شیئر ہولڈرز ،قرض دہندگان ،ملاز مین ،صارفین اورسپلائرز کو مطبئن کرنے کے لئے جاری پالیسول کی اصل اصل میں موجود ہے۔ بہترین The اہداف کے حصول کے لئے اخلاقی طریقوں کی پابندی اور قابل اطلاق قانونی اور ضابطہ نقاضوں کی قبیل کواس انداز سے بیتی بنایا گیا ہے جوماحول اورلوگوں کے لئے ساز گار ہواور مقامی کمینوٹی کی ضرورت کی تا ئیرکرے۔

لازی شرط ہے جس میں منصفانداوراحتساب کو Fair ہے جھنا کہ انچھی کارپوریٹ گورنس کسی بھی کمپنی کی سلیت اور ساکھ کے لئے کم سے کم قانونی تقاضوں ہے اگے نظتے ہیں۔ بیٹین بناتے ہوئے اعتاداوراعتاد کو بڑھاتا ہو۔ہم انچھی کارپوریٹ گورننس کے لئے ہمارے پورڈ نے چیئر پرئن اور بورڈ کے مامین ذمہداریوں کی واضع تقتیم کے ذریعے ، بورڈ اور پنجنٹ کے متعلقہ کرداروں کوشلیم کرنے ،اورایک موثر قیام کے ذریعے ، کپنی کی گھرانی اورانتظامیے کی ، جووقٹا فو قتا جائزہ اوراپ ڈیٹ کی جاتی ہے ، کی ٹھوس بنیادیں رکھی ہیں۔ا طلاقیات اور قبیل کا قریم ورک۔۔

حصص داران كاميزان

سمین کے صص داران کا جائے آگے دیا گیا ہے۔ کمپنی کے صص میں ڈائر یکٹرز ہی ای او ہی ایف او ہمینی سکریٹری مان کے شریک حیات اور نابالغ بچوں کے ذریعہ کوئی ٹریڈنگ ٹیس کی سمنی موائے اس کے کشیئر ہولڈنگ کے نمونے میں انکشاف کیا جائے۔

ايميلائز بنيفث بلان

سکینی اپنے مستقل ملازمین کے لئے غیر مالی اعاثت سے مطے شدہ بینیف پلان (گریچونی اسکیم) چلاتی ہے۔ ایکچوریال کی تازہ ترین تشخیص 30 جون 2021 کو کی گئی تھی۔ کمپنی نے اس اسکیم کے خلاف تمام ذرواریوں کو 21-2020 میں پوری طرح ادا کیا ہے۔

ۋايو پذرند

سمینی کے بورڈ نے رواں مالی سال کے دوران کسی بھی منافع کا علان نہیں کیا ہے۔

政治了

موجودہ بیرونی آؤیٹرز ایم الیس پوسف عاول، چارٹرڈ اکا دُنٹنٹس، 18 ویں سالانہ جزل اجلاس کے اختقام پر ریٹائر ہوجا کیں گے۔ اہل ہونے کے ناطے، انہوں نے 30 جون

B

ڈائزیکٹرز رپورٹ

آپ کی کمپنی نے انتہائی مشکل کاروباری ماحول کے باوجود مارکئینگ کی مضبوط کوششوں اورآ پریشنل استعداد کے ذریعے ترقی کی رفتار کو برقر ادر کھا۔ اللہ رب العزت کے فنٹل ہے، ہم موجودہ سال میں اپنا مارکیٹ شیئر برقر ادر کھنے میں کا میاب ہیں اور اب چونکہ مقامی معیشت بالحضوص ٹیکٹائل سیکٹر کی بحالی کی توقع ہے، آپ کی انتظامیہ اس موقع ہے بھر پور فائکہ ہ اٹھانے کے لیے براعتار ہے۔

بورڈ آف ڈائز بکٹرز حالیہ سال کے دوران بورڈ کے چاراجلاس ہوئے اوران میں حاضری مندرجہ ذیل رہی۔

اجلاس میں حاضری	منعقده احلاس	ڈار <u>ک</u> ٹر کانام	
4	4	محرّ مهرّ بین عمران (چیئریرین)	1
4	4	عمران غفور (سیای او)	2
4	4	بارون احمرز بيري	3
4	4	اعجاز حسيين	4
4	4	ياسراحمداعوان	5
4	4	ژابداسلم	6
4	4	محوداحمه	7

جیسا کہ کوؤ کے زرابیہ ضرورت ہے، تمام ڈا کیٹرز کومتعلقہ توانمین اور کمپنی کے میمورنڈ م اور آرنکل ایسوی ایشن کے تحت اپنے فرائفش اور ذمہ داریوں کے بارے میں کافی معلومات فراہم کی جاتی ہیں۔ ڈائز بکٹرز ہینئز پر فیشنل ہونے کے نامطے اور مختلف ذمہ داریوں کوسنجالنے کا تجربدر کھتے ہیں، انھیں کارپوریٹ معاملات میں کافی حدتک نمائش ہوتی ہے۔

یورڈ ساتھ ڈائر کیٹرز پرمشتل ہے، جواقلیتی اسٹاک ہولڈرز سیت شیر ہولڈرز کی دلچیسی کی موثر طریقے ہے نمائندگی کرتا ہے۔ یبیاں تین نان ایگزیکٹوڈ ائر کیٹرز، دوآ زاد ڈائر کیٹرز ہوگئے ہیں۔ ایگزیکٹوڈ ائر کیٹر ہیں۔آزادڈ ائر کیٹرز غیر قابو پانے اتقلیتی مفادات کے نمائندگی کرتے رہے ہیں، جبکہ نان ایگزیکٹوڈ ائر کیٹرصنعت کے متعلقہ تجربدر کھتے ہیں۔

سمینی کی طرف سے جاری کروہ ضابطها خلاق ،کار پوریٹ گورنٹس کے قبیل کے بیان میں ڈائر یکٹر شپ کی حیثیت (آزاد، ایکٹر یکٹو، تان ایکٹر یکٹو) خلام رک گئی ہے۔

بورؤیس ایسےائل پیشہ ورافراد پرشتسل ہوتا ہے جو کپنی کے Board موثر ،موثر اور آزاوا نہ فیصلہ سازی کونٹینی بنانے کے امور چلانے کے لیے علم ، تجربہ اور مہارت رکھتے ہول کمپنی کی کارکر دگی کومؤثر طریقے سے ماکیٹرکرنے اوراس کے لقم ونسق کوجوا بدہ رکھنے کے لئے ، بورڈ ہرسہ ماہی بش کم از کم ایک بارملا تات کرتا تھا۔

یورؤ نے سال کے دوران چاراجلاس کیے، جن میں سے نوٹس ایجنڈ سے بروقت جیجے گئے تھے، بورؤ کے اجلاسوں کے دوران کیے جانے والے فیصلوں کو کمپنی سکریٹری کے زراید برقرار مرکھے جانے والے اجلاسوں کے منٹوں میں واضع طور پر بیان کیا گیا تھااوران کی توثیق کے لئے با قاعد گی ہے تمام ڈائز یکٹرزکوارسال کیا گیا تھااور بعد میں ہونے والے بورڈ اجلاسوں میں اس کی باضابط منظوری دی گئی تھی ۔ سال کے دوران منعقدہ بورڈ کے تمام اجلاسوں میں داخلے کی کم سے کم کورم ضروریات کو پورا کیا گیا جیسا کہ قابل اطلاق تو اعدوضوا بط کے مطابق ہے اور چیف فنائشل آفیسراور کمپنی سکریٹر کی آئی ہے۔

آؤے کمپنی میں تین نانا گیریکٹوڈائر یکٹرز پرمشتل ہے جس میں چیئر مین آزاد نان اگیریکٹو ہیں۔ داخلی آؤٹ محکمہ بمپنی کے داخلی کنٹرول اور رسک گورننس فریم ورک کا ایک کلیدی جزو

ڈائر یکے طورز رپورٹ



ستارہ یہ آکسائیڈ لمیٹڈ کے ڈائز بکٹرز 30 جون 2021 کوشتم ہونے والے مالی سال کے لئے کمپنی کے آ ڈٹ شدہ مالی بیانات کے ساتھ اپنی سالا خدر پورٹ چیش کرنے پرخوش جیں۔

كاروباري جائزه

موجود ہالی سال مقامی ہائیڈروجن پر آکسائیڈمینوفینچرنگ انڈسٹری کے لیے چیلجنگ خابت ہوا۔ فدگورہ ہالا کے علاوہ ، پاکستانی روپے کی قدر میں کی ،توانائی کی بڑھتی ہوئی تیت ، زیادہ KIBOR اور مالیاتی اور مالیاتی پالیسیوں میں بار بارتبدیلیاں عام طور پرمعیث اور خاص طور پرمینوفینچرنگ انڈسٹری پرنمایاں دباؤ ڈالتی رہیں۔ان جاری چیلنجوں کے باوجود، کپنی مقامی مارکیٹ میں اپنامارکیٹ شیئر برقر ادر کھنے میں کامیاب رہیں۔

کمپنی نے 73 فیصد پیداوری صلاحیت حاصل کی جو پچھلے مالی سال کی دوران حاصل کر دہ صلاحیت کے استعمال سے 5 فیصد کم ہے۔ انتظامیہ ہمارے بلانٹ کے محفوظ اور منتظم آپریشن کو بیٹنی بنانے پر توجیم کو ذر کھے ہوئے ہے۔

مالى جائزه

رے ۔۔۔۔۔۔۔	,2021	
ر <i>پ</i>	/	
1,745,355,899	1,865,396,616	روضت
1,422,134,718	1,674,177,794	روخت کی لاگت
323,221,181	191,218.822	ئام نفع ئام نفع
88,955,149	13,652,939	عدازنیکس خام نفع حدار نیکس خام نفع
74,241,976	34,708,339	عداز فيكس خالص نفع
1.35	0.63	ن جصص نفع- بنیادی

کمپنی نے سالا نہ فروخت روپے کی رجٹرڈ کی، 1865 ملین روپے کی مقابلے میں ای مالی سال میں 1745 ملین جو کہ سالانہ 6 فیصد کی بتاتی ہے۔ سال کے دوران ہائیڈروجن پر آسسائیڈ کی قیمتیں نسجا منتظم رہیں۔ کمپنی کی فروخت کی لاگت روپ رہیں۔ 1647 ملین روپ کے مقابلے میں پچھلے سال کے دوران 1422 ملین 15 فیصد کی کی کو ظاہر کرتے ہیں۔ مجموعی منافع کم ہوکرروپ پر آسیارواں سال 191 ملین روپ کے مقابلے میں 323 ملین ای مالی سال میں کیمیکڑ کے زیادہ اخراجات، پیکنگ لاگت میں اضاف کم استعداد استعمال مالی سال میں کیمیکڑ کے زیادہ اخراجات، پیکنگ لاگت میں اضاف کی استعداد استعمال مالی سال کے دوران کے دوران کی دہدے ، انظامیہ تقسیم اور دیگر استعمال مالی سال کے دوران کا کہلین روپ کا خالص منافع ای سال میں 74 ملین رواں مالی سال کے دوران 35 ملین روپ کا خالص منافع ای سال میں 74 ملین رواں مالی سال کے دوران 35 ملین روپ کا خالص منافع ای سال میں 74 ملین رواں مالی سال کے دوران 35 ملین روپ کا خالص منافع ای سال میں 74 ملین روپ کی تصف آمد نی روپ کری۔ 6.0 روپ کی شیئر کمانے کے خلاف گزشتہ مالی سال میں 1.35۔

ماركيتنك جائزه

ہم معیاری پیدا دار پریقین رکھتے ہیں اور ہاہمی کامیا بی اور تر تی کے لیے اپنے صارفین کے ساتھ طویل المدتی تعلقات استوار کرنے کے لیے ضروری ہے۔ہم اپنی سا کہ بڑھانے اور تا ہل اعتاد شراکت داری کو برقر ارر کھتے ہوئے کامیا بی کے مواقع پیدا کرنے پریقین رکھتے ہیں۔ستارہ پرآ کسائیڈ کمیٹ ہے، جو ہمارے گا کبوں کی مخصوص ضروریات کو پورا کرنے کے لیے مختلف شکلوں اور حرائی میں دستیاب ہے۔آپ کی کمپنی نے زیادہ سے زیادہ مارکیٹ ٹیمٹر حاصل کرنے کے لیے ایک مضبوط مارکیٹنگ اور بیل نہیٹ ورک قائم کیا ہے۔



