



**Half Yearly Report
December 31, 2024**

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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. Hafiz Muhammad Tariq

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
Ph: (92 21) 35310183-84
Fax: (92 21) 35310191

Board Human Resource & Remuneration Committee

Mrs. Sharmeen Imran
Chairperson
Mr. Imran Ghafoor
Member
Mr. Saqib Anjum
Member

External Auditors

RSM-Avais Hyder
Liaqat Nauman
Chartered Accountants

Legal Advisor

Sahibzada Waqar Arif

Registered Officer

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
Habib Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
Bank Makramah Limited (BML)
United Bank Limited
JS Bank Limited
First Women Bank Limited
Bank Al Habib Limited
Habib Metropolitan Bank Limited

Head Office & Project Location

26 - KM Sheikhpura Road,
Faisalabad.
Ph : (92 41) 2600108, 2600747

DIRECTOR'S REPORT

The Board of Directors of Sitara Peroxide Limited (the Company) is pleased to present their report together with duly reviewed condensed interim financial information of the Company for the half year ended on December 31, 2024.

Business and Financial Review

The financial results of half year ended on December 31, 2024, in comparison with corresponding half year ended on December 31, 2023, are as under.

Financial Highlights	Half year ended on December 2024	Half year ended on December 2023
	Rupees	Rupees
Sales	0	14,900,700
Cost of sales	0	92,395,036
Gross (loss)/Profit	0	(77,494,336)
Other Income	0	88,309,603
(Loss)/Profit before tax	(147,791,914)	(131,641,085)
(Loss)/Profit after tax	(123,630,100)	(76,371,801)
(Loss) per share – basic and diluted	(2.24)	(1.39)

During half-year under review, the operations of the company remained closed for the envisaged balancing, modernization and replacement (BMR) of plant & machinery and overall restructuring of the Company.

There is no sales during half-year under review while stock-in-hand had already been sold during corresponding half-year ended on December 31, 2023

The Company suffered loss after tax Rs 123.630 million during half-year ended on December 31, 2024 in comparison with loss after tax Rs 76.371 million during corresponding half-year ended on December 31, 2023. The administrative expenses Rs 145.015 million during half-year under review includes depreciation Rs 91.478 million, salary, wages & benefits Rs 29.495, repair and maintenance of plant & machinery Rs 4.374 million. Finance cost reduced to Rs 2.776 million during half-year under review from Rs 17.267 million during corresponding half-year on account of repayment of Sukuk Facility and its rescheduling at cost of fund, instead of KIBOR based mark-up, signed on December 29, 2023 and valid till November 30, 2025.

Loss per share increased to Rs. 2.24 during half-year under review as compared with Loss per share of Rs. 1.39 during corresponding half-year. The management of the Company took austerity measures to further minimize expenses without compromising over legitimate expenses, departmental payments, litigation expenses and contingencies.

Future Outlook

The economic conditions of the country and specially that of industries remained challenging. The management is taking due care in taking final investment decision to protect the interests of all stakeholders, mainly, shareholders, dedicated customers, suppliers etc. The management is successfully moving to repay the entire debts of the Company in order to eliminate debt burden as well as related finance cost and reduction in losses. Financial institutions are also extending due cooperation during this difficult period.

The envisaged BMR will enhance production capacity, yield and efficiency. The management of the Company is in active negotiations with technology supplier and already made an advance payment. The management of the Company is confident for BMR and viable operation.

The board would like to express its gratitude to all stakeholders, especially shareholders, for their support and cooperation during the AGM.

By the order of the Board



HAROON AHMED ZUBERI
Director



Chief Executive Officer

Faisalabad
October 24, 2025

DIRECTOR'S REPORT

ستارہ پراکسائیڈ لمیٹڈ (کمپنی) کے بورڈ آف ڈائریکٹرز کو 31 دسمبر 2024ء کو ختم ہونے والی ششماہی رپورٹ مخلص عبوری مالیاتی معلومات پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔ کاروباری اور مالیاتی نتائج:

31 دسمبر 2024ء کو ختم ہونے والی ششماہی کے مالیاتی نتائج 31 دسمبر 2023ء کو ختم ہونے والی آخری ششماہی کے مقابلے میں حسب ذیل ہیں۔

