

20

**1st Quarter Report
September**

22



Sitara Peroxide
Limited



Board of Directors	Mrs. Sharmeen Imran Mr. Imran Ghafoor Mr. Haroon Ahmed Zuberi Mr. Ejaz Hussain Mr. Yasir Ahmed Awan Mr. Zahid Aslam Mr. Saim Bin Saeed	Chairperson Chief Executive Officer Executive Director Non-Executive Director Non-Executive Director Independent Director Independent Director
Chief Financial Officer	Mr. Waqar Hafeez	
Company Secretary	Mr. Mazhar Ali Khan	
Head of Internal Audit	Mr. Zia-ul-Mustafa	
Audit Committee	Mr. Zahid Aslam Mrs. Sharmeen Imran Mr. Zia-ul-Mustafa	Chairman Member Secretary
Human Resource and Remuneration Committee	Mr. Imran Ghafoor Mr. Ejaz Hussain	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 : (92 21) 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 Sheikhpura Road, Faisalabad. Ph : (92 41) 2400900-2, 2400904-5	

DIRECTORS REVIEW

We would like to present the un-audited condensed interim financial statements of Sitara Peroxide Limited (the Company) for the first quarter ended September 30, 2022.

The quarter under review has been very testing period for overall economy of country and manufacturing industry. The industry is facing challenge of unprecedented rise in tariff of RLNG and power, higher kibar and devaluation of Pak Rupee.

During the first three months of current financial year, net sales of your Company remained Rs. 315 million as against Rs. 451 million in the corresponding quarter of last financial year. Decrease in net sales of the Company is due to decrease in sales volume. Sales volume dropped because capacity utilization of plant remained lower in current quarter. Cost of sales during the current quarter remained 354 million as against Rs. 474 million in the comparative quarter. Net loss after taxation remained Rs. 109 million as against net loss after tax of Rs. 99 million in the same quarter of corresponding financial year. Loss per share remained Rs. 1.98 as against the loss per share of Rs. 1.80 in comparative quarter of previous financial year.

We express appreciation for retiring directors and would like to thank them for their determination and efforts. I, on the behalf of the Board, would like to take this opportunity to express our appreciation for our employees, customers, dealers, bankers, shareholders and all other stakeholders for their continued support and cooperation.

Despite all the above mentioned challenges, management of your Company is hopeful of positive outcome in longer run. We are hopeful that financial performance of your Company will improve after completion of BMR.

Allah may give us the courage to face the challenges ahead. A'meen.

On behalf of Board of Directors



IMRAN GHAFOOR
Chief Executive Officer

Faisalabad
October 27, 2022

ڈائریکٹرز جائزہ

ہم ستارہ پراکسائیڈ لمیٹڈ (کمپنی) کے 30 ستمبر 2022 کو ختم ہونے والی پہلی سہ ماہی تقریب کے لیے غیر آڈٹ شدہ عبوری مالیاتی بیانات پیش کرنا چاہیں گے۔

زیر نظر سہ ماہی ملک کی مجموعی معیشت اور مینوفیکچرنگ انڈسٹری کے لیے بہت آزمائشی دور رہی ہے۔ صنعت کو RNLNG اور بجلی کے ٹیرف میں غیر معمولی اضافے زیادہ بھراور پاک روپے کی قدر میں کمی کے چیلنج کا سامنا ہے۔

موجودہ مالی سال کے پہلے تین مہینوں کے دوران، آپ کی کمپنی کی خالص فروخت 315 ملین روپے رہی جو گزشتہ مالی سال کی اسی سہ ماہی میں 451 ملین روپے تھی۔ کمپنی کی خالص فروخت میں کمی فروخت کے حجم میں کمی وجہ سے ہے۔ موجودہ سہ ماہی میں پلانٹ کی صلاحیت کا استعمال کم رہنے کی وجہ سے فروخت کا حجم کم ہوا۔ موجودہ سہ ماہی کے دوران فروخت کی لاگت 354 ملین روپے رہی جو کہ تقابلی سہ ماہی میں 474 ملین روپے تھی۔ ٹیکسیشن کے بعد خالص نقصان اسی مالی سال کی اسی سہ ماہی میں 99 ملین روپے کے ٹیکس کے بعد خالص نقصان کے مقابلے میں 109 ملین روپے رہا۔ پچھلے مالی سال کی تقابلی سہ ماہی میں 1.80 روپے فی حصص کے نقصان کے مقابلے میں فی حصص خسار 1.98 روپے رہا۔

ہم ریٹائر ہونے والے ڈائریکٹرز کے لیے تعریف کا اظہار کرتے ہیں اور ان کے عزم اور کوششوں کے لیے ان کا شکریہ ادا کرنا چاہتے ہیں۔ میں بورڈ کی جانب سے اپنے ملازمین، صارفین، ڈیلرز، بینکرز، شیئرز ہولڈرز اور دیگر تمام اسٹیک ہولڈرز کی مسلسل حمایت اور تعاون کے لیے ان کی تعریف کرنے کے لیے اس موقع سے فائدہ اٹھانا چاہتا ہوں۔

مذکورہ بالا تمام چیلنجوں کے باوجود، آپ کی کمپنی کی انتظامیہ طویل مدت میں مثبت نتائج کی امید رکھتی ہے۔ ہمیں امید ہے کہ BMR کی تکمیل کے بعد آپ کی کمپنی کی مالی کارکردگی بہتر ہوگی۔

اللہ ہمیں آنے والے چیلنجوں کا مقابلہ کرنے کی ہمت عطا کرے۔ آمین

بورڈ آف ڈائریکٹرز کی جانب سے



عمران انور
چیف ایگزیکٹو آفیسر

فیصل آباد

27 اکتوبر 2022

Condensed Interim Statement of Financial Position (Un-audited)

As At September 30, 2022

		September 30, 2022 (Un-Audited)	June 30, 2022 (Audited)
	Note	----- Rupees -----	
NON-CURRENT ASSETS			
Property, plant and equipment	4	2,740,196,085	2,789,162,656
Long term advances and deposits		52,645,173	17,817,143
		<u>2,792,841,258</u>	<u>2,806,979,799</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		118,724,441	116,585,945
Stock-in-trade		268,861,598	272,468,996
Trade debts		209,632,912	215,238,160
Loans and advances		155,495,302	129,102,245
Deposits and short term prepayments		190,603,020	146,463,633
Taxes refundable due from government		157,475,852	182,317,697
Advance Income Tax		35,073,952	35,073,952
Cash and bank balances		1,085,732	1,816,178
		<u>1,136,952,809</u>	<u>1,099,066,806</u>
		<u>3,929,794,067</u>	<u>3,906,046,605</u>
SHARE CAPITAL AND RESERVES			
Authorized share capital			
60,000,000 ordinary shares of Rs.10 each		600,000,000	600,000,000
Issued, subscribed and paid up share capital			
55,100,000 ordinary shares of Rs. 10 each fully paid in cash		551,000,000	551,000,000
Unappropriated profit		56,727,925	140,654,535
Surplus on revaluation of property, plant and equipment		1,419,091,509	1,444,238,118
		<u>2,026,819,434</u>	<u>2,135,892,653</u>
NON-CURRENT LIABILITIES			
Long-term financing	5	11,638,836	17,437,818
Deferred liabilities		548,004,510	545,980,578
		<u>559,643,346</u>	<u>563,418,396</u>
CURRENT LIABILITIES			
Trade and other payables		405,174,287	380,738,235
Contract liabilities		137,633,124	178,838,380
Mark-up accrued on loans		242,130,220	233,263,515
Loan from Chief Executive Officer		190,315,000	25,000,000
Short-term borrowings		129,180,167	129,184,738
Current portion of long-term financing	5	234,171,243	236,705,593
Provision for taxation		4,727,246	23,005,095
		<u>1,343,331,287</u>	<u>1,206,735,556</u>
CONTINGENCIES AND COMMITMENTS			
	6	-	-
		<u>3,929,794,067</u>	<u>3,906,046,605</u>

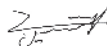
The annexed selected notes from 1 to 10 form an integral part of this condensed interim financial information.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

Condensed Interim Statement of Profit and Loss (Un-audited)
for the 1st Quarter Ended September 30, 2022

	Note	Quarter Ended September 30,	
		2022	2021
		----- Rupees -----	
Sales		315,149,718	450,520,227
Cost of sales	7	353,516,015	474,169,515
Gross loss		(38,366,297)	(23,649,288)
Other income		21,899	245,651
		(38,344,398)	(23,403,637)
Distribution expenses		9,798,722	25,178,729
Administrative expenses		38,790,868	33,260,821
Finance cost		17,411,985	10,475,309
		66,001,575	68,914,859
Loss before taxation		(104,345,973)	(92,318,496)
Provision for taxation		4,727,246	6,714,922
Loss for the period		(109,073,219)	(99,033,418)
Earning per share - basic and diluted		(1.98)	(1.80)

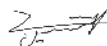
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CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

Condensed Interim Statement Of Cash Flows (Un-audited)For the 1st Quarter Ended September 30, 2022

	Quarter Ended September 30,	
	2022	2021
	----- Rupees -----	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(104,345,973)	(92,318,496)
Adjustments for:		
Depreciation on property, plant and equipment	48,966,571	47,676,165
Profit on bank deposits	(21,899)	(90,689)
Provision for deferred-employee benefits	2,023,932	2,023,931
Finance cost	17,411,985	10,475,309
	<u>(35,965,384)</u>	<u>(32,233,780)</u>
Working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(2,138,496)	1,589,227
Stock-in-trade	3,607,398	42,328,594
Trade debts	5,605,248	60,785,545
Advances	(26,393,057)	(1,980,099)
Deposits and prepayments	(44,139,387)	(4,918,265)
Increase / (decrease) in current liabilities:		
Trade and other payables	(16,769,206)	(39,115,016)
	<u>(80,227,500)</u>	<u>58,689,986</u>
Cash (used in) / generated from operations	<u>(116,192,884)</u>	<u>26,456,206</u>
Finance cost paid	(8,545,280)	(3,137,439)
Sales tax (paid) / refunded	(3,806,657)	246,369
Employee benefits paid	-	(426,015)
Income taxes paid	5,643,408	(23,188,607)
	<u>(6,708,529)</u>	<u>(26,505,692)</u>
Net cash used in operating activities	<u>(122,901,413)</u>	<u>(49,486)</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	-
Profit received on bank deposits	21,899	90,689
Increase in long-term deposits	(34,828,030)	-
Net cash (used in) / generated from investing activities	<u>(34,806,131)</u>	<u>90,689</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term financing	(8,333,331)	-
Proceeds from loan of Chief Executive Officer	165,315,000	-
Net decrease in short-term borrowings	(4,571)	(14,348,316)
Net cash generated from / (used in) financing activities	<u>156,977,098</u>	<u>(14,348,316)</u>
Net decrease in cash and cash equivalents	<u>(730,446)</u>	<u>(14,307,113)</u>
Cash and cash equivalents at beginning of period	<u>1,816,178</u>	<u>30,320,105</u>
Cash and cash equivalents at end of period	<u>1,085,732</u>	<u>16,012,992</u>

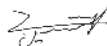
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CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

Condensed Interim Statement of Changes In Equity (Un-audited)

For the 1st Quarter Ended September 30, 2022

	Share capital	Accumulated loss	Surplus on revaluation of property, plant and equipment	Total
----- Rupees -----				
Balance as at July 01, 2021	551,000,000	377,944,872	1,544,824,554	2,473,769,426
Profit for the period	-	(99,033,418)	-	(99,033,418)
Other comprehensive income	-	-	-	-
	-	(99,033,418)	-	(99,033,418)
Transfer to unappropriated profit on account of incremental depreciation - net of tax	-	23,815,700	(23,815,700)	-
Balance as at September 30, 2021	551,000,000	302,727,154	1,521,008,854	2,374,736,008
Balance as at July 01, 2022	551,000,000	140,654,535	1,444,238,118	2,135,892,653
Profit for the period	-	(109,073,219)	-	(109,073,219)
Other comprehensive income	-	-	-	-
	-	(109,073,219)	-	(109,073,219)
Transfer to unappropriated profit on account of incremental depreciation - net of tax	-	25,146,609	(25,146,609)	-
Balance as at September 30, 2022	551,000,000	56,727,925	1,419,091,509	2,026,819,434

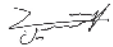
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CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

Notes to the Condensed Interim Financial Information (Un-audited)

For the 1st Quarter Ended September 30, 2022

1. GENERAL INFORMATION

Sitara Peroxide Limited ("the Company") is limited by shares, incorporated in Pakistan on March 08, 2004 as a public limited company under the Companies Ordinance, 1984. 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 facility is located at 26-KM Sheikhupura Road, Faisalabad in the province of Punjab. The principal object of the Company is manufacturing and sale of Hydrogen Peroxide (H²O²).

2. STATEMENT OF COMPLIANCE

- 2.1** These condensed interim financial statements of the Company for the first quarter ended September 30, 2022 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. In case where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.
- 2.2** This condensed interim financial information should be read in conjunction with annual audited financial statements for the year ended June 30, 2022. Comparative statement of financial position is extracted from annual audited financial statements for the year ended June 30, 2022 whereas comparative statement of profit and loss, comparative statement of comprehensive income, comparative statement of changes in equity and comparative statement of cash flows are stated from un-audited condensed interim financial information for the quarter ended on September 30, 2021.
- 2.3** This condensed interim financial information is un-audited.
- 2.4** This condensed interim financial information has been presented in Pak Rupee, which is the Company's functional and presentation currency.

3. ACCOUNTING POLICIES AND ESTIMATES

The accounting policies and the methods of computation adopted in preparation of this condensed interim financial information are the same as those applied in the preparation of annual audited financial statements for the year ended June 30, 2022.

		September 30, 2022 (Un-Audited)	June 30, 2022 (Audited)
	Note	----- Rupees -----	
4. PROPERTY PLANT AND EQUIPMENT			
Operating fixed assets	4.1	2,740,196,085	2,789,162,656
4.1 Operating assets			
Opening carrying value		2,789,162,656	3,015,780,434
Revaluation surplus		-	-
Additions during the period / year			
Vehicles		-	4,275,000
Deletions during the period / year			
Vehicles - at WDV		-	(826,912)
		2,789,162,656	3,019,228,522
Depreciation charged during the period / year		(48,966,571)	(230,065,866)
		2,740,196,085	2,789,162,656
5. STOCK-IN-TRADE			
Raw material		26,491,955	17,795,355
Packing material		986,066	3,324,693
Work-in-process		238,284,273	247,337,600
Finished goods		3,099,304	4,011,348
		268,861,598	272,468,996
6. CONTINGENCIES AND COMMITMENTS			
6.1 Contingencies			
		-	-
6.2 Commitments			
Gaurantees issued by banks on behalf of the Company		99,270,865	99,270,865
Irrevocable letters of credit		-	-



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