



**Unaudited First Quaterly
Report September, 2023**





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Sitara Peroxide Limited

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Company Information



Board of Directors

Mr. Yasir Ahmed Awan
(Chairman)

Mr. Imran Ghafoor
(Chief Executive Officer)

Mrs. Sharmeen Imran
(Non-Executive Director)

Mr. Haroon Ahmed Zuberi
(Independent Director)

Mr. Junaid Makda
(Non-Executive Director)

Mr. Saqib Anjum
(Non-Executive Director)

Mr. Saim Bin Saeed
(Independent Director)

Chief Financial Officer

Mr. Shahid Irshad

Company Secretary

Mr. Mazhar Ali Khan

Head of Internal Audit

Mr. Waqar Hafeez - FCA

Audit Committee

Mr. Saim Bin Saeed
(Chairman)

Mr. Yasir Ahmed Awan
(Member)

Mr. Haroon Ahmed Zuberi
(Member)

Share Registrar

THK Associates (Private) Limited
Plot No. 32-C, Jami Commercial Street 2,
DHA, Phase VII, Karachi - 75500,
Pakistan.

UAN: (92 21) 111-000-322

Email: aa@thk.com.pk

Board Human Resource & Remuneration Committee

Mrs. Sharmeen Imran
(Chairperson)

Mr. Imran Ghafoor
(Member)

Mr. Saqib Anjum
(Member)

External Auditors

RSM Avasi Hyder Liaqat Nauman
(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.pk

Bankers

Al Baraka Bank (Pakistan) Limited
Askari Bank Limited
Bank Alfalah Limited
Faysal Bank Limited
The Bank of Punjab
MCB Bank Limited
Meezan Bank Limited
National Bank Limited
Silk Bank Limited
Standard Chartered Bank (Pakistan) Limited
Bank Makaramah Limited
United Bank Limited
Habib Bank Limited
First Women Bank Limited

Head Office & Project Location

26 - KM Sheikhpura Road,
Faisalabad.
Ph : (92 41) 2400900-2, 2400904-5



DIRECTORS' REPORT

The Board of Directors of Sitara Peroxide Limited (the Company) is pleased to present their report together with unaudited condensed interim financial information of the Company for the first quarter ended September 30, 2023.

Business and Financial Review

The financial result for the first quarter of current financial year, in comparison with the first quarter of the last financial year, are as under;

Financial Highlights	July – September 2023 (Rupees in thousand)	July – September 2022 (Rupees in thousand)
Sales – net	15,868	315,150
Cost of goods sold	63,638	353,516
Gross (loss)	(47,770)	(38,366)
(Loss) after tax	(78,834)	(109,073)
(Loss) per share – basic and diluted (Rupees)	(1.43)	(1.98)

During the quarter under review, net sales of the Company reduced to Rs. 15.868 Million in comparison with first quarter of the last year due to shut down of the plant from on accounts various reasons leading to the decision of complete balancing, modernization and replacement (BMR) to be competitive in the long run. The Company suffered gross loss of Rs. 47.770 Million including depreciation Rs. 43.179 million on closed plant. As a result of closure of the plant, Loss after tax reduced to Rs 78.834 Million for the first quarter under review, including overall depreciation of Rs 43.833, in comparison with Loss after tax Rs 109.073 Million during the first quarter of the last financial year. Accordingly, loss per share reduced to Rs. 1.43 during the first quarter under review as compared with loss per share of Rs. 1.98 during the first quarter of last financial year.

Moreover, the management rescheduled its Sukuk Facility on December 29, 2023 at cost of fund with effect from first October 2023 and waiver of Rs 296.696 Million after full & final adjustment. The management has decided to make the company debt free in order to eliminate debt burden and finance cost thereon.

Future Outlook

The economy of Pakistan is facing severe economic challenges and the management is taking due care to take final investment decision in order to protect the interest of all the stakeholders. The management is of the considered view that continuation of production facilities with existing technology, higher tariffs of RLNG and power would have resulted in huge operational losses.

The aforesaid BMR will enhance current production capacity of plant from 30,000 tons per annum to 40,000 tons per annum along with better yield and efficiency. The Company is in active negotiation with the technology and plant & machinery suppliers and has already made certain advance payment. The management of the Company is confident for BMR and viable operation.

The Board would like to take this opportunity to express its appreciation to all stakeholders for their support and cooperation. Allah may give us the courage to face the challenges ahead. Ameen.

On behalf of the Board of Directors

IMRAN GHAFUOR
Chief Executive Officer

Faisalabad
December 16, 2024

Directors' Report



ستارہ پراکسائیڈ لمیٹڈ (کمپنی) کے بورڈ آف ڈائریکٹرز کو رپورٹ پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔ جس کے ساتھ کمپنی کے لئے 30 ستمبر 2023 کو ختم ہونے والی پہلی سہ ماہی کے دوران کی غیر آڈٹ شدہ معاشی مالی معلومات بھی شامل ہیں۔

کاروباری اور مالی جائزہ:

موجودہ مالی سال کی پہلی سہ ماہی کے دوران مالی نتائج، گزشتہ مالی سال کے پہلی سہ ماہی کے ساتھ موازنہ کرتے ہوئے مندرجہ ذیل ہیں۔

تفصیل	مالی سال 2022ء	مالی سال 2023ء
پاکستانی روپے ہزاروں میں		
فروخت آمدنی	315,150	15,868
فروخت کی لاگت	353,516	63,638
مجموعی (نقصان)	(38,366)	(47,770)
ٹیکسیشن کے بعد (نقصان)	(109,073)	(78,834)
نیٹ منس نقصان	(1.98)	(1.43)

جولائی تا ستمبر 2023 کی پہلی سہ ماہی کے دوران کمپنی کی فروخت آمدنی 15,868 ملین روپے تک کم ہو گئیں، جو کہ گزشتہ مالی سال کی اسی مدت کے دوران 315,150 ملین روپے تھیں۔ اس کی بنیادی وجہ پلانٹ کی بندش ہے۔ جس کا سامنا کمپنی نے مختلف وجوہات کی بنا پر کیا۔ اس کے نتیجے میں کمپنی نے مکمل ہیڈنگ، جدید کاری اور تہہ بندی کا فیصلہ کیا۔ تاکہ طویل عرصے تک چل سکے۔ اس بندش کے نتیجے میں کمپنی نے 47,770 ملین روپے کا مجموعی نقصان اٹھایا، جس میں 43,179 ملین روپے فرسودگی کے شامل ہے۔ جو بند شدہ پلانٹ پر آئے۔ پلانٹ کے بندش کے نتیجے میں، ٹیکس کے بعد نقصان 78,834 ملین روپے رہا، جس میں 43,833 ملین روپے فرسودگی کے شامل ہیں۔ جو کہ گزشتہ مالی سال کی اسی مدت میں 109,073 ملین روپے تھا۔ نیٹ منس نقصان بھی 1.43 روپے ہو گیا، جو گزشتہ سہ ماہی کے 1.98 روپے کے نقصان کے مقابلے میں کم ہوا۔

اس کے علاوہ، انتظامیہ نے اپنے سوک فیلٹری کے تنظیم نو 29 دسمبر 2023 کو کی۔ جس میں فنڈز کی لاگت میں کمی اکتوبر 2023 سے کی گئی اور 296.696 ملین روپے کی معافی حاصل کی گئی۔ انتظامیہ نے کمپنی کو قرض سے آزاد کرنے اور اس کے اخراجات کو کم کرنے کا فیصلہ کیا۔

مستقبل کے امکانات:

پاکستان کی معیشت کو شدید معاشی چیلنجز کا سامنا ہے۔ اور انتظامیہ تمام سٹیک ہولڈرز کے مفادات کے تحفظ کے لئے سہ ماہی کاروباری کا جتنی فیصلہ لینے میں پوری احتیاط برت رہی ہے۔ اور بجلی کے زیادہ ٹیرف کے نتیجے میں بہت برا آپریشن RPLNG انتظامیہ کا خیال ہے کہ موجودہ ٹیکنالوجی کے ساتھ پیداواری سہولیات کا تسلسل نقصان ہوتا۔ مذکورہ بی ایم آر بہتر پیداواری اور کارکردگی کے ساتھ پلانٹ کی موجودہ پیداواری صلاحیت کو 30,000 ٹن سالانہ سے 40,000 ٹن سالانہ تک بڑھادے گا۔ کمپنی ٹیکنالوجی اور پلانٹ اور مشینری کے سپلائرز کے ساتھ فعال بات چیت کر رہی ہے۔ اور اس نے پہلے ہی کچھ ادا کی گئی کر دی ہے۔

BMR کمپنی کی انتظامیہ اور قابل عمل آپریشن کے لئے پراعتماد ہے۔

بورڈ تمام اسٹیک ہولڈرز کا ان کی حمایت اور تعاون پر شکر یہ ادا کرنا چاہتا ہے۔ اللہ ہمیں آئندہ چیلنجز کا سامنا کرنے کی ہمت دے۔ آمین

بورڈ ممبران کی جانب سے

عمران فہرور
چیف ایگزیکٹو آفیسر

فیصل آباد

16 دسمبر 2024

Statement of Financial Position



SITARA PEROXIDE LIMITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT SEPTEMBER 30, 2023

		September 30, 2023 (Un-audited)	June 30, 2023 (Audited)
	Note Rupees	
NON-CURRENT ASSETS			
Property, plant and equipment	4	2,514,014,218	2,557,848,157
Long term advances		109,626,266	109,626,266
Long term deposits		<u>52,741,143</u>	<u>52,741,143</u>
		2,676,381,627	2,720,215,566
CURRENT ASSETS			
Stores, spare parts and loose tools		117,116,839	117,697,729
Stock-in-trade	5	210,111,803	224,714,591
Trade debts		119,602,495	127,394,884
Loans and advances		20,632,482	20,632,482
Taxes refundable due from government		112,940,139	131,692,180
Advance Income Tax		33,192,860	33,192,860
Cash and bank balances		<u>1,175,052</u>	<u>9,138,135</u>
		614,771,670	664,462,861
Non-current asset held for sale		<u>52,045,318</u>	<u>52,045,318</u>
		<u>3,343,198,615</u>	<u>3,436,723,745</u>
SHARE CAPITAL AND RESERVES			
Authorized share capital			
60,000,000 ordinary shares of Rs.10 each		<u>600,000,000</u>	<u>600,000,000</u>
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
Accumulated loss		(688,720,893)	(622,800,423)
Surplus on revaluation of property, plant and equipment		<u>1,379,670,532</u>	<u>1,392,584,049</u>
		1,241,949,639	1,320,783,626
NON-CURRENT LIABILITIES			
Long-term financing		-	-
Deferred liabilities		49,625,297	49,625,297
Deferred taxation		<u>557,021,081</u>	<u>557,021,081</u>
		606,646,378	606,646,378
CURRENT LIABILITIES			
Trade and other payables		444,783,727	465,299,286
Contract liabilities		128,170,803	120,072,352
Loan from Chief Executive Officer		356,472,000	345,472,000
Accrued mark-up		266,445,336	257,320,472
Current portion of long-term financing		298,492,709	308,492,709
Provision for taxation		<u>238,023</u>	<u>12,636,922</u>
		1,494,602,598	1,509,293,741
CONTINGENCIES AND COMMITMENTS			
	6	-	-
		<u>3,343,198,615</u>	<u>3,436,723,745</u>

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

CHIEF EXECUTIVE OFFICER

DIRECTOR



Statement of Profit or Loss

SITARA PEROXIDE LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS (UN-AUDITED)

FOR THE 1st QUARTER ENDED SEPTEMBER 30, 2023

	Note	Quarter Ended September 30,	
		2023	2022
	 Rupees
Sales		15,868,200	315,149,718
Cost of sales	7	<u>63,637,800</u>	<u>353,516,015</u>
Gross loss		(47,769,600)	(38,366,297)
Other income		<u>888,785</u>	<u>21,899</u>
		(46,880,815)	(38,344,398)
Distribution expenses		<u>645,481</u>	<u>9,798,722</u>
Administrative expenses		<u>21,943,510</u>	<u>38,790,868</u>
Finance cost		<u>9,126,158</u>	<u>17,411,985</u>
		<u>31,715,149</u>	<u>66,001,575</u>
Loss before taxation		(78,595,964)	(104,345,973)
Provision for taxation		<u>238,023</u>	<u>4,727,246</u>
Loss for the period		<u>(78,833,987)</u>	<u>(109,073,219)</u>
Earning per share - basic and diluted		<u>(1.43)</u>	<u>(1.98)</u>

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

CHIEF EXECUTIVE OFFICER

DIRECTOR



Statement of Cash Flows

SITARA PEROXIDE LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2023

	September 30,	
	2023	2022
 Rupees	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(78,595,964)	(104,345,973)
Adjustments for:		
Depreciation on property, plant and equipment	43,833,937	48,966,571
Profit on bank deposits	(10,184)	(21,899)
Provision for deferred-employee benefits	-	2,023,932
Finance cost	<u>9,126,158</u>	<u>17,411,985</u>
	(25,646,053)	(35,965,384)
Working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	580,890	(2,138,496)
Stock-in-trade	14,602,788	3,607,398
Trade debts	7,792,389	5,605,248
Advances	-	(26,393,057)
Deposits and prepayments	-	(44,139,387)
Increase / (decrease) in current liabilities:		
Trade and other payables	<u>(12,417,106)</u>	<u>(16,769,206)</u>
	<u>10,558,961</u>	<u>(80,227,500)</u>
Cash generated from operations	(15,087,092)	(116,192,884)
Finance cost paid	(1,294)	(8,545,280)
Sales tax (paid) / refunded	(2,856,273)	(3,806,657)
Income taxes paid	<u>8,971,392</u>	<u>5,643,408</u>
	<u>6,113,825</u>	<u>(6,708,529)</u>
Net cash (used in) operating activities	<u>(8,973,267)</u>	<u>(122,901,413)</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Profit received on bank deposits	10,184	21,899
Increase in long-term deposits	-	(34,828,030)
Net cash generated from / (used in) investing activities	<u>10,184</u>	<u>(34,806,131)</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term financing	(10,000,000)	(8,333,331)
Proceeds from loan of Chief Executive Officer	11,000,000	165,315,000
Net decrease in short-term borrowings	-	(4,571)
Net cash generated from financing activities	<u>1,000,000</u>	<u>156,977,098</u>
Net (decrease) in cash and cash equivalents	(7,963,083)	(730,446)
Cash and cash equivalents at beginning of period	<u>9,138,135</u>	<u>1,816,178</u>
Cash and cash equivalents at end of period	<u>1,175,052</u>	<u>1,085,732</u>

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

Statement of Changes in Equity



SITARA PEROXIDE LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2023

	Share capital	Unappropriated profit	Surplus on revaluation of property, plant and equipment	Total
 Rupees			
Balance as at July 01, 2022	551,000,000	140,654,535	1,444,238,118	2,135,892,653
Loss 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
Balance as at July 01, 2023	551,000,000	(622,800,423)	1,392,584,049	1,320,783,626
Loss for the period	-	(78,833,987)	-	(78,833,987)
Other comprehensive income	-	-	-	-
	-	(78,833,987)	-	(78,833,987)
Transfer to unappropriated profit on account of incremental depreciation - net of tax	-	12,913,517	(12,913,517)	-
Balance as at September 30, 2023	551,000,000	(688,720,893)	1,379,670,532	1,241,949,639

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

CHIEF EXECUTIVE OFFICER

DIRECTOR



Notes to the Financial Statements

SITARA PEROXIDE LIMITED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2023

1. GENERAL INFORMATION

Sitaraxeroxide 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 Sheikhpura 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, 2023 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, 2023. Comparative statement of financial position is extracted from annual audited financial statements for the year ended June 30, 2023 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, 2022.
- 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, 2023.

		September 30, 2023 (Un-Audited)	June 30, 2023 (Audited)
	Note Rupees
4. PROPERTY PLANT AND EQUIPMENT			
Operating fixed assets	4.1	<u>2,514,014,220</u>	<u>2,557,848,157</u>
4.1 Operating assets			
Opening carrying value		2,557,848,157	2,789,162,656
Additions during the period / year			
Vehicles		-	8,555,090
Deletions / transfer during the period / year			
Vehicles		-	(52,045,318)
		<u>2,557,848,157</u>	<u>2,745,672,428</u>
Depreciation charged during the period / year		<u>(43,833,937)</u>	<u>(187,824,271)</u>
		<u>2,514,014,220</u>	<u>2,557,848,157</u>



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