Six Years Financial Summary

Six Years Financial Summary

2020-21	2019-20	2018-19	2017-18	2016-17	2015-16		
Rupees in "000"							

PROFIT AND LOSS ACCOUNT

Sales - net
Gross profit
Operating (loss) / profit
Profit / (loss) before tax
Profit / (loss) after tax

BALANCE SHEET

Property, plant and equipment
Long term advances
Current assets
Current liabilites
Non-current liabilities
Share capital
Shaeholders equity

1,865,397	1,745,356	2,036,216	1,322,217	1,059,689	1,310,036	
191,219	323,221	530,168	151,835	45,572	190,436	
(66,152)	123,237	328,352	10,342	(56,969)	79,656	
13,653	88,955	279,522	(32,802)	(128,090)	27,001	
34,708	74,242	207,385	(65,403)	(87,191)	16,704	
2,791,466	2,373,961	2,580,126	2,730,109	1,989,258	2,146,157	
23,014	23,014	4,205	4,205	3,705	3,705	
1,278,261	1,226,279	1,225,187	1,011,370	977,126	1,006,935	
670,075	722,785	960,928	995,293	1,168,518	982,180	
948,897	852,197	895,801	999,533	644,926	930,037	
551,000	551,000	551,000	551,000	551,000	551,000	
2,473,769	2,029,463	1,952,788	1,750,859	1,156,644	1,244,579	

FINANCIAL RATIOS

Gross Profit Ratio	(%)	10.25	18.52	26.04	11.48	4.30	14.54
Net Profit to Sales	(%)	1.86	4.25	10.18	(4.95)	(8.23)	1.28
Return on Equity	(%)	3.74	9.30	33.11	(19.96)	(25.84)	4.52
Return on Capital Employed	(%)	1.01	2.58	7.28	(2.38)	(4.84)	0.77
Current Ratio	times	1.91	1.70	1.28	1.02	0.84	1.03
Quick/Acid test ratio	times	1.10	0.85	0.73	0.53	0.44	0.59
Earnings per share - Basic	Rupees	0.63	1.35	3.76	(1.19)	(1.58)	0.30
Price Earning Ratio	times	44.05	18.14	6.49	(14.28)	(10.71)	55.89
Market Value per share (at year end)	Rupees	28.29	18.01	18.01	17.36	31.10	18.15
Market value per share (lowest)	Rupees	20.40	15.60	15.60	13.24	17.77	11.11
Market value per share (highest)	Rupees	35.49	41.68	41.68	31.23	38.23	22.78
Breakup value of share	Rupees	44.90	36.83	35.44	31.78	20.99	22.59

Pattern of Shareholding



AS AT JUNE 30, 2021

NUMBER OF	SHAREHOL	TOTAL NUMBER	
SHAREHOLDERS	FROM	то	OF SHARES
594	1	100	8,862
4,535	101	500	2,250,359
668	501	1,000	659,253
851	1,001	5,000	2,366,626
189	5,001	10,000	1,555,149
63	10,001	15,000	822,230
46	15,001	20,000	867,238
32	20,001	25,000	754,000
14	25,001	30,000	392,500
9	30,001	35,000	303,000
8	35,001	40,000	303,000
4	40,001	45,000	173,000
14	45,001	50,000	684,000
4	50,001	55,000	213,500
4	55,001	60,000	239,400
1	60,001	65,000	65,000
2	65,001	70,000	139,000
3	70,001	75,000	221,500
2	75,001	80,000	159,000
2	85,001	90,000	179,500
2	90,001	95,000	183,500
7	95,001	100,000	698,500
2	100,001	105,000	206,500
1	110,001	115,000	115,000
1	115,001	120,000	120,000
2	120,001	125,000	248,500
1	125,001	130,000	130,000
1	140,001	145,000	141,000
1	185,001	190,000	187,500
1	200,001	205,000	201,000
i i	205,001	210,000	210,000
2	215,001	220,000	438,000
2	220,001	225,000	444,217
1	320,001	325,000	324,500
1	325,001	330,000	329,500
1	340,001	345,000	343,500
1	355,001	360,000	358,500
1	365,001	370,000	366,666
1	395,001	400,000	396,000
1	400,001	405,000	402,000
1	410,001	415,000	413,000
1	470,001	475,000	473,000
1	705,001	710,000	709,500
1	725,001	730,000	726,500
1	1,450,001	1,455,000	1,453,500
1	1,995,001	2,000,000	2,000,000
1	2,620,001	2,625,000	2,624,435
2	2,995,001	3,000,000	6,000,000
1	5,070,001	5,075,000	5,074,500
1	17,425,001	17,430,000	17,425,065
7,087			55,100,000



Pattern of Shareholding

AS AT JUNE 30, 2021

	Number	Share Held	Percentage
Directors, CEO & their Spouse and Minor Children			
Mr. Imran Ghafoor	1	17,425,065	31.62
Mrs. Sharmeen Imran	2	2,634,435	4.78
Mr. Yasir Ahmed Awan	1	473,000	0.86
Mr. Ejaz Hussain	1	600	0.00
Mr. Haroon Ahmed Zuberi	1	5	0.00
Mr. Zahid Aslam	1	5	0.00
Mr. Mahmood Ahmad	1	5	0.00
Banks, Development Finance Institutions,			
Non-Banking Finance Institutions	3	7,000	0.01
Insurance Companies	1	18,000	0.03
Modarabas	5	1,224,000	2.22
Joint Stock Companies	4	4,005,568	7.27
General Public (Local)	6,918	27,019,677	49.05
General Public (Foreign)	112	1,338,529	2.43
Others	6	954,111	1.73
	7,087	55,100,000	100.00

NO trade in the shares of the company was carried out by its directors, CEO, CFO, Company Secretary and their spouses and minor children during the year 2020-2021.

Following person have shareholding of 5% and above in the company.

а	Mr. Imran Ghafoor, Chief Executive	17,425,065
b	Mr. Nadeem Nisar	5,074,500
С	Sitara Chemical Industries Limited	3,220,000
d	Syed Ali Jafar Abidi	3,000,000

Salient Feautres of Code of Conduct



It is a fundamental policy of Sitara Peroxide Limited to conduct its business with honesty, integrity and in accordance with the highest professional, ethical and legal standards. The Company has adopted comprehensive Code of Conduct for members of the Board of Directors and Employees. The Code defines acceptable and unacceptable behaviors, provides guidance to directors / employees in specific situations that may arise and foster a culture of honesty, accountability and high standards of personal and professional integrity.

- Directors should take steps to ensures that the Company promotes ethical behavior; encourages employees to talk to supervisors, managers and other appropriate personnel when in doubt about the best course of action in a particular situation; encourages employees to report violations of laws, rules, regulations, Company policies and procedures or the Company's Code of Conduct to appropriate personnel; and informs employees that the Company will not allow retaliation for reports made in good faith.
- Directors and employees must maintain the confidentiality of information entrusted to them by the Company and any other confidential information about the Company.
- Directors and employees must avoid any conflict of interest between them and the Company. Any situation that
 involves, or may reasonable be expected to involve, a conflict of interest with the Company, should be disclosed
 promptly.
- Directors and employees must act honestly and fairly and exhibit high ethical standards in dealing with all stakeholders of the Company.
- Directors and employees shall comply with laws, rules and regulations applicable to the Company including but not limited to the Companies Ordinance, 1984, Listing Regulations of the Stock Exchanges and insider trading laws.
- Certain restrictions / reporting / requirements apply to trading by the Directors and employees in Company shares. They shall make sure that they remain compliant with these statutory requirements.
- All funds, assets, receipts and disbursements must be properly recorded in the books of the Company.
- The Company's activities and operations will be carried out in strict compliance with all applicable laws and the highest ethical standards. The directors and employees will ensure that the Company deals in all fairness with its customers, suppliers and competitors.
- Company's relations and dealings with suppliers, consultants, agents, intermediaries and other third parties should at all times be such that Company's integrity and its reputation should not be damaged if details of the relationship or dealings were to become public knowledge.
- Agreements with agents, sales representatives or consultants should state clearly the services to be performed for the Company, the amount to be paid and all other relevant terms and conditions.
- Company will support and respect the protection of international human rights within its sphere of influence, in particular the effective elimination of all sorts of compulsory labour and child labour, and it will make this a criterion in the choice and management of its suppliers and sub contractors.
- Every employee at work must take reasonable care for the health and safety of himself and others including visitors
 who may be affected by his acts or omissions at work; and cooperate in Company's efforts to protect the
 environment.
- Rumour mongering, persuasive allegations, accusations and exaggerations with the main purpose of negatively influencing and manipulating the minds and emotions of the fellow employees are strictly prohibited.
- In order to enhance good governance and transparency, Company has introduced a Whistle Blowing Policy. The Policy provides an avenue to employees, vendors and customers to raise concerns and report illegal and unethical issues like fraud, corruption or any other unlawful conduct or dangers to the public or the environment.
- Every employee must adhere to Company's rules of service and make sure that he is familiar with all of them.
- Any violation of this Code shall be promptly reported to the Human Resources Department by any employee having knowledge thereof or having reasonable belief that such a violation has occurred.



Independent Auditor's Review Report

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF SITARA PEROXIDE LIMITED REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2020 (the Regulations) prepared by the Board of Directors of Sitara Peroxide Limited for the year ended June 30, 2021 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulation is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2021.

Yousaf Adil

Chartered Accountants

Engagement Partner Rana M. Usman Khan

Lahore

Dated: September 25, 2021

Statement of Compliance



STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2020

SITARA PEROXIDE LIMITED FOR THE YEAR ENDED JUNE 30, 2021

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven as per the following:

Gender	Number
Male	6
Female	1

2. The composition of the Board of Directors is as follows:

Category	Director Name
Independent Director	Mr. Zahid Aslam
	Mr. Mahmood Ahmad
Executive Director	Mr. Imran Ghafoor
	Mr. Haroon Ahmed Zuberi
Non-Executive Directors	Mr. Ejaz Hussain
	Mr. Yasir Ahmad Awan
Female Director	Mrs. Sharmeen Imran

^{*} As per section 6 (2) of COCG regulations 2019, the requirement for minimum 2.33 independent director would be applicable from the completion of existing term. The existing Board will complete its 3 year term in October 2022. Therefore, the company is compliant as regards to the requirement of independent directors with 2 independent directors.

- **3.** The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
- **4.** The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
- 5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the company;
- **6.** All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the board / shareholders as empowered by the relevant provisions of the Act and these Regulations;
- 7. The meetings of the board were presided over by the Chairperson and, in her absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board;
- **8.** The board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
- 9. Three (03) directors have already completed directors' training program in prior years. The remaining Four (04) directors shall obtain certification under the DTP in due course of time;



Statement of Compliance

- 10. The board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
- Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the board;
- **12.** The board has formed committees comprising of members given below:

a. Audit Committee

Name	Role		
Mr. Zahid Aslam	Independent Director (Chairman)		
Mr. Mahmood Ahmed	Independent Director (Member)		
Mrs. Sharmeen Imran	Non-Executive Director (Member)		

b. Human Resource & Remuneration Committee

Name	Role		
Mr. Mahmood Ahmed	Independent Director (Chairman)		
Mr. Imran Ghafoor	Chief Executive (Member)		
Mr. Ejaz Hussain	Non-Executive Director (Member)		

- 13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
- 14. The frequency of meetings (quarterly/half yearly/yearly) of the committee were as per following:
 - a. Audit Committee: Four quarterly meetings during the financial year ended June 30, 2021
 - b. HR and Remuneration Committee: Two meetings during the financial year ended June 30, 2021
- **15.** The board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;
- 16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
- 17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
- **18.** We confirm that all requirements of the regulations 3, 6, 7, 8, 27, 32 and 36 of the Regulations have been complied with

Faisalabad September 25, 2021 Mrs. Sharmeen Imran Chairperson



To the members of Sitara Peroxide Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Sitara Peroxide Limited (the Company) which comprise the statement of financial position as at June 30, 2021, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2021 and of the profit and comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matter(s):

Key audit matters	How the matter was addressed in our audit
Revenue Recognition	
The Company's sales comprise of revenue from the sale of Hydrogen Peroxide.	Our audit procedures to address the Key Audit Matter included the following:
Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods and at transaction price net of trade discounts.	 Obtaining an understanding of and assessing the design, implementation and operating effectiveness of controls over recognition of revenue;
We identified revenue recognition as key audit matter as it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not have been recognized based on	 Assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with the accounting standards;
the satisfaction of performance obligation under the contract with the customer in line with the accounting	Checked on sample basis whether the recorded sales transactions are based on transfer of control of



Key audit matters	How the matter was addressed in our audit
policy adopted and may not have been recognised in the appropriate period.	goods to the customer, satisfying the performance obligation and were recorded in the appropriate accounting period; and Reviewing the adequacy of disclosure as required under applicable financial reporting framework.
Valuation of stock in trade	
Refer to note 7 to the financial statements. Stock in trade forms a significant part of the Company's assets. As at June 30, 2021, the carrying amount of Company's Stock in trade amounts to Rs. 543.69 million and revenue for the year amounts to Rs. 1,865.39 million. We identified valuation of stock in trade as a key audit matter as it involves significant management judgement with respect to standard costs and determination of net realizable value.	 In this respect, we performed the following audit procedures: Obtained an understanding of procedures followed by the Company with respect to valuation of stock in trade; Assessed appropriateness of the Company's accounting policies for valuation of stock in trade and compliance of those policies with accounting and reporting standards as applicable in Pakistan; On a sample basis, verified supporting documents for purchases of raw materials and the production costs; Obtained working of variances recorded by management, including changes made in the current year and tested the amounts, which were incurred and retained to actualize the standard cost of stock in trade at year end;

- Obtained an understanding and assessed reasonableness of the management's process for determination of net realizable value (NRV) and the key estimates adopted, including future selling prices, future costs to complete and costs necessary to make the sales and their basis; and
- Compared the NRV, on a sample basis, to the carrying value of stock in trade to assess whether any adjustments were required to carrying value of inventories in accordance with the policy.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance opinion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we



conclude that there is a material misstatement of this other information when available, we are required to report that fact.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and
 whether the financial statements represent the underlying transactions and events in a manner that achieves fair
 presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns:
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deducted at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Nadeem Yousuf Adil.

Chartered Accountants

Yousaf Adil

Engagement Partner Nadeem Yousuf Adil

Lahore

Dated: September 25, 2021





Statement of Financial Position

Statement of Financial Position

	Note	2021	2020 ees
ASSETS			
Non-current assets			
Property, plant and equipment Long term deposits	4 5	2,791,465,762 23,014,059	2,373,960,760 23,014,059
		2,814,479,821	2,396,974,819
Current assets			
Stores, spare parts and loose tools	6	116,759,878	111,705,561
Stock in trade	7	543,658,258	609,267,601
Trade debts Loans and advances	8 9	148,334,500 89,014,176	161,973,844 109,910,437
Deposits and short term prepayments	10	187,977,527	19,100,170
Taxes refundable due from government	11	162,196,929	153,040,461
Cash and bank balances	12	30,320,105	42,471,897
		1,278,261,373	1,207,469,971
Total assets		4,092,741,194	3,604,444,790

The annexed notes from 1 to 42 form an integral part of these financial statements.



Statement of Financial Position



As at June 30, 2021

		2021	2020
	Note	Rup	pees
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	13	551,000,000	551,000,000
Unappropriated profit		377,944,872	247,354,973
Surplus on revaluation of property, plant and equipment	14	1,544,824,554	1,231,107,657
		2,473,769,426	2,029,462,630
Non-current liabilities			
Long term financing	15	100,933,222	148,674,510
Deferred liabilities	16	659,446,194	519,115,718
Deferred markup	17	188,517,618	184,406,709
		948,897,034	852,196,937
Current liabilities			
Trade and other payables	18	232,201,010	244,024,954
Contract liabilities	19	41,841,052	32,069,259
Accrued markup	20	25,829,540	54,975,671
Short term borrowings	21	164,797,557	183,098,258
Current portion of long term financing	15	180,570,085	180,491,401
Provision on for taxation		24,835,490	28,125,680
		670,074,734	722,785,223
Contingencies and commitments	22	-	-
Total equity and liabilities		4,092,741,194	3,604,444,790

The annexed notes from 1 to 42 form an integral part of these financial statements.

CHIEF FINANCIAL OFFICER



Statement of Profit or Loss

Statement of Profit or Loss for the Year Ended June 30, 2021

		2021	2020
	Note	Rupees	
Sales	23	1,865,396,616	1,745,355,899
Cost of sales	24	(1,674,177,794)	(1,422,134,718)
Gross profit		191,218,822	323,221,181
Distribution cost	25	92,656,845	80,553,486
Impairment loss on financial assets	8.2	28,294,850	2,359,609
Administrative expenses	26	134,425,562	110,541,513
Other expenses	27	1,993,506	6,543,402
Finance cost	28	48,502,296	81,996,213
		(305,873,059)	(281,994,223)
		(114,654,237)	41,226,958
Other income	29	128,307,176	47,728,191
Profit before taxation		13,652,939	88,955,149
Provision for taxation	30	21,055,400	(14,713,173)
Profit after taxation		34,708,339	74,241,976
Earning per share - basic and diluted	31	0.63	1.35

The annexed notes from 1 to 42 form an integral part of these financial statements.

CHIEF EXECUTIVE

Mh

CHIEF FINANCIAL OFFICER

20-1

Statement of Comprehensive Income



Statement of Comprehensive Income for the Year Ended June 30, 2021

	2021	2020
	Rupees	
Profit for the year	34,708,339	74,241,976
•	, ,	, ,
Items that will not be subsequently reclassified to profit or loss:		
Remeasurement of staff retirement benefits	870,516	3,425,969
Related tax impact	(251,754)	(993,531)
Surplus on revaluation of property, plant and equipment	550,287,408	-
Related tax impact	(141,307,713)	-
	409,598,457	2,432,438
Total comprehensive income for the year	444,306,796	76,674,414

The annexed notes from 1 to 42 form an integral part of these financial statements.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER



Statement of Cash Flows

Statement of Cash Flows for the Year Ended June 30, 2021

		2021	2020
	Note	Ruj	oees
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		13,652,939	88,955,149
Adjustments for:		.0,002,000	33,000,110
Depreciation on property, plant and equipment	4.1	184,046,171	183,127,698
Impairment loss on financial assets	8.2	28,294,850	2,359,609
Provision for gas infrastructure development cess	0.2	73,624,520	_,000,000
Provision for staff retirement benefits - gratuity	16.1	8,095,725	9,361,482
Finance cost	28	48,502,296	81,996,213
Gain on sale of fixed asset	29	-	(525,000)
Profit on bank deposits	29	(139,228)	(187,813)
Gain on discounting of liability against Gas Infrastructure		(:33,223)	(,)
Development Cess		(718,938)	_
Exchange (gain) / loss	29	(23,050)	14,248
		355,335,285	365,101,586
Working capital changes		,,	
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(5,054,317)	(16,912,271)
Stock in trade		65,609,343	(82,572,427)
Trade debts		(14,655,506)	(32,209,876)
Loans and advances		28,537,285	(27,260,087)
Deposits and short term prepayments		(168,877,357)	41,545,599
Sales tax refundable		(41,263,276)	124,459,519
(Decrease) / increase in current liabilities		, , ,	
Trade and other payables		(48,956,117)	(135,491,179)
Contract Liabilities		9,771,794	18,110,335
		(174,888,151)	(110,330,387)
Cash generated from operations		180,447,134	254,771,199
Finance cost paid		(73,537,518)	(63,963,737)
Staff retirement benefits - gratuity paid		(3,352,075)	(4,393,291)
Exchange gain / (loss)		23,050	(14,248)
Income taxes refunded / (paid)		1,355,459	(30,828,151)
		(75,511,084)	(99,199,427)
Net cash generated from operating activities		104,936,050	155,571,772
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(51,263,765)	(12,662,896)
Proceeds from disposal of property, plant and equipment		-	525,000
Advance against purchase of land		_	35,700,000
Profit received on bank deposits		139,228	187,813
Net cash (used in) / generated from investing activities		(51,124,537)	23,749,917
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing obtained	36	105,650,440	- (00 = 00 0 4 11
Long term financing repaid		(153,313,044)	(80,729,311)
Short term borrowings obtained		677,191,108	- (50.100.005)
Short term borrowings repaid		(695,491,809)	(59,128,920)
Net cash used in financing activities		(65,963,305)	(139,858,231)
Net (decrease) / increase in cash and cash equivalents (A+B+C)		(12,151,792)	39,463,458
Cash and cash equivalents at beginning of the year	40	42,471,897	3,008,439
Cash and cash equivalents at end of the year	12	30,320,105	42,471,897

The annexed notes from 1 to 42 form an integral part of these financial statements.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

Statement of Changes in Equity



Statement of Changes in Equity for the Year Ended June 30, 2021

	Share capital	Unappropriated profit	Surplus on revaluation of property, plant and equipment	Total
	Rupees			
Balance as at July 01, 2019	551,000,000	75,417,761	1,326,370,455	1,952,788,216
Profit for the year	-	74,241,976	-	74,241,976
Other comprehensive income	-	2,432,438	-	2,432,438
·	-	76,674,414	-	76,674,414
Transfer to unappropriated profit on account				
of incremental depreciation - net of tax	-	95,262,798	(95,262,798)	-
Balance as at June 30, 2020	551,000,000	247,354,973	1,231,107,657	2,029,462,630
Profit for the year	-	34,708,339	-	34,708,339
Other comprehensive income	-	618,762	408,979,695	409,598,457
	-	35,327,101	408,979,695	444,306,796
Transfer to unappropriated profit on account				
of incremental depreciation - net of tax	-	95,262,798	(95,262,798)	-
Balance as at June 30, 2021	551,000,000	377,944,872	1,544,824,554	2,473,769,426

The annexed notes from 1 to 42 form an integral part of these financial statements.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER



Notes to the Financial Statements

1. GENERAL INFORMATION

- 1.1 Sitara Peroxide Limited ("the Company") is a public listed company, limited by shares, incorporated in Pakistan on March 08, 2004 under the Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017. The Company is listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at 601-602, Business Centre, Mumtaz Hassan Road, Karachi in the province of Sindh and the manufacturing facilities are located at 26 km Sheikhupura Road, Faisalabad in the province of Punjab. The principal activity of the Company is manufacturing and sale of hydrogen peroxide (H2O2) and Sitara Safe (disinfectant).
- **1.2** The financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) 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 the provisions of and directives issued under the Companies Act, 2017 (the Act) differ from IFRS Standards, the provisions of and directives issued under the Act have been followed.

2.2 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan which are effective in current period

The following standards, amendments and interpretations are effective for the year ended June 30, 2021. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

2.2.1 Standards or Interpretations with no significant impact

Effective from annual period beginning on or after:

Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions	June 01, 2020
Amendments to the conceptual framework for financial reporting, including amendments to references to the conceptual framework in IFRS	January 01, 2020
Amendments to IFRS 3 'Business Combinations' - Definition of a business	January 01, 2020
Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of material	January 01, 2020
Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures' - Interest rate benchmark reform	January 01, 2020



2.2.2 New accounting standards / amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Standards or Interpretations	Effective from annual period beginning on or after:
Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01, 2021
Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond June 30, 2021	April 01, 2021
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 01, 2022
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023

Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 First Time Adoption of International Financial Reporting Standards
- IFRS 17 Insurance Contracts

2.3 Accounting convention

These financial statements have been prepared under historical cost convention modified by:

- revaluation of certain classes of property, plant and equipment at fair value;
- financial instruments at fair value; and
- recognition of certain employee retirement benefits at present value.



Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

2.4 Significant estimates, assumptions and judgements

The preparation of financial statements in conformity with IFRS's requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under circumstances, and the results of which form the basis for making judgment about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Significant areas requiring the use of management estimates in these financial statements relate to the:

- Useful life of depreciable assets;
- Revaluation of certain assets under property, plant and equipment;
- Expected credit losses; and
- Measurement of defined benefit obligations.

However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted are set out below:

3.1 Property, plant and equipment

Property, plant and equipment except laboratory equipment, office equipment, furniture and fittings, vehicles and capital work-in-progress are stated at revalued amounts less accumulated depreciation and impairment in value, if any. Items not carried at revalued amounts are stated at cost less accumulated depreciation and impairment in value, if any. Capital work-in-progress is stated at cost less impairment in value, if any.

Assets' residual values, if significant and their useful lives are reviewed and adjusted, if appropriate at each statement of financial position date. When significant parts of an item of property, plant and equipment have different useful lives, they are recognized as separate items of property, plant and equipment.

Subsequent costs are recognized as part of the asset, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to statement of profit or loss during the period in which they are incurred.

Depreciation is charged to statement of profit or loss applying the straight line method over its estimated useful life at the rates specified in note 4.1 to the financial statements. Depreciation on additions to property, plant and equipment is charged from the month in which property, plant and equipment is available for use while no depreciation is charged for the month in which property, plant and equipment is disposed off.

Surplus arising on revaluation of property, plant and equipment is recognized, net of tax, in statement of comprehensive income and accumulated reserves are shown in equity. Revaluation is carried out with



sufficient regularity to ensure that the carrying amounts of the assets does not differ materially from the fair value. Accumulated depreciation at the date of revaluation is eliminated against the cost / revalued amount of the asset and net amount is restated to the revalued amount of the asset. The surplus on revaluation of property, plant and equipment to the extent of incremental depreciation charged on the related property, plant and equipment during the year is transferred by the Company to its unappropriated profit and is presented in statement of changes in equity.

Gains or losses on disposal of assets, if any, are recognized as and when incurred in statement of profit or loss and the related asset is derecognized.

All expenditures connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when these assets are available for use.

3.2 Stores, spare parts and loose tools

Stores and spares are valued principally at weighted average cost. Impairment provision is recognised against items determined to be obsolete and / or not expected to be used up future. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

3.3 Stock in trade

These are valued at lower of cost and net realizable value. Cost is determined as follows:

Raw material - weighted average cost.

Work in process - weighted average cost.

Finished goods - weighted average cost.

Stock in transit - Invoice price plus other charges paid theron upto the reporting date

Average manufacturing cost in relation to work-in-process and finished goods include raw materials and appropriate production overheads including catalyst utilized, based on normal production capacity.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make the sale.

Work in process includes working solution and catalyst issued to the production chambers.

3.4 Impairment

3.4.1 Non Financial Assets

The Company assesses at each statement of financial position date whether there is any indication that assets except deferred tax assets and stock in trade may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in statement of profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the amount that would have been determined (net of depreciation and amortization) had no impairment loss been recognized. A reversal of an impairment loss is recognised immediately in statement of profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.



3.4.2 Financial assets

The Company always recognizes lifetime ECL for trade receivables and other receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

3.4.3 Classification of financial assets

a) Debt instruments measured at amortized cost

Debt instruments that meet the following conditions are measured subsequently at amortized cost.

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- · the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

b) Debt instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI):

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income.

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets measured at fair value through profit or loss (FVTPL):

By default, all other financial assets are measured subsequently FVTPL.



(i) Definition of default:

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- · when there is a breach of financial covenants by the debtor; or
- · information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 180 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(ii) Credit-impaired financial assets:

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- · significant financial difficulty of the issuer or the borrower;
- · a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- · it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- · the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Company writes off financial assets when there is information indicating that the amount is not recoverable due to the conflict in invoices with customer. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made against financial assets written-off are recognized in statement of profit or loss.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in statement



of profit or loss.

The Company recognises a loss allowance for expected credit losses on trade and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables and other receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

3.5 Trade debts

Trade debts are recognized initially at fair value and subsequently measured at amortized cost less provision for expected credit losses. A provision for expected credit losses is estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

3.6 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand, balances with banks, highly liquid short-term investments that are convertible to known amount of cash and are subject to insignificant risk of change in value. Cash and cash equivalents are carried in the statement of financial position at amortized cost.

3.7 Trade and other payables

Liabilities for trade and other amounts payable are measured at cost which is the fair value of the consideration to be paid in future for goods and services received whether billed to the Company or not.

3.8 Share Capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax, from the proceeds.

3.9 Staff retirement benefits - gratuity

The Company operates an unfunded gratuity scheme (defined benefit plan) for its permanent employees who have completed minimum qualifying period of service as defined under the respective scheme. Provisions are made to cover the obligations under the scheme on the basis of actuarial valuation and are charged to statement of profit or loss. The calculation requires assumptions to be made of future outcomes, the principal ones being in respect of increases in remuneration and discount rate used to derive present value



of defined benefit obligation. The assumptions are determined by independent actuaries.

3.10 Provisions

Provisions are recognized in the statement of financial position when the Company has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.

3.11 Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial assets and liabilities are added or deducted from the fair value of financial assets or financial liabilities, as appropriate, on initial recongnition. Transaction costs directly attributable to the acquisition or issue of financial assets and liabilities at fair value through profit or loss are recognized immediately in the statement of profit or loss.

Other particular recognition methods adopted by the Company are disclosed in the individual policy statements associated with each item of financial instruments.

3.12 Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled to in a contract with a customer and excludes amounts collected on behalf of third parties.

Revenue from local sales is recognized when control of goods is transferred.

Revenue from export sales is recognized on shipment of goods to customers.

Profit on bank deposits is accrued on a time proportionate basis taking into account principal outstanding and effective rate of return, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

3.13 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of liability for at least twelve months after the statement of financial position date.

3.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in statement of profit or loss for the year.



3.15 Taxation

Current

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credits, rebates and exemptions available, if any, minimum taxation as per Income Tax Ordinance 2001, or alternative corporate tax whichever is higher. The charge for tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessment made during the year. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime.

Deferred

Deferred income tax is provided using the liability method for all temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In this regard, the effects on deferred taxation of the portion of income subject to final tax regime is considered in accordance with the requirement of Technical Release – 27 of Institute of Chartered Accountants of Pakistan.

Deferred tax liabilities are generally recognized for taxable temporary differences. Deferred tax asset is recognized for all deductible temporary differences, unused tax credits and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

3.16 Foreign currencies transaction and translation

Transactions in currencies other than Pakistani Rupee are recorded at the rates of exchange prevailing on the dates of the transactions. At each statement of financial position date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the statement of financial position date except where forward exchange contracts have been entered into for repayment of liabilities in that case, the rates contracted for are used.

Gains and losses arising on retranslation and settlement are included in the statmement of profit or loss for the year.

3.17 Earning / loss per share

The Company presents profit per share for its ordinary shares which is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the year.

3.18 Off-setting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount reported in the Statement of financial position, if the Company has a legal enforceable right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.



4. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets

2,791,465,762

4.1

2,373,960,760

4.1 Operating fixed assets as at June 30, 2021

		Cost	Cost / revalued amount	ount			Accumulated	Accumulated depreciation			
Description	At July 01, 2020	Additions / (disposals)	Revaluation adjustment	Revaluation surplus	At June 30, 2021 At July 01, 2020	At July 01, 2020	Charge for the year / (on disposals)	Revaluation adjustment	At June 30, 2021	Book value at June 30, 2021	Rate %
						Rupees					
Land - freehold	246,630,000		ı	61,651,250	308,281,250	ı		ı	1	308,281,250	1
Building on freehold land	207,716,674	9,612,781	(78,094,019)	114,099,563	253,334,999	51,929,169	26,164,850	(78,094,019)		253,334,999	12.5
Plant and machinery	2,222,850,329	32,422,272	(415,869,188)	374,536,595	2,213,940,008	276,772,176	139,097,012	(415,869,188)		2,213,940,008	6.25
Electric installations	170,593,564	2,396,062		1	172,989,626	149,673,722	17,139,225	ı	166,812,947	6,176,679	10
Laboratory equipment	3,702,720	3,029,112	1	1	6,731,832	3,702,720	1	ı	3,702,720	3,029,112	10
Factory equipment	12,404,398	ı	1	1	12,404,398	12,404,398	1	ı	12,404,398	ı	10
Office equipment	4,733,361	2,240,715	,	1	6,974,076	4,733,361	224,597	ı	4,957,958	2,016,118	10
Furniture and fittings	3,866,433	1,276,958	1	1	5,143,391	3,866,433	9,088	ı	3,875,521	1,267,870	10
Vehicles	16,211,877	285,866			16,497,743	11,666,618	1,411,399	ı	13,078,017	3,419,726	20
	2,888,709,356	51,263,766	(493,963,207)	550,287,408	550,287,408 2,996,297,323	514,748,597	514,748,597 184,046,171	(493,963,206)	204,831,561	204,831,561 2,791,465,762	



4.2

Notes to the Financial Statements

	Rate %	
	Book value at June 30, 2020	
	At June 30, 2020	
depreciation	Revaluation adjustment	
Accumulated depreciation	Charge for the year / (on disposals)	
	At July 01, 2019	- Rupees
	Charge for At June 30, 2020 At July 01, 2019 the year / (on disposals)	
ount	Revaluation surplus	
Cost / revalued amount	Revaluation adjustment	
Cost	Additions / (disposals)	
	At July 01, 2019	
	Description	

		1				Rupees					
Land - freehold	246,630,000	1	1		246,630,000			ı	1	246,630,000	ı
Building on freehold land	207,716,674	ı	1	ı	207,716,674	25,964,584	25,964,584	,	51,929,169	155,787,506	12.5
Plant and machinery	2,211,286,433	11,563,896	1	ı	2,222,850,329	138,205,402	138,566,774	,	276,772,176	276,772,176 1,946,078,153	6.25
Electric installations	170,593,564	ı	1	ı	170,593,564	132,614,366	17,059,356	,	149,673,722	20,919,842	10
Laboratory equipment	3,702,720	ı	1	ı	3,702,720	3,702,720	1	,	3,702,720	ı	10
Factory equipment	12,404,398	ı	1	ı	12,404,398	12,404,398	1	,	12,404,398	ı	10
Office equipment	4,733,361	ı	1	ı	4,733,361	4,508,764	224,597	,	4,733,361	ı	10
Furniture and fittings	3,866,433	ı	1	ı	3,866,433	3,857,345	9,088		3,866,433	ı	10
Vehicles	15,809,377	1,099,000	1	ı	16,211,877	11,059,819	1,303,299		11,666,618	4,545,259	20
		(696,500)	1	ı			(96,500)				
	2,876,742,960	12,662,896	1		2,888,709,356	332,317,398	183,127,698		514,748,597	514,748,597 2,373,960,760	
		(696,500)					(696,500)		,	,	

4.3 Depreciation charge for the year has been allocated as follows:

	Note	2021 Rupees	2020 bees
Cost of sales	24	183,646,495	182,886,337
Distribution cost	25	93,474	102,717
Administrative expenses	26	306,202	138,644
		184,046,171	183,127,698



"Company revalued its land, building and plant and machinery at June 30, 2021. The valuation was carried out by an independent valuer Materials and Designs Services Private Limited, an independent valuer not related to the Company and which is on the panel of Pakistan Banks Association as approved asset valuer. It possesses appropriate qualification and recent experience in fair value measurements. Basis of revaluation are as follows:

a) Land

Revalued amount of land has been determined by reference to local market values of land. Revalued amount of land has been determined by reference to local market values of land taking into account prevailing fair market prices under the position and circumstances present on the date of revaluation and current market scenario for properties of similar nature in the immediate neighbourhood and adjoining areas (level 2).

b) Building

Revalued amount of building has been determined by reference to present depreciated replacement values after taking into consideration covered area and type of construction, age of civil and ancillary structures, physical condition and level of preventive maintenance carried out by the Company (level 2).

c) Plant and machinery

Revalued amount of plant and machinery and electric installation has been determined by reference to present depreciated replacement values after taking into consideration present physical condition, remaining useful economic lives, technological obsolescence and level of preventive maintenance carried out by the Company (level 2).

The different levels have been defined in IFRS 13 as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (level 2); and
- Inputs for the assets or liabilities that are not based on observable market data (i.e. unobservable inputs e.g. estimated future cash flows) (level 3).
- 4.5 The forced sale value for land, plant and machinery and building based on fair value measurement as at June 30, 2021 was Rs. 262.04 million, Rs. 1,771.15 million and Rs. 215.33 million respectively.
- 4.6 Particulars of immovable property (i.e. land and building) in the name of Company are as follows:

Location	Usage of Immovable property	Total Area (In Sq. ft.)	Covered Area (In Sq. ft.)
26 - KM, Sheikhupura Road, Faisalabad	Manufacturing facility	115,551	93,168

- 4.7 The revaluation surplus, net of deferred tax, has been credited to surplus on revaluation of property, plant and equipment.
- 4.8 Had there been no revaluation, the cost, accumulated depreciation and book value of revalued assets as at June 30, 2021 would have been as under:



-	Cost	Accumulated	Book value
		depreciation	
_		Rupees	
Freehold land	41,997,852	-	41,997,852
Buildings on freehold land	182,914,010	115,015,071	67,898,939
Plant and machinery	1,523,532,126	1,002,466,586	521,065,540
2021	1,748,443,988	1,117,481,657	630,962,331
2020	1,675,053,847	1,145,848,746	620,016,185
=		2021	2020
	Note		Rupees
LONG TERM DEPOSITS			
Custom clearance		18,809,05	9 18,809,059
Shares registeration		50,00	0 50,000
Electricity - Faisalabad Electric Supply Company		3,640,00	0 3,640,000
Tender - Pakistan Atomic Energy		500,00	0 500,000
Others - Printer		15,00	
		23,014,05	9 23,014,059
STORES, SPARE PARTS AND LOOSE TOOLS			
Stores		108,264,52	4 103,104,562
Spare parts and loose tools		8,495,35	4 8,600,999
		116,759,87	8 111,705,561
STOCK IN TRADE			
Raw material		18,170,19	3 31,646,786
Packing material		3,673,15	5 29,650,449
Work in process	7.1	517,966,24	
Finished goods		3,848,66	
		543,658,25	8 609,267,60

		Note	2021 Ruj	2020 Dees
8.	TRADE DEBTS			
	Unsecured-considered good:			
	Direct customers		146,027,693	121,050,741
	Via traders - net of advances	8.1	42,464,347	52,785,793
			188,492,040	173,836,534
	Allowance for expected credit losses	8.2	(40,157,540)	(11,862,690)
			148,334,500	161,973,844



8.1 This includes debtors to whom sales are made through traders. These are secured against advances received from traders in respect of sales. The amount is presented net of advances received from these traders. The advances received from traders as at June 30, 2021 amounted to Rs. 100.8 million (2020: Rs. 116.3 million).

			Note	2021	2020
			Note	nuj	oees
8.2	Allowance for expected credit loss	es			
	At beginning of the year			11,862,690	9,503,081
	Charge for the year			28,294,850	2,359,609
	At end of the year			40,157,540	11,862,690
		_	-		
			2021)20
		Receivables	Expected	Receivable	•
			Credit Loss		Credit Loss
8.3	The aging of trade debts is as follo	ws:			
	Past due 1 to 90 days	123,471,651	_	112,571,90)4 -
	Past due 91 to 180 days	15,558,934	(555,998)	38,570,34	
	Past due 181 to 270 days	6,600,440	(1,681,949)	7,061,58	
	Past due 271 to 360 days	5,133,960	(2,878,708)	4,406,80	
	Past due 361 to 450 days	4,099,545	(1,610,916)	7,773,00	
	Past due 450 days	33,627,510	(33,429,969)	3,452,89	(2,975,954)
		188,492,040	(40,157,540)	173,836,53	34 (11,862,690)
	•			2021	2020
			Note	Ruj	oees
100	NS AND ADVANCES				
LOAI	NO AND ADVANCES				
Cons	sidered good				
Secu	ıred				
	Advances to employees against salar	ry		2,883,403	2,259,903
Unse	ecured				
	Advances to employees for expenses	5		3,100,423	2,434,659
	Advances to suppliers - local		9.1	45,030,646	74,896,494
	Advances to suppliers - foreign			187,873	148,574
Adva	nce income tax			37,811,831	30,170,807
				89,014,176	109,910,437

9.1 It includes advances paid to Sitara Spinning Mills Limited amounting to Rs. 26.7 million (2020: Rs. 0.78 million) which is a related party of the Company. The maximum aggregated amount outstanding during the year was Rs. 27.39 million from the related party.

9.



11

Notes to the Financial Statements

2021

2020

			2021 Ruj	2020 pees
10.	DEPOSITS AND SHORT TERM PREPAYMENTS			
	Letter of credit Prepaid insurance Others	10.1	173,873,678 441,706 13,662,143 187,977,527	4,674,899 395,833 14,029,438 19,100,170

10.1 It includes security deposits paid to Sui Northern Gas Pipelines Limited amounting to Rs. 8.9 million (2020: Rs. 8.9 million) for the purpose of gas connection. It also includes 3.5 million of security deposit to SNGPL against previous connection.

		Ru _l	pees
1.	TAXES REFUNDABLE DUE FROM GOVERNMENT		
	Income tax refundable	89,956,522	122,063,330
	Sales tax refundable	72,240,407	30,977,131
		162,196,929	153,040,461

12. CASH AND BANK BALANCES

Cash in hand	378,492	387,303
Cash at banks - current accounts	29,941,613	42,084,594
	30,320,105	42,471,897

13. SHARE CAPITAL

2021	2020		2021	2020
Number	of shares	-	Rupe	es
		Authorised		
60,000,000	60,000,000	Ordinary shares of Rs. 10 each	600,000,000	600,000,000
		Issued, subscribed and paid-up		
55,100,000	55,100,000	Ordinary shares of Rs. 10 each	551,000,000	551,000,000
	-	=		

- **13.1** The holder of ordinary shares are entitled to receive dividend as declared from time to time and are entitled to vote at meetings of the Company. All shares rank equally with regard to Company's residual assets.
- **13.2** The Company has no reserved shares for issue under option and sales contracts.
- **13.3** No shares are held by any associated company or related party.

13.4 Rights and privileges of Board of Directors

The Board of Directors of the Company act by majority vote. The membership of the Board of Directors reflects as closely as possible the proportion in which the shares of the Company are held.



			2021	2020
		Note	Ru	pees
14	SURPLUS ON REVALUATION OF PROPERTY PLANT AND EQUIPMENT			
	Balance at beginning of the year		1,728,479,474	1,862,652,430
	Additions during the year		550,287,408	_
	Transferred to unappropriated profit in respect of incemental			
	depreciation charged during the year		(134,172,956)	(134,172,956)
			2,144,593,926	1,728,479,474
	Related deferred tax liability at the beginning of the year		497,371,817	536,281,973
	Tax impact related to additions during the year		141,307,713	-
	Related deferred tax liability of amount Transferred to			
	unappropriated profit in respect of incremental depreciation			
	charged during the year		(38,910,158)	(38,910,156)
			599,769,372	497,371,817
			1,544,824,554	1,231,107,657
15.	LONG TERM FINANCING			
	From banking companies and other financial institutions - secured			
	Sukuk arrangement - syndicated	15.1	178,591,892	329,165,911
	Other	15.2	102,911,415	-
	Less: Current portion of long term financing		(180,570,085)	(180,491,401)

15.1 Sukuk arrangement - Syndicated

During 2008, the Company had issued privately placed diminishing Musharaka based Sukuk certificates arranged by consortium of financial institutions including Bank Alfalah Limited, Saudi Pak Agriculture and Investment Company Limited, Meezan Bank Limited, Habib Metro Bank Limited, Askari Bank, Faysal Bank, Pak Iran Joint investment Company Limited and United Bank Limited (the trustee) amounting to Rs. 1,400 million. Due to financial difficulties, unscheduled plant shutdowns continued in subsequent periods and the Company was not able to comply with relevant covenants in respect of scheduled repayments. As a result, the Company entered into Fifth Supplemental Trust Deed, dated December 17, 2019, to modify the repayment arrangements. According to the amended terms, repayments shall be utilized to settle accumulated accrued interest of the current month and then be utilized for payment of principle and deferred rental payments in proportion of 50:50. Musharaka end date shall be January 15, 2023.

100,933,222

Effective rate of profit for the year ranges from 8.16 to 9.36% (2020: 8.36% to 12.80%) per annum.

This facility is secured by first joint pari passu charge on the fixed assets of the Company through equitable mortgage of land and buildings, hypothecation charge on plant and machinery with a margin of 25%, first exclusive charge over fixed assets of the Company for Rs. 1,866 million, pledge over 10 million shares of the Company in the name of sponsors and personal guarantees of Chief Executive Officer and three directors of the Company.

The Company has a call option, in accordance with terms and conditions, of the entire amount or partial amount in the event it has free cash flows available. The Company shall use at least 70% of its free cash

148,674,510



flows, if available, in exercising the call option. The Company is required not to declare any dividend during the entire tenure of the Sukuk issue.

The Company entered into Sixth Supplemental Trust Deed in August 2020 to further modify the repayment arrangements. According to the amended terms, the said loan will expire on June 2023. First eight (8) monthly installments, starting from July-20 till Feb-2021, shall be adjusted in the ratio of 90:10 in principal and rental. Rest of the installments shall be adjusted in the ratio of 49:51 between principal and deferred rental (after accounting for current rental).

15.2 This facility is secured against equitable mortgage of personal property. Exclusive charge of Rs. 150 million on first floor of sitara tower. The interest rate is three months KIBOR plus 2% and the amount will be repaid in 18 equal monthly instalments.

		Note	2021 Ru _l	2020 pees
16.	DEFERRED LIABILITIES			
	Staff retirement benefits - gratuity	16.1	36,525,300	32,652,166
	Deferred taxation	16.2	580,635,829	486,463,552
	Gas Infrastructure Development Cess liability	16.3	42,285,065	-
			659,446,194	519,115,718

16.1 Staff retirement benefits - gratuity

The calculation requires assumptions to be made of future outcomes, the principal ones being in respect of increases in remuneration and discount rate used to derive present value of defined benefit obligations. The assumptions are determined by independent actuaries. The results of the actuarial valuation carried out using "Projected Unit Credit Method" as at June 30, 2021 are as follows:

	2021	2020
	Rup	oees
Present value of defined benefit obligation	36,525,300	32,652,166
Staff retirement benefits - gratuity		
Movement in liability		
Balance at beginning of the year	32,652,166	31,109,944
Charge for the year	8,095,725	9,361,482
Benefits paid during the year	(3,352,075)	(4,393,291)
Remeasurement gain recognized in other comprehensive income	(870,516)	(3,425,969)
Balance at end of the year	36,525,300	32,652,166



2021	2020
Ru _l	oees
32,652,166	31,109,944
5,253,466	5,191,775
2,842,259	4,169,707
(3,352,075)	(4,393,291)
(870,516)	(3,425,969)
36,525,300	32,652,166
5,253,466	5,191,775
2,842,259	4,169,707
8,095,725	9,361,482
(870,516)	(3,425,969)
%	%
10.00%	9.25%
9.50%	9.25%
9.53	7.56
	32,652,166 5,253,466 2,842,259 (3,352,075) (870,516) 36,525,300 5,253,466 2,842,259 8,095,725 (870,516) % 10.00% 9.50%

Sensitivity analysis:

Mortality rate

The sensitivity of defined benefit obligation to changes in principal assumptions is:

	Impact on defined benefit obligation			
	Change in	Increase in	Decrease in	
	assumption	assumption	assumption	
		Rupees		
Discount rate	1%	4,017,783	3,287,277	
Salary growth	1%	3,835,157	3,104,651	
Maturity Profile				
Particulars				
		2021	2020	
		Ru	pees	
Year 1		3,407,426	934,650	
Year 2		2,980,954	1,331,983	
Year 3		2,457,397	1,785,688	
Year 4		2,891,377	1,579,163	
Year 5		3,147,865	1,645,320	
Year 6 to Year 10		15,156,118	11,513,484	
Year 11 and above		101,302,558	140,718,501	

SLIC 2001-2005

SLIC 2001-2005



Risk associated with defined benefit plan:

a) Longevity risk

This risk arises when the actual lifetime of retirees is longer than expectation. The risk is measured at the plan level over the entire retiree population.

b) Salary increase risk

This risk arises when the actual increases are higher than expectation and impacts the liability accordingly.

c) Withdrawal risk

This risk arises from withdrawals varying with the actuarial assumptions can impose a risk to defined benefit obligation.

2021		2020
	Rupees	

16.2 Deferred taxation

This comprises the following:

Deferred tax liability on taxable temporary differences arising in respect of:

Deferred tax liability on account of surplus on revaluation of property, plant and equipment

Accelerated depreciation allowance

Deferred tax asset on deductable temporary differences arising in respect of:

Provision for employee benefits - unfunded

Allowance for expected credit losses

Unused tax losses

603,656,604 126,397,449	501,259,048 129,845,963
730,054,053	631,105,011
(10,562,679)	(9,469,129)
(11,613,078)	(3,440,179)
(127,242,467)	(131,732,151)
(149,418,224)	(144,641,459)
580,635,829	486,463,552



16.2.1 Movement in temporary differences for the year

	Balance as at July 1, 2020	Recognized in equity	Recognized in profit or loss	Recognized in other comprehensive income	Balance as at June 30, 2021
			(Rupees)		
Taxable temporary difference					
Deferred tax liability on account of surplus on					
revaluation of property, plant and equipment	501,259,048	_	(38.910.157)	141,307,713	603,656,604
rotalidation of proporty, plant and equipment	001,200,010		(00,010,101)	111,007,710	000,000,001
Accelerated depreciation allowance	129,845,963	-	(3,448,514)	-	126,397,449
·			, , ,		
Deductible temporary difference					
Provision for employee benefits	(9,469,129)	-	(1,345,304)	251,754	(10,562,679)
Allowance for expected credit losses	(3,440,179)	-	(8,172,899)	-	(11,613,078)
Unused tax losses	(131,732,151)	-	4,489,684	-	(127,242,467)
	486,463,552	-	(47,387,190)	141,559,467	580,635,829
	Balance as at July 1, 2019	Recognized in equity	Recognized in profit or loss	Recognized in other comprehensive	Balance as at June 30, 2020
		-	in profit or loss	in other	at June
Taxable temporary difference		in equity	in profit	in other comprehensive	at June
Taxable temporary difference		in equity	in profit or loss	in other comprehensive	at June
		in equity	in profit or loss	in other comprehensive	at June
Deferred tax liability on account of surplus on		in equity	in profit or loss	in other comprehensive income	at June
	July 1, 2019	in equity	in profit or loss (Rupees)	in other comprehensive income	at June 30, 2020
Deferred tax liability on account of surplus on revaluation of property, plant and equipment	July 1, 2019 547,011,311	in equity	in profit or loss (Rupees)	in other comprehensive income	at June 30, 2020 501,259,048
Deferred tax liability on account of surplus on revaluation of property, plant and equipment	July 1, 2019 547,011,311	in equity	in profit or loss (Rupees)	in other comprehensive income	at June 30, 2020 501,259,048
Deferred tax liability on account of surplus on revaluation of property, plant and equipment Accelerated depreciation allowance	July 1, 2019 547,011,311	in equity	in profit or loss (Rupees)	in other comprehensive income	at June 30, 2020 501,259,048
Deferred tax liability on account of surplus on revaluation of property, plant and equipment Accelerated depreciation allowance Deductible temporary difference	July 1, 2019 547,011,311 132,958,662	in equity	in profit or loss (Rupees) (45,752,263) (3,112,699)	in other comprehensive income	at June 30, 2020 501,259,048 129,845,963
Deferred tax liability on account of surplus on revaluation of property, plant and equipment Accelerated depreciation allowance Deductible temporary difference Provision for employee benefits	547,011,311 132,958,662 (9,021,884)	in equity	in profit or loss (Rupees) (45,752,263) (3,112,699) (1,440,776)	in other comprehensive income	at June 30, 2020 501,259,048 129,845,963 (9,469,129)

16.2.2 Deferred tax asset arising from tax credits has not been recognized on prudence basis as it is not probable that sufficient taxable profits or taxable temporary differences will be available against which the deductible temporary differences can be utilized. The total tax credits are amounting to Rs. 24,106,701 as at June 30, 2021 and the related tax is Rs. 6.99 million.



			2021	
		Expiry	Unused Tax	Deferred Tax
	Turnover tax - 2016	30th June 2022	13,283,827	3,852,310
	Turnover tax - 2017	30th June 2023	10,822,874	3,138,633
			24,106,701	6,990,943
			2021	2020
			Ruj	pees
16.3	Gas infrastructure development cess liabilit	у		
	Balance at the beginning of the year		8,962,964	-
	Charged for the year		73,624,519	-
	Discounting gain of gas Infrastructure develope	ment cess	(718,938)	-
	Unwinding of interest		4,920,554	-
	Payment made during the year		86,789,099	-
	Less: Payable within one year		(44,504,036)	-
			42,285,064	-

Under the Gas Infrastructure Development Cess (GIDC) Act, 2011, the Government of Pakistan levied GIDC on all industrial gas consumers at the rate of Rs. 13 per MMBTU. Subsequently, the GIDC rate were enhanced through notifications under OGRA Ordinance 2002, Finance Act, 2014 and GIDC Ordinance 2014 against which the Company had obtained ad-interim stay orders from Sindh High Court.

On May 22, 2015, the Gas Infrastructure Development Cess (GIDC) Act, 2015 was promulgated whereby cess rate of Rs. 100 per MMBTU and Rs. 200 per MMBTU were fixed for industrial and captive power consumption respectively. The GIDC Act, 2015 was made applicable with immediate effect superseding the GIDC Act, 2011 and GIDC Ordinance, 2014.

Further, the Honourable Sindh High Court granted the Company ad-interim stay order against the GIDC Act, 2015. This stay order had restrained Sui Northern Gas Pipelines Limited (SNGPL) from charging and / or recovering the cess under the GIDC Act, 2015 till the final decision on the writ petition.

On August 13, 2020, the Supreme Court of Pakistan (SCP) announced its decision pertaining to GIDC, directing recovery of Rs. 417 billion GIDC payables from the industries. According to the court decision, the amount is payable in twenty-four equal monthly instalments starting from August 01, 2020 without the component of late payment surcharge.

As per the guidance of IFRS 9 "Financial Instruments", the liability for GIDC that was referred to in the decision of SCP amounting to Rs. 81.87 million was recognized at present value of future cash out flows discounted at market rate of interest. Out of total undiscounted cash out flows of Rs. 89.01 million, Rs. 8.96 million had been recognized in previous periods the discounting of which resulted in gain of Rs. 0.7 million recognized in statement of profit or loss. Such gain was the difference between the present value of Rs. 8.26 million and transaction price of GIDC liability (i.e. undiscounted amount of Rs. 8.96 million). Till the year end, the Company has recorded finance cost of Rs. 4.9 million on the unwinding of the liability in the statement of profit or loss.



			Rupe	ees
			1100	
7. [DEFERRED MARKUP			
Е	Balance as at start of the year		224,276,613	205,190,496
E	Expense for the year		19,938,646	48,256,807
F	Paid during the period		(46,984,651)	(29,170,690)
E	Balance as at end of the year		197,230,608	224,276,613
L	Less: current portion of deferred markup	20	(8,712,990)	(39,869,904)
			188,517,618	184,406,709
1	17.1 This represents deferred mark-up payable on Suk	zuk arrangement.		
	17.1 This represents deferred mark-up payable on Suk	uk arrangement.		
8. 1		tuk arrangement. 18.1	101,619,639	152,009,892
B. 1	TRADE AND OTHER PAYABLES		101,619,639 62,596,151	152,009,892 63,532,397
B. 1	TRADE AND OTHER PAYABLES Creditors		, ,	, ,
8. 1 (/	TRADE AND OTHER PAYABLES Creditors Accrued liabilities	18.1	, ,	63,532,397
8. 1 (4 F	TRADE AND OTHER PAYABLES Creditors Accrued liabilities Provision for gas infrastructure development cess	18.1 16.3	62,596,151	63,532,397 8,962,964
8. 1 (// F	TRADE AND OTHER PAYABLES Creditors Accrued liabilities Provision for gas infrastructure development cess WPPF payable	18.1 16.3 18.2	62,596,151 - 649,328	63,532,397 8,962,964 4,443,844
8. 1 // F	TRADE AND OTHER PAYABLES Creditors Accrued liabilities Provision for gas infrastructure development cess WPPF payable Worker's welfare fund	18.1 16.3 18.2	62,596,151 - 649,328 12,608,988	63,532,397 8,962,964 4,443,844 11,413,299
8. 7 6 7 1 1	TRADE AND OTHER PAYABLES Creditors Accrued liabilities Provision for gas infrastructure development cess WPPF payable Worker's welfare fund Retention money	18.1 16.3 18.2 18.3	62,596,151 - 649,328 12,608,988 378,292	63,532,397 8,962,964 4,443,844 11,413,299 278,778
8. T	Creditors Accrued liabilities Provision for gas infrastructure development cess WPPF payable Worker's welfare fund Retention money Withholding tax	18.1 16.3 18.2 18.3	62,596,151 - 649,328 12,608,988 378,292 9,741,356	63,532,397 8,962,964 4,443,844 11,413,299 278,778

18.1 This includes Rs. 28.1 million (2020: Rs. 27.6 million) payable to Sitara Spinning Mills Limited (associated undertaking) in ordinary course of business. The maximum aggregated amount outstanding during the year was Rs. 29.08 million.

			2021	2020
		Note	Rup	oees
18.2	Movement in workers' profit participation fund			
	At beginning of the year		4,443,844	13,914,400
	Amount paid to workers on behalf of the fund		(4,443,844)	(13,914,400)
			-	-
	Allocation for the year	27	649,328	4,443,844
	At end of the year		649,328	4,443,844
18.3	Movement in workers' welfare fund			
	At beginning of the year		11,413,299	9,327,989
	Amount paid to workers on behalf of the fund		(148,489)	-
			11,264,810	9,327,989
	Allocation for the year	27	1,344,178	2,085,310
	At end of the year		12,608,988	11,413,299

^{19.} This represents advance received from customer against supply of goods.



		Note	2021	2020
			Rup	oees
20.	ACCRUED MARK-UP			
	Deferred Markup - current portion		8,712,990	39,869,904
	Long term financing		1,930,711	-
	Short term borrowings	20.1	15,185,839	15,105,767
			25,829,540	54,975,671
	20.1 This includes markup payable amounti	ng to Rs. 8,015,496 (2020: Rs	s. 8,015,496) to S	sitara Spinning Mills

20.1 This includes markup payable amounting to Rs. 8,015,496 (2020: Rs. 8,015,496) to Sitara Spinning Mills Limited which is a related party of the company. The maxximum aggregated amount during the year was Rs. 8.02 million.

		Note	2021	2020
			Ruj	oees
21.	SHORT TERM BORROWINGS			
	From banking companies - secured	21.1	164,797,557	177,098,258
	Others - unsecured		-	6,000,000
			164,797,557	183,098,258

21.1 These fund based facilities have been obtained from various banks for working capital requirements, under mark-up arrangements against aggregate sanctioned limits. These facilities carry mark-up ranging from 9.00% to 10.63% (2020: 10.87% to 16.60%) per annum on daily product payable quarterly.

The aggregate short term borrowings facilities are secured against:

- a) First pari passu charge of Rs. 300 million (2020: Rs. 300 million) over present and future assets of the Company.
- b) Ranking charge of Rs. 567 million (2020: Rs. 567 million) over present and future current assets of the Company.
- c) Personal guarantees from Chief Executive Officer and a director of the Company.

22. CONTINGENCIES AND COMMITMENTS

		Note	2021 Rup	2020 Dees
22.1	Contingencies			
	Contingencies	22.1.1	-	
	22.1.1 There were no contingencies as at period end			
22.2	Commitments			
	Guarantees issued by banks on behalf of the Compan	у	99,270,865	99,270,865
	Irrevocable letters of credit		437,152,500	6,693,120



2020

2021

	Ru	pees
SALES		
Sales Less:	2,189,374,772	2,043,555,021
Commission and discount	(6,678,300)	(2,505,180)
Sales Tax	(317,299,856)	(295,693,942)
	1,865,396,616	1,745,355,899
	Sales Less: Commission and discount	SALES 2,189,374,772 Less: 2,000,374,772 Commission and discount (6,678,300) Sales Tax (317,299,856)

23.1 These include sales amounting to Rs. 0.04 million (2020: nil) to Aziz Fatima Trust Hospital which is related party of the company. The maximum aggregated amount during the year was Rs. 0.04 million.

		Note	2021	2020
			Rup	ees
24.	COST OF SALES			
	Raw material consumed	24.1	299,033,433	121,147,992
	Fuel and power		733,265,825	793,494,244
	Packing material consumed		241,890,111	213,873,898
	Stores, spare parts and loose tools consumed		25,154,255	22,043,425
	Salaries, wages and benefits	24.2	108,745,451	92,669,848
	Repairs and maintenance		48,146,751	36,781,390
	Insurance		4,636,705	4,986,258
	Depreciation	4.2	183,646,495	182,886,337
	Travelling and conveyance		264,078	266,215
	Vehicle running and maintenance		848,501	405,940
	Other expenses		2,390,733	1,865,201
			1,648,022,338	1,470,420,748
	Work-in-process			
	Balance at beginning of the year		445,671,441	494,933,303
	Balance at end of the year	7	517,966,243	445,671,441
			(72,294,802)	49,261,862
	Cost of goods manufactured		1,575,727,536	1,519,682,610
	Finished goods			
	Balance at beginning of the year		102,298,925	4,751,033
	Balance at end of the year	7	3,848,667	102,298,925
			98,450,258	(97,547,892)
	Cost of goods sold - own manufactured products		1,674,177,794	1,422,134,718
24.1	Raw material consumed			
	Opening stock		31,646,786	14,813,104
	Purchases		285,556,840	138,097,493
			317,203,626	152,910,597
	Closing stock	7	(18,170,193)	(31,646,786)
	Q	•	299,033,433	121,263,811

24.2 Salaries, wages and benefits include Rs. 6.2 million (2020: Rs. 6.5 million) in respect of post employment benefits.



		Note	2021 Ru	2020 pees
25.	DISTRIBUTION COST			
	Commission to distributors		54,622,665	46,443,466
	Salaries, wages and benefits		8,183,150	4,875,414
	Printing and stationery		135,007	118,219
	Travelling and conveyance		246,401	100,839
	Vehicle running and maintenance		27,820	26,490
	Freight and octroi		26,210,380	25,437,525
	Depreciation	4.2	93,474	102,717
	Advertisment		1,339,605	2,652,795
	Others		1,798,343	796,021
			92,656,845	80,553,486
26.	ADMINISTRATIVE EXPENSES			
	Salaries, wages and benefits	26.1	62,948,966	51,250,116
	Directors' remuneration	32	25,008,096	23,756,978
	Printing and stationery		2,205,787	1,602,508
	Insurance		1,872,011	2,561,208
	Repairs and maintenance		2,539,509	1,029,218
	Travelling and conveyance		14,087,343	12,419,040
	Rent, rates and taxes		1,064,573	236,910
	Vehicle running and maintenance		3,091,602	2,972,779
	Telephone and postage		2,244,836	1,672,944
	Advertisement		93,600	118,364
	Fees, subscription and periodicals		8,226,613	3,093,160
	Legal and professional charges		2,614,224	3,335,697
	Auditors' remuneration	26.2	1,391,500	1,391,500
	Depreciation	4.2	306,202	138,644
	Charity and donation	26.3	631,786	1,705,694
	Others		6,098,914	3,256,753
			134,425,562	110,541,513

26.1 Salaries and benefits include Rs. 1.8 million (2020: Rs. 1.9 million) in respect of post employment benefits.

		2021 Ru	2020 pees
26.2	Auditors' remuneration		
	Annual statutory audit Half yearly review Compliance report on Code of Corporate Governance Out of pocket expenses	885,500 253,000 158,125 94,875 1,391,500	885,500 253,000 158,125 94,875 1,391,500

26.3 Aziz Fatima Trust and Safia Ghafoor Trust are related parties of the Company based on common directorship. During the year, charity and donations amounting to Rs. 0.33 million (2020: Rs. 1.4 million) and Rs. 0.3 million (2020: Rs. 0.3 million) were paid respectively.

			2021 Ru	2020 pees
				P000
27.	OTHER EXPENSES			
	Workers' profit participation fund	18.2	649,328	4,443,844
	Workers' welfare fund	18.3	1,344,178	2,085,310
	Exchange loss	10.0	-	14,248
			1,993,506	6,543,402
28.	FINANCE COST			
	Mark-up on:			
	Long term financing		21,908,110	48,256,807
	Short term borrowings		15,208,503	29,479,316
	Bank charges and commission		6,465,128	4,260,090
	Unwinding of gas infrastructure decelopment cess liabil	ity	4,920,555	
			48,502,296	81,996,213
00	OTHER INCOME			
29.	OTHER INCOME			
	Profit on bank deposits		139,228	187,813
	Scrap sales		10,000	595,834
	Income from sale of catalyst		127,415,960	46,419,544
	Gain on sale on fixed assets		-	525,000
	Exchange gain		23,050	-
	Unwinding gain on gas infrastructure development cess	provision	718,938	
			128,307,176	47,728,191
30.	PROVISION FOR TAXATION			
	Income tax:		04.005.400	00 700 005
	Current tax		24,835,490 1,496,301	28,783,025
	Prior period tax Deferred tax		(47,387,191)	- (14,069,852)
	belefied tax		(21,055,400)	14,713,173
	30.1 Numerical reconciliation between applicable and	eπective tax rate		
			%	%
	Applicable tax rate		29%	29%
	Income taxed at different rates		-178.37%	-9%
	Tax credit donation		-4.63%	-2%
	Effective tax rate		-154%	18%
31.	EARNINGS PER SHARE - BASIC AND DILUTED			
	The calculation of basic earnings per share is based on	the following data:		
	Profit / (Loss) for the year	Rupees	34,708,339	74,241,976
	Weighted average number of ordinary shares	Tupees	0-1,700,000	17,271,310
	outstanding during the year	Number	55,100,000	55,100,000
	Earnings per share - basic	Rupees	0.63	1.35

No figure for diluted earnings per share has been presented as the Company has not issued any instrument carrying options which would have an impact on earnings per share when exercised.



32. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in accounts for remuneration including all benefits to Chief Executive Officer, directors and executives of the Company are as follows:

2021		2020			
Chief			Chief		
Executive	Director	Executives	Executive	Director	Executives
Officer			Officer		
		Rup	ees		
15,220,335	1,259,824	19,222,402	14,392,784	1,260,416	18,540,361
4,566,094	377,947	5,766,714	4,317,829	378,124	5,562,102
1,521,998	125,979	1,922,195	1,439,245	126,039	1,853,993
1,522,052	125,984	1,922,260	1,439,296	126,043	1,854,055
196,609	16,275	248,299	185,919	16,282	239,489
23,027,088	1,906,009	29,081,870	21,775,073	1,906,904	28,050,000
1	1	11	1	1	11
	15,220,335 4,566,094 1,521,998 1,522,052 196,609	Chief Executive Director Officer 15,220,335 1,259,824 4,566,094 377,947 1,521,998 125,979 1,522,052 125,984 196,609 16,275	Chief Executive Director Executives Officer Rup 15,220,335 1,259,824 19,222,402 4,566,094 377,947 5,766,714 1,521,998 125,979 1,922,195 1,522,052 125,984 1,922,260 196,609 16,275 248,299 23,027,088 1,906,009 29,081,870	Chief Executive Officer Director Director Executives Executives Officer Chief Executive Officer 15,220,335 1,259,824 19,222,402 14,392,784 4,566,094 377,947 5,766,714 4,317,829 1,521,998 125,979 1,922,195 1,439,245 1,522,052 125,984 1,922,260 1,439,296 196,609 16,275 248,299 185,919 23,027,088 1,906,009 29,081,870 21,775,073	Chief Executive Officer Director Director Executives Executive Officer Chief Director Director Officer 15,220,335 1,259,824 19,222,402 14,392,784 1,260,416 4,566,094 377,947 5,766,714 4,317,829 378,124 1,521,998 125,979 1,922,195 1,439,245 126,039 1,522,052 125,984 1,922,260 1,439,296 126,043 196,609 16,275 248,299 185,919 16,282 23,027,088 1,906,009 29,081,870 21,775,073 1,906,904

- 32.1 Chief Executive Officer and three executives are also provided with Company maintained cars.
- **32.2** Meeting fee of Rs. 75,000 was paid to the director and no meeting fee was paid to the Chief Executive Officer of the Company.
- 32.3 No remuneration is paid to non executive directors.

33. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated undertakings, directors, key management personnel and post employment benefit plans. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and due to related parties are shown under receivables and payables and remuneration of Chief Executive Officer, directors and executives is disclosed in note 31 to these financial statements. Other significant transactions with related parties are as follows:

		2021	2020
		Ru	pees
Description	Nature of transaction		
Associated undertaking	Organizational expenses Charity and donations	2,287,581 631,786	2,196,029 1,705,694
Var. managamant navaanal	•	Í	, ,
Key management personnel Employee benefit plan	Remuneration and other benefits Paid during the year	54,014,966 3,352,075	51,731,978 4,393,291

33.1 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 Spinning Mills Limited	Common Directorship
Sitara Lubricants	Common Directorship
Aziz Fatima Trust Hospital	Trustee
Safia Ghafoor Trust	Trustee



34.	PLANT CAPACITY AND ACTUAL PRODUCTION	2021 Tons	2020 Tons
	Production capacity	30,000	30,000
	Actual production	22,006	23,462

34.1 The shortage of raw material (gas) in the two months impacted the production.

35. NUMBER OF EMPLOYEES

The total average number of employees during years ended June 30, 2021 and 2020 are as follows:

	2021 Number o	2020 of Employees
Average number of employees during the year	324	323
Total number of employees as at June 30	322	325

36. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Balance as at June 30, 2020	Availed during the period	Repaid during the period ees	Balance as at June 30, 2021
		Hup	cc3	
Long term financing	329,165,911	105,650,440	(153,313,044)	281,503,307
Short term borrowings	183,098,258	677,191,108	(695,491,809)	164,797,557
	512,264,169	782,841,548	(848,804,853)	446,300,864
•	Balance as at June 30, 2019	Availed during the period Rup	Repaid during the period ees	Balance as at June 30, 2020
		1.00		
Long term financing	409,895,222	-	(80,729,311)	329,165,911
Short term borrowings	242,227,178	-	(59,128,920)	183,098,258
	652,122,400	-	(139,858,231)	512,264,169
			2021	2020
			Rupe	s

37. FINANCIAL INSTRUMENTS BY CATERGORY

Financial Assets

At amortised cost		
Long term deposits	23,014,059	23,014,059
Trade debts	148,334,500	161,973,844
Deposits and short term prepayments	187,535,821	18,704,337
Cash and bank balances	30,320,105	42,471,897
Financial Liabilities		
At amortised cost		
Long term financing	281,503,307	329,165,911
Deferred markup	188,517,618	184,406,709
Accrued markup	25,829,540	54,975,671
Trade and other payables	209,201,338	224,938,110
Contract liabilities	41,841,052	32,069,259
Short term borrowings	164.797.557	183.098.258



38. FINANCIAL RISK MANAGEMENT

The Company has exposures to the following risks from its use of financial instruments:

Credit risk Liquidity risk Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes shall be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

38.1 Credit risk and concentration of credit risk

38.1.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. To manage credit risk, the Company maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes, the financial viability of all counterparties is regularly monitored and assessed.

The Company is exposed to credit risk from its operating activities primarily for trade debts, loans and advances and other receivables.

The Company's credit risk exposures are categorized under the following headings:

38.1.2 Counterparties

The Company conducts transactions with the following major types of counterparties:

Trade debts

Trade debts are essentially due from local and foreign customers against sale of hydrogen peroxide and the Company does not expect these counterparties to fail to meet their obligations. Sales to the Company's customers are made on specific terms. Customer credit risk is managed subject to the Company's established policy, procedures and controls relating to customer credit risk management. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored and shipments to the foreign customers are generally covered by letters of credit or other form of credit insurance.



Banks

The Company limits its exposure to credit risk by conducting transactions only with reputable banking entities that have minimum "A" credit rating. The table below shows bank balance held with counterparties at reporting date:

Donk	Rat	ting	Rating	2021	2020	
Bank	Short term	Short term Long term		Ruj	pees	
Meezan Bank Limited	A-1+	AA+	JCR-VIS	409,167	358,596	
Bank Alfalah Limited	A-1+	AA+	JCR-VIS	-	9,195	
Habib Bank Limited	A-1+	AAA	JCR-VIS	24,568,500	20,427,754	
Standard Chartered Bank						
Pakistan Limited	A-1+	AAA	PACRA	-	5,994	
Albaraka Bank Limited	A-1	A+	JCR-VIS	-	5,243	
Faysal Bank Limited	A-1+	AA	JCR-VIS	4,018,388	365,113	
National Bank of Pakistan	A-1+	AAA	JCR-VIS	32,539	1,619,156	
MCB Bank Limited	A-1+	AAA	PACRA	-	549	
United Bank Limited	A-1+	AAA	JCR-VIS	37,839	45,906	
Askari Bank Limited	A-1+	AA+	PACRA	-	9,081	
Soneri Bank Limited	A-1+	AA-	PACRA	-	5,276	
JS Bank Limited	A-1+	AA-	PACRA	790,702	83,704	
First Women Bank	A-2	A-	PACRA	83,958	53,062	
Summit Bank Limited	A-1	BBB-	JCR-VIS	520	19,095,965	
				29,941,613	42,084,594	

38.1.3 Exposure to credit risk

The carrying amounts of financial assets represent the maximum associated credit exposure. The maximum exposure to credit risk at the reporting date was:

	2021	2020	
	Rupees		
Financial assets			
Long term deposits	23,014,059	23,014,059	
Trade debts	148,334,500	161,973,844	
Deposits and short term prepayments	187,535,821	18,704,337	
Cash at banks - current accounts	29,941,613	42,084,594	
	388,825,993	245,776,834	

38.2 Liquidity risk management

Liquidity risk reflects the Company's inability in raising funds to meet commitments. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customers.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.



The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities under long term financing agreements based on the earliest date on which the Company can be required to pay. For effective mark up rate please see relevant notes to these financial statements.

Financial liabilities in accordance with their contractual maturities are presented below:

	2021					
	Carrying amount	Contractual cash flows	Less then 1 year	Between 1 to 5 years	Above 5 years	
			Rupees			
Long term financing	281,503,307	281,503,307	180,570,085	100,933,222	-	
Deferred Markup	188,517,618	188,517,618	8,712,990	179,804,628	-	
Trade and other payables	209,201,338	209,201,338	209,201,338	-	-	
Contractual liabilities	41,841,052	41,841,052	41,841,052	-	-	
Accrued mark-up	214,347,158	214,347,158	25,829,540	188,517,618	-	
Short term borrowings	164,797,557	164,797,557	164,797,557	-	-	
	1,100,208,030	1,100,208,030	630,952,562	469,255,468	-	

2020

	Carrying	Contractual	Less then	Between 1 to 5	Above 5
	amount	cash flows	1 year	years	years
1			Rupees		
Long term financing	329,165,911	329,165,911	180,491,401	148,674,510	-
Deferred Markup	224,276,613	224,276,613	39,869,904	184,406,709	-
Trade and other payables	224,938,110	224,938,110	244,024,954	-	-
Contractual liabilities	32,069,259	32,069,259	32,069,259	-	-
Accrued mark-up	239,382,380	239,382,380	54,975,671	184,406,709	-
Short term borrowings	183,098,258	183,098,258	183,098,258	-	-
	1,232,930,531	1,232,930,531	734,529,447	517,487,928	-

38.3 Market risk

Market risk is the risk that changes with market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

38.4 Foreign currency risk management

Pak Rupee (PKR) is the functional currency of the Company and as a result currency exposure arises from



transactions and balances in currencies other than PKR. The Company's potential currency exposure comprises;

- Transactional exposure in respect of non functional currency monetary items.
- Transactional exposure in respect of non functional currency expenditure and revenues.

The potential currency exposures are discussed on next page:

Transactional exposure in respect of non functional currency monetary items

Monetary items, including financial assets and liabilities, denominated in currencies other than the functional currency of the Company are periodically restated to PKR equivalent, and the associated gain or loss is taken to the profit and loss account. The foreign currency risk related to monetary items is managed as part of the risk management strategy.

Transactional exposure in respect of non functional currency expenditure and revenues

Certain operating and capital expenditure are incurred by the Company in currencies other than the functional currency. Certain sales revenue is earned in currencies other than the functional currency of the Company. These currency risks are managed as a part of overall risk management strategy. The Company does not enter into forward exchange contracts.

Exposure to currency risk

The Company is exposed to currency risk on import of raw materials, stores and spares and export of goods mainly denominated in US Dollar. There was no balance outstanding as at June 31, 2021, therefore, the Company was not exposed to any risk.

38.5 Interest rate risk

The interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market interest rates. Sensitivity to interest rate risk arises from mismatches of financial assets and liabilities that mature in a given period.

At the reporting date, the profit, interest and mark-up rate profile of the Company's significant financial assets and liabilities is as follows:

Fixed rate financial instruments

At the reporting date, the Company has a loan on fixed rate of 5% under Temporary Economic Refinance Facility.

	2021 Percentage	2020 Percentage	2021 Rupees	2020 Rupees
Fixed rate financial instruments				
Financial liabilities Long term financing	5%	-	102,911,415	-
			102,911,415	-
	2021 Percentage	2020 Percentage	2021 Rupees	2020 Rupees
Variable rate financial instruments	Percentage			



Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in mark-up / interest rates at the balance sheet date would have decreased / (increased) loss for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for the year 2020.

	Increase Rupees	Decrease Rupees
At June 30, 2021		
Cash flow sensitivity - variable rate financial liabilities	4,463,009	(4,463,009)
At June 30, 2020		
Cash flow sensitivity - variable rate financial liabilities	5,122,642	(5,122,642)

The sensitivity analysis prepared is not necessarily indicative of the effects on loss for the year and liabilities of the Company.

38.6 CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure which comprises capital and reserves by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, appropriation of amounts to reserves or/and issue new shares. Gearing ratio of the Company is as follows:

	2021	2020
	Rup	ees
Total borrowings	446,300,864	512,264,169
Less: Cash and bank balance	(30,320,105)	(42,471,897)
Net debt	415,980,759	469,792,272
Total equity	2,473,769,426	2,029,462,630
Total capital	2,889,750,185	2,499,254,902
Gearing ratio	14%	19%

For the purpose of calculating the gearing ratio, the amount of total borrowings has been determined by including the effect of running finance under mark-up arrangement.

39. FAIR VALUE HIERARCHY

The fair value of property plant and equipment is based on revalued amount carried out by professional valuers.

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



2,369,415,501

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

39.1 The following table presents the Company's assets which are carried at fair value:

0	^	1	4
_	u	2	

Carrying value				
Carrying value	Level 1	Level 2	Level 3	Total
2,781,732,936	-	2,781,732,936	· -	2,781,732,936
		2020		
Carrying value		Fair value		
	Level 1	Level 2	Level 3	Total

2,369,415,501

Assets measured at fair value:

Assets/measured at fair value: Property, plant and equipment

Property, plant and equipment

The carrying value of all other assets and liabilities reflected in the financial statements approximate their fair value	s.

2,369,415,501

40. DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved by the Board of Directors of the Company and authorized for issue on September 25, 2021.

41. CORRESPONDING FIGURES

Corresponding figures have been rearranged for better presentation where necessary. However, no major reclassification has been made during the year.

Reclassification has been made to the corresponding figures to enhance comparability with the current year's financial statements. As a result, following line items have been amended in the statement of financial position, statement of profit or loss and related notes to the financial statements. Comparative figures have been adjusted to conform to the current year's presentation.

Reclassified from Reclassified to Rupees
Deposits and short term prepayments Long term deposits 18,809,059

42. GENERAL

Figures have been rounded off to the nearest Rupee.

CHIEF EXECUTIVE CHIEF FINANCIAL OFFICER

DIRECTOR



Circulation of Annual Audited Accounts



SITARA PEROXIDE LIMITED

CIRCULATION OF ANNUAL AUDITED ACCOUNTS

The Company Secretary Sitara Peroxide Limited 601-602, Business Centre, Mumtaz Hasan Road, Karachi

Subject: Circulation of Annual Audited Accounts via Email or any other Media

Pursuant to the directions given by the Securities and Exchange Commission of Pakistan through its SRO No. 470(I)/2016 dated 31ST May, 2016, that have allowed companies to circulate their Annual Audited Accounts (i.e. Annual Balance Sheet and Profit and Loss Accounts, Auditor's Report and Directors' Report etc ("Annual Report") along with the Notice of Annual General Meeting ("Notice") to its shareholders through Email or any other Electronic Media at the registered addresses.

Shareholders who wish to receive the hardcopy of Financial Statements shall have to fill the below form and send us to Company address.

I/We hereby consent Option 1 or Option 2 to the above SROs for Audited Financial Statements and Notice of

General Meeting(s) delivered to me hard from instead E	Email or any other Electronic Media.
Option 1 – Via Email Name of the Members/Shareholders	
CNIC NO.	
Folio / CDC Account Number	
Valid Email Address (to receive Financial Statements alongwith Notice of General Meetings instead of hardcopy/CD/DVD/USB)	
Option 2 – Via Hard copy Name of the Members/Shareholders	
CNIC NO.	
Folio / CDC Account Number	
Mailing Address (to receive Financial Statements alongwith Notice of General Meetings instead of	

I/We hereby confirm that the above mentioned information is correct and in case of any change thereon, I/We will immediately intimate to the Company's Share Registrar. I/we further confirm that the transmission of Company's Annual Audited Financial Statements and Notice of General Meeting(s) through my/our above address would be taken as compliance with the Companies Act, 2017.





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*Mobile apps are also available for download for android and ios devices

FORM OF PROXY ANNUAL GENERAL MEETING

I/We	S/o/D/o/W/o				
of		being a member			
of SITARA PEROXIDE LIMITED and holder of _	E LIMITED and holder of Ordinary Shares as per Share Register				
Folio No and/or CDC Participant ID	Noand A	and Account / Sub-account			
No do hereby appoint Mr./Mrs	s./Miss				
Folio No./CDC No. of _		failing him/her,			
Mr./Mrs./Miss	Folio No	./CDC Noof			
as my/our proxy to Meeting of the Company to be held on Wed adjournment thereof in the same manner as meeting.	Inesday October 27, 2021 at 3	3:00 pm via Zoom video link and at any			
Signature of Shareholder Signature of Proxy Folio / CDC A/C No.		Proper Amount of Revenue Stamp			
Dated this day of 2021					
Witness:	Witness:				
1. Signature	2. Signature _				
Name	Name				
Address	Address				
CNIC or	CNIC or				
Passport No.	Passport _				

Notes:

- 1. A member entitled to attend and vote at the meeting may appoint a proxy in writing to attend the meeting and vote on member's behalf.
- 2. If a member is unable to attend the meeting. He/She may complete and sign this form and send it to the Company's Share Registrar M/s. THK Associates (Pvt) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi so as to reach not less than 48 hours before the time appointed for holding the Meeting.
- 3. For CDC Account Holders / Corporate Entities; in addition to the above, the following requirements have to be met:
 - (a) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers be stated on the form.
 - (b) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.
 - (c) The proxy shall produce his original CNIC or original passport at the time of the meeting. In case of a corporate entity, the Board of Directors resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

ستاره برآ کسائیر کمیشر پراکسی فارم اجلاسِ عام

کوتقر رکرتے ہیں۔رجسٹر ڈ فولیونمبر اشرکاء کی		
	ياُسُ	
	ِ اشرکاء کی آئی ڈی اسی ڈی ہی سب ا کاؤنٹ نمبر کوبطور پراکسی 27 	
ں عام اوراُس کے کسی التواء تک میری اہماری جانب	ِ ا کا وَشَینْس ایو نیو، کلفٹن ، کرا چی کمپنی کے منعقد ہونے والے احلا	بمقام انسٹیو ٹآف چارٹرڈا کا ئٹینٹس آف پاکستان جارٹرڈ
		سے ووٹ دینااورا جلاس میں شرکت کے کاحق دیتا ہوں۔
دستخطشيئر ہولڈر	وشخط پراکسی	ر يونيوا شامپ
<u> </u>	بتاری ^خ	کی قیمت
	,	
	گواہان	گواہان
		رستخط
	نام	نامنام
	ایڈرلیس	ایڈریس
	شاختی کارڈ	شناختی کارڈ
	ياسپورك	پاسپورٹ

نوٹس:

- (1) ایک رکن جواجلاس عام میں شرکت کرنے اور ووٹ دینے کا اہل ہے اس کو تق حاصل ہے کہ وہ کسی دوسر نے فر دکو بطور پراکسی اپنی جانب سے شرکت کرنے اور ووٹ دینے کے لئے مقرر کرے۔
- (2) اگر کوئی رکن اجلاس میں شرکت کرنے کے قابل نہیں ہے تو وہ یہ فارم مکمل اور تصدیق شدہ کمپنی کے شیئر رجٹر ارمیسرز THK ایبویٹس، پہلی منزل، C-40 بلاک 6، پی۔ای۔سی۔ایچ۔ایس کراچی کواجلاس کے منعقد ہونے سے 48 گھنے قبل مجھوائیں۔
 - (3) CDC اکاؤنٹ ہولڈز/ کارپورییٹ انٹیٹس مندرجہ بالا کےعلاوہ ندکورہ شقوں پرعمل کریں۔
 - (a) پراکسی فارم میں دوگواہان کے دستخط نیزان کے پتے اور شناختی کارڈنمبر کا اندارج بھی لازمی ہے۔
 - (b) رکن اور پراکسی کی تصدیق شده قومی شناختی کارڈیا پاسپورٹ کی نقول کی فراہمی ۔
- (c) پراکسی کے لئے لازم ہے کہ وہ اجلاس کے وقت اصل قومی شاختی کارڈیا پاسپورٹ تصدیق کے لئے فراہم کرے۔ Corporate Entity کی صورت میں بورڈ آف ڈائر یکٹرز کی تصدیق شدہ قرارداد کی نقل بشمول Power of Attorney دستخط کے ساتھ (بجزاگر پہلے ہی جمع کروادی گئی ہے) پراکسی فارم کے ہمراہ کمپنی کے شیئر رجسٹرار کوجمع کروائے۔