تفصیل	نصف سال جولائی تا دسمبر 2024ء	سال نصف جولائی تا دسمبر 2023ء
پاکستانی روپے ہزاروں میں	پاکستانی روپے ہزاروں میں	
فروخت آمدنی	0	14,900,700
فروخت کی لاگت	0	92,395,036
مجموعی (نقصان) / منافع	0	(77,494,336)
دوسری آمدنی	0	88,309,603
ٹیکسیشن سے پہلے (نقصان) / منافع	(147,791,914)	(131,641,085)
ٹیکسیشن کے بعد (نقصان) / منافع	(123,630,100)	(76,371,801)
فی شیئر نقصان (Rupees) Basic and Diluted	(2.24)	(1.39)

موجودہ ششماہی کے دوران پلانٹ اور مشینری کے تصور شدہ توازن، ماڈرنائزیشن اور متبادل (BMR) اور کمپنی کی مجموعی تنظیم نو کے لئے کمپنی کے آپریشنز بند رہے۔ موجودہ ششماہی کے دوران کوئی فروخت نہیں ہوئی۔ جبکہ 31 دسمبر 2023ء کو ختم ہونے والی ششماہی کے دوران اشاک پہلے سے ہی ختم ہو چکا تھا۔ کمپنی کو 31 دسمبر 2024ء کو ختم ہونے والی ششماہی کے دوران 123.630 ملین روپے ٹیکس کے بعد نقصان کا سامنا کرنا پڑا۔ جبکہ 31 دسمبر 2023ء کو ختم ہونے والی ششماہی کے دوران 76.371 ملین روپے ٹیکس کے بعد نقصان ہوا۔

زیر جائزہ ششماہی کے دوران 145.015 ملین روپے کے انتظامی اخراجات میں فرسودگی 91.478 ملین روپے ہے۔ اجرت اور مراعات 29.495 ملین روپے، پلانٹ اور مشینری کی مرمت اور دیکھ بھال 4.374 ملین روپے، 29 دسمبر 2023ء کو دستخط کیے گئے KIBOR پر مبنی مارک اپ کے بجائے سکوک سہولیات کی ادائیگی اور فنڈز کی لاگت پر اس کی ری شیڈیولنگ کی وجہ سے مالیاتی لاگت اسی ششماہی کے 17.267 ملین روپے سے زیر جائزہ ششماہی کے دوران کم ہو کر 2.776 ملین روپے ہو گئی اور 30 نومبر 2025ء تک کارآمد ہے۔

موجودہ ششماہی کے دوران نقصان فی شیئر بڑھ کر 2.24 روپے ہو گیا۔ جبکہ پچھلی ششماہی کے دوران 1.39 روپے ہے۔ کمپنی کی انتظامیہ نے جائز اخراجات، محکمہ ادائیگیوں، قانونی چارہ جوئی کے اخراجات اور ہنگامی حالات پر سمجھوتہ کیے بغیر اخراجات کو مزید کم کرنے کے لئے کفایت شعاری کے اقدامات کیے ہیں۔

مستقبل کے امکانات:

ملک کے معاشی حالات اور خاص طور پر صنعتوں کے حالات چیلنج رہے۔ انتظامیہ تمام سٹیک ہولڈرز، خاص طور پر شیئر ہولڈرز، سپلائرز اور کسٹمرز وغیرہ کے مفادات کے تحفظ کے لئے سرمایہ کاری کا حتمی فیصلہ لینے میں احتیاط برت رہی ہے۔ انتظامیہ قرضوں کے بوجھ کے ساتھ ساتھ متعلقہ مالیاتی لاگت اور نقصانات میں کمی کو ختم کرنے کے لئے کمپنی کے تمام قرضوں کی ادائیگی کے لئے کامیابی سے آگے بڑھ رہی ہے۔ مالیاتی ادارے بھی اس مشکل وقت میں بھرپور تعاون کر رہے ہیں۔

تصور شدہ (BMR) پیداواری صلاحیت، پیداوار اور کارکردگی میں اضافہ کرے گا۔ کمپنی کی انتظامیہ ٹیکنالوجی فراہم کنندہ کے ساتھ فعال بات چیت میں ہے۔ اور پہلے ہی پیشگی ادائیگی کر چکی ہے۔ کمپنی کی انتظامیہ (BMR) اور قابل عمل آپریشن کے لئے پراعتماد ہے۔

بورڈ تمام سٹیک ہولڈرز بالخصوص شیئر ہولڈرز کا AGM کے دوران ان کی حمایت اور تعاون کے لئے شکریہ ادا کرنا چاہتا ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے

عمران غفور

چیف ایگزیکٹو آفیسر

ہارون احمد میری

ڈائریکٹر

فیصل آباد

24 اکتوبر 2025

AUDITOR'S REVIEW REPORT

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Sitara Peroxide Limited

Report on Review of the Condensed Interim Financial Statements

Introduction

We were engaged to review the accompanying condensed interim statement of financial position of Sitara Peroxide Limited as at December 31, 2024 and the related condensed interim statement of profit or loss, the condensed interim statement of comprehensive income, the condensed interim statement of changes in equity and the condensed interim statement of cash flows and notes to the condensed interim financial statements for the six-months period then ended (here-in-after referred to as the condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. However, because of the matters described in the Basis for Disclaimer of Conclusion paragraph, we were not able to obtain sufficient appropriate evidence to provide a basis for expressing a conclusion on the condensed interim financial statements.

Scope of Review

We were engaged to conduct our review in accordance with International Standards on Review Engagements 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit.

Accordingly, we do not express an audit opinion.

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three months' period ended December 31, 2024 and 2023 have not been reviewed, as we are required to review only the cumulative figures for the six months' period ended December 31, 2024.

AUDITOR'S REVIEW REPORT

Basis for Disclaimer of Conclusion

(a) As described in Note 1.3 to the condensed interim financial statements, the condensed interim financial statements have been prepared on going concern basis. The Company has incurred a net loss for the period of Rs. 123.63 million (2024: Rs. 76.37 million), and as at December 31, 2024, current liabilities exceed current assets by Rs. 1,030.21 million (June 30, 2024: Rs. 973.89 million). The Company was unable to pay installments of long term financing of Rs. 101.73 million (June 30, 2024: Rs. 126.73 million). The plant of the company has remained shut down from June 12, 2023 to date. The Company is facing operational and financial problems. These factors indicate the existence of a material uncertainty, which may cast significant doubt about the company's ability to continue as going concern. However, the company's management is of the opinion that preparation of financial statements on going concern basis is appropriate in view of Balancing, Modernization and Rehabilitation (BMR) plans which require significant injection of funds. The sponsor's plans to inject further funds for BMR by exploring different funding options. The company has applied for rescheduling of its loans. The financial statements have been prepared on going concern basis on the assumptions that company will be able to implement its BMR plan and sponsors will be able to generate and provide required funds to the company.

We were unable to obtain sufficient and appropriate evidence in support of management's contention that the company and its sponsors would be able to provide required funding for BMR plans and working capital requirements of the company, therefore we were unable to conclude whether the use of going concern assumption in preparation of financial statements is appropriate. If the plant operations of the company remained suspended for foreseeable future, the company may not be able to realize its assets and discharge its liabilities in the normal course of business.

(b) The Company's property, plant, and equipment are stated in the statement of financial position at Rs. 2,277 million. Management has not performed an impairment assessment of the plant, as required under International Accounting Standard 36 "Impairment of Assets," despite the plant of the Company has remained shut down from June 12, 2023 to date. moreover, the existing plant require balancing, modernization, and replacement (BMR) to operate efficiently. Consequently, we were unable to obtain sufficient appropriate audit evidence to determine whether any adjustments might have been found necessary in respect of property, plant, and equipment, and the elements making up the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows.

AUDITOR'S REVIEW REPORT

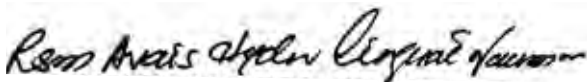
(c) Long term advances of Rs. 109.6 million, Trade debts of Rs. 54 million and Advances to employees of Rs.8 million are long outstanding balances. These outstanding balances, in our opinion are impaired against which no provision has been made. Had the provision been made, the loss for the year would have been increased by Rs. 163.6 million and accumulated loss by Rs. 163.6 million.

(d) Physical existence and valuation of inventories as of December 31, 2024 Rs. 338.47 million could not be verified by us in the absence of appropriate record and inherent limitation. Owing to the nature of company's record, we were unable to satisfy ourselves as to inventory quantities and valuation by other audit procedures.

Disclaimer of Conclusion

Due to the significance of the matters described in the "Basis for Disclaimer of Conclusion" section of our report, we have not been able to obtain sufficient appropriate evidence to form a conclusion on the accompanying condensed interim financial statements as at December 31, 2024. Accordingly, we do not express a conclusion on these financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Hamid Masood.



RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS

Place: Faisalabad

Date: October 24, 2025

UDIN: RR2024 101947myER2qld

STATEMENT OF FINANCIAL POSITION

SITARA PEROXIDE LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT DECEMBER 31, 2024

	Note	(Un-audited) December 31, 2024 Rupees	(Audited) June 30, 2024 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,277,418,109	2,368,897,098
Long term advances		109,626,266	109,626,266
Long term deposits		52,741,143	52,741,143
		2,439,785,518	2,531,264,507
Current assets			
Stores, spare parts and loose tools		119,701,124	119,701,124
Stock in trade		218,776,704	218,776,704
Trade debts	4	64,783,733	64,783,733
Loans and advances	5	13,927,275	23,295,911
Taxes refundable due from government		75,584,048	94,951,315
Cash and bank balances		3,689,369	11,381,255
		496,462,252	532,890,042
Total assets		2,936,247,770	3,064,154,549
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	6	551,000,000	551,000,000
Revenue reserve			
Accumulated (loss)		(798,364,919)	(720,670,410)
Capital reserve			
Surplus on revaluation of property, plant and equipment	7	1,335,309,495	1,381,245,086
		1,087,944,576	1,211,574,676
Non-current liabilities			
Long term financing	8	-	-
Deferred liabilities		321,632,537	345,794,351
		321,632,537	345,794,351
Current liabilities			
Trade and other payables	9	607,279,214	595,746,576
Contract liabilities		144,716,849	114,686,028
Loan from chief executive officer	10	388,628,976	387,878,976
Accrued markup	11	284,306,011	281,535,983
Current portion of long term financing	8	101,739,606	126,739,606
Levies payable		-	198,353
Provision for taxation		-	-
		1,526,670,657	1,506,785,522
Total equity and liabilities		2,936,247,770	3,064,154,549
Contingencies and commitments	12	-	-

The annexed notes from 1 to 20 form an integral part of these financial statements.

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF PROFIT OR LOSS

SITARA PEROXIDE LIMITED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	Note	Half year ended December 31,		Quarter ended December 31,	
		2024	2023	2024	2023
		----- Rupees -----			
Revenue from contract with customers		-	14,900,700	-	-
Cost of sale	13	-	92,395,036	-	29,724,737
Gross (loss)		-	(77,494,336)	-	(29,724,737)
Other income	14	-	88,309,603	-	87,420,818
		-	10,815,267	-	57,696,081
Distribution cost		-	1,966,547	-	1,321,066
Impairment loss on financial assets		-	78,982,480	-	78,982,480
Administrative expenses		145,015,553	42,098,062	65,079,293	20,154,552
Other expenses		-	2,339,993	-	2,339,993
Finance cost		2,776,361	17,267,623	1,389,607	8,141,465
		147,791,914	142,654,705	66,468,900	110,939,556
(Loss) for the year before levies and income tax		(147,791,914)	(131,839,438)	(66,468,900)	(53,243,475)
Levies		-	198,353	-	-
(Loss) for the year before income tax		(147,791,914)	(131,641,085)	(66,468,900)	(53,243,475)
Provision for taxation	15	(24,161,814)	(55,269,284)	(13,462,806)	(55,705,660)
(Loss) / Profit for the period		<u>(123,630,100)</u>	<u>(76,371,801)</u>	<u>(53,006,094)</u>	<u>2,462,185</u>
(Loss) / Profit per share - Basic and diluted (Rupees)	16	<u>(2.24)</u>	<u>(1.39)</u>	<u>(0.96)</u>	<u>0.04</u>

The annexed notes from 1 to 20 form an integral part of these financial statements.

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF COMPREHENSIVE INCOME

SITARA PEROXIDE LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	Half year ended December 31,		Quarter ended December 31,	
	2024	2023	2024	2023
	-----Rupees -----			
(Loss) / Profit for the period	(123,630,100)	(76,371,801)	(53,006,094)	2,462,185
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(123,630,100)</u>	<u>(76,371,801)</u>	<u>(53,006,094)</u>	<u>2,462,185</u>

The annexed notes from 1 to 20 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



Director

STATEMENT OF CHANGES IN EQUITY

SITARA PEROXIDE LIMITED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	Issued, subscribed and paid up capital	Accumulated (loss)	Surplus on revaluation of property, plant and equipment	Total
	Rupees			
Balance as at July 01, 2023 - (Audited) Restated	551,000,000	(639,799,006)	1,469,806,234	1,381,007,228
Total comprehensive (loss) for the period				
(Loss) for the period	-	(76,371,801)	-	(76,371,801)
Other comprehensive income	-	-	-	-
	-	(76,371,801)	-	(76,371,801)
Transfer to unappropriated profit on account of incremental depreciation-net of tax	-	35,329,915	(35,329,915)	-
Balance as at December 31, 2023 - (Un-audited) Restated	551,000,000	(680,840,892)	1,434,476,320	1,304,635,428
Total comprehensive (loss) for the period				
(Loss) for the period	-	(92,978,420)	-	(92,978,420)
Other comprehensive income / (loss)	-	(82,331)	-	(82,331)
	-	(93,060,751)	-	(93,060,751)
Transfer to unappropriated profit on account of incremental depreciation-net of tax	-	53,231,234	(53,231,234)	-
Balance as at June 30, 2024 - (Audited)	551,000,000	(720,670,410)	1,381,245,086	1,211,574,676
Total comprehensive (loss) for the period				
(Loss) for the period	-	(123,630,100)	-	(123,630,100)
Other comprehensive income	-	-	-	-
	-	(123,630,100)	-	(123,630,100)
Transfer to unappropriated profit on account of incremental depreciation-net of tax	-	45,935,591	(45,935,591)	-
Balance as at December 31, 2024 - (Un-audited)	551,000,000	(798,364,919)	1,335,309,495	1,087,944,576

The annexed notes from 1 to 20 form an integral part of these financial statements.

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF CASH FLOWS

SITARA PEROXIDE LIMITED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2024

Half year ended December 31,	
2024	2023
-----Rupees '-----	

a) CASH FLOWS FROM OPERATING ACTIVITIES

(Loss) for the year before levies and income tax	(147,791,914)	(131,839,438)
Adjustments for :		
Depreciation of property, plant and equipment	91,478,989	76,481,510
Provision for staff retirement benefits	-	6,779,583
(Gain) on disposal of non-current asset held for sale	-	(84,814,354)
Impairment loss on financial assets	-	78,982,480
Finance cost	2,776,361	17,267,623
Operating cash flows before working capital changes	(53,536,564)	(37,142,596)

Changes in working capital

(Increase) / decrease in current assets

Stores, spares and loose tools	-	(349,698)
Stock in trade	-	5,937,887
Trade debts	-	(44,692,335)
Loans and advances	(117,183)	14,670,026

(Decrease) / Increase in current liabilities

Trade and other payables	11,532,638	45,176,467
Contract liability	30,030,821	(11,714,296)
	41,446,276	9,028,051

Cash (used in) operating activities	(12,090,288)	(28,114,545)
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Staff retirement benefits paid	-	(100,000)
Finance cost paid	(6,333)	(396,060)
Income tax refund received	28,654,735	33,518,682

Net cash generated from operating activities	16,558,114	4,908,077
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STATEMENT OF CASH FLOWS

	Half year ended December 31,	
	2024	2023
	-----Rupees -----	
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of non current asset held for sale	-	141,941,846
Net cash generated from investing activities	-	141,941,846
c) CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	(25,000,000)	(161,753,103)
Loan from chief executive officer	750,000	6,873,131
Net cash (used in) financing activities	(24,250,000)	(154,879,972)
Net (decrease) in cash and cash equivalents (a+b+c)	(7,691,886)	(8,030,049)
Cash and cash equivalents at the beginning of the period	11,381,255	9,138,135
Cash and cash equivalents at the end of the period	3,689,369	1,108,086

The annexed notes from 1 to 20 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



Director

NOTES TO THE FINANCIAL STATEMENTS

SITARA PEROXIDE LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2024

1. STATUS AND ACTIVITIES

- 1.1 Sitara Peroxide Limited (the Company) is incorporated in Pakistan as a public limited Company under the Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act 2017 on May 30, 2017) and is listed on Pakistan stock exchange. The principal activity of the Company is manufacturing and sale of hydrogen peroxide (H₂O₂) and Sitara Safe (disinfectant). The registered office of the Company is situated at 601-602 Business Centre, Mumtaz Hasan Road, Karachi in the province of Sindh and the manufacturing facilities are located at 26 - km Sheikhpura Road, Faisalabad in the province of Punjab.
- 1.2 These condensed interim financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency.
- 1.3 The Company incurred a net loss of Rs. 123.63 million (2024: Rs 76.37 million) during the period. The current liabilities exceed the current assets by Rs. 1,030.21 million. The company was unable to pay installements of long term financing and rental payments of sukuks of Rs. 86.28 million. Moreover, the plant of the company has remained shut down from October 20, 2022 through March 02, 2023 and then again from June 12, 2023 to date. These events and conditions may cast significant doubt over the Company's ability to continue as a going concern and the company may be unable to realise its assets and pay its liabilities in the normal course of business.

The management has prepared a business plan for 'Balancing, Modernization and Replacement' (BMR) of the existing plant to be financed through equity and/or loans from the shareholders of the company, with due support from the sponsor directors, financial institutions. The aforesaid funding will be utilized to import state of the art plant & machinery to complete BMR which will enhance the production capacity, efficiency and yield resulting into significant reduction in the cost of production and competitiveness in the market.

In view of the actions and strategies as mentioned in the Company's published audited financial statements for the year ended June 30, 2024, the management of the company is very confident to implement the BMR proposal and successful operation of the company in the foreseeable future.

Based on these plans and projections, the management has a reasonable expectation that the Company will continue as a going concern and will be operational in the foreseeable future. Accordingly, these financial statements have been, prepared on going concern basis, which assumes that the Company will be able to discharge its liabilities in the normal course of business.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, 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 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

NOTES TO THE FINANCIAL STATEMENTS

2.1.2 These condensed interim financial statements are unaudited but subject to limited scope review by the auditors, as required under section 237 of the Companies Act, 2017 and should be read in conjunction with audited annual financial statements of the Company for the year ended June 30, 2024.

2.1.3 These condensed interim financial statements do not include all the information required for complete set of financial statements, and should be read in conjunction with the Company's published audited financial statements for the year ended June 30, 2024.

2.2 Application of new and revised International Financial Reporting Standards

2.2.1 Standards, amendments to standards and interpretations becoming effective in current period

There are certain new standards, interpretations and amendments to approved accounting standards which are mandatory for the Company's accounting periods beginning on or after July 1, 2024 but are considered not to be relevant or have any significant effect on the Company's financial reporting.

2.2.2 Standards, amendments to standards and interpretations becoming effective in future periods

There are other new standards, amendments and IFRIC interpretations that are mandatory for accounting periods of the Company beginning on or after July 01, 2025 but are considered not to be relevant or not to have any significant effect on the Company's operations. The new standards, amendments and IFRIC interpretations that are relevant to the operations of the Company are disclosed in the published audited financial statements for the year ended June 30, 2024.

2.3 Basis of preparation

These condensed interim financial statements have been prepared under the "historical cost convention" except certain property, plant and equipment carried at valuation, financial instrument measured at fair value and staff retirement benefits at present value.

2.4 Accounting policies and methods of computation

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the published audited financial statements for the year ended June 30, 2024.

2.5 Estimates, judgments and risk management policies

2.5.1 The preparation of these financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of accounting 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 the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on amounts recognized in these condensed interim financial statements are the same as those disclosed in the published audited financial statements for the year ended June 30, 2024.

2.5.2 Risk management policies and procedures are consistent with those disclosed in the published audited financial statements for the year ended June 30, 2024.

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment

	Note	(Un-audited) December 31, 2024	(Audited) June 30, 2024
		----- Rupees -----	

3.1 Operating assets

Book value at beginning of period / year	2,368,897,099	2,557,848,157
Disposals during the period / year	-	(5,132,586)
Depreciation charged during the period / year	(91,478,989)	(183,818,472)
	<u>2,277,418,109</u>	<u>2,368,897,099</u>

3.2 The Company follows the revaluation model. Revaluation of land, building and plant and machinery was carried out on 30 June 2021 by Materials & Designs Services (Private) Limited, independent valuer not related to the company. Materials & Designs Services (Private) Limited is on panel of Pakistan Banks Association as 'Any Amount' asset valuer. It is also on panel of State Bank of Pakistan and possesses appropriate qualification and recent experience in the fair value measurements in the relevant locations. The fair value was determined using the comparable price method after performing detailed enquiries and verification from various estate agents, brokers and builders keeping in view the location of the property / project, condition, size, utilization, and other relevant factors.

3.3 The revaluation performed on June 30, 2021 resulted in further surplus of Rs. 550 million. Out of the total revaluation surplus of Rs. 3,920 million, Rs. 1,335 million net of tax (June 2024: Rs. 1,381 million) remains undepreciated as at December 31, 2024.

Details of the Company's revalued assets (fair value hierarchy level 3), as at December 31, 2024 are as follows:

	Rupees
Land	308,281,250
Building	142,500,937
Plant and machinery	1,729,640,630

3.4 Had there been no revaluation, the net book value of the revalued assets would have been as follows:

	(Un-audited) December 31, 2024	(Audited) June 30, 2024
	----- Rupees in '000' -----	
Land	41,997,852	41,997,852
Building	34,547,501	36,850,668
Plant and machinery	342,339,719	360,357,599
	<u>418,885,072</u>	<u>439,206,119</u>

NOTES TO THE FINANCIAL STATEMENTS

	(Un-audited) December 31, 2024	(Audited) June 30, 2024
	----- Rupees in '000' -----	
4. Trade debts		
Unsecured-considered good:		
Direct customers	89,668,351	89,668,351
Via traders	215,063,557	215,063,557
	<u>304,731,908</u>	<u>304,731,908</u>
Allowance for expected credit losses	(239,948,175)	(239,948,175)
	<u><u>64,783,733</u></u>	<u><u>64,783,733</u></u>
5. Loans and advances		
Considered good		
Advances		
Employees for expenses	12,658,073	12,652,073
Suppliers-net of allowances	1,213,529	1,102,345
Income tax	55,673	9,541,493
	<u><u>13,927,275</u></u>	<u><u>23,295,912</u></u>
6. Share capital		
Authorised capital		
60,000,000 Ordinary shares of Rs. 10 each	<u><u>600,000,000</u></u>	<u><u>600,000,000</u></u>
Issued, subscribed and paid up capital		
55,100,000 Ordinary shares of Rs. 10 each	<u><u>551,000,000</u></u>	<u><u>551,000,000</u></u>
7. Surplus on revaluation of Property Plant and Equipment		
Balance at beginning of the year	1,804,072,895	1,928,806,906
Transferred to unappropriated profit in respect of incremental depreciation charged during the period/year	(64,698,016)	(124,734,011)
	<u>1,739,374,879</u>	<u>1,804,072,895</u>
Related deferred tax liability at the beginning of the period/year	422,827,809	459,000,672
Transferred to unappropriated profit in respect of incremental depreciation charged during the period/year	(18,762,425)	(36,172,863)
	<u><u>404,065,384</u></u>	<u><u>422,827,809</u></u>
	<u><u>1,335,309,495</u></u>	<u><u>1,381,245,086</u></u>

NOTES TO THE FINANCIAL STATEMENTS

		(Un-audited) December 31, 2024	(Audited) June 30, 2024
	Note	----- Rupees in '000' -----	
8. Long term financing			
Secured			
From banking company			
Under mark up arrangement			
Sukuk arrangement - syndicated	8.1	86,279,103	111,279,103
Term finance II	8.2	15,460,503	15,460,503
		101,739,606	126,739,606
Less: Current portion			
Payable within one year		(101,739,606)	(126,739,606)
		-	-

8.1 This loan has been rescheduled on October 10, 2024. According to the revised terms, a down payment of Rs. 25M was made, Rs. 5M was payable on or before December 20, 2024, and the remaining balance on or before March 31, 2025. It was agreed that upon full and timely payment of the settlement amount, the accrued and deferred rental amounting to Rs. 296,696,690/- would be waived at the conclusion of the settlement period. However, as of December 31, 2024, the company could not pay installment falling due on December 20, 2024 and is negotiating with bank for extending timeline for payment till October 31, 2025.

8.2 This facility has been converted from short term borrowing to long term. This facility carries mark-up at one month Kibor plus 2% per annum. The facility was repayable in 16 equal quarterly installments commenced from May, 2023 after one year grace period. Mark-up was to be paid on quarterly basis.

However, during the year , the bank has adjusted Rs. 119.895 million from the proceeds realized on export of catalyst. Payment of remaining principal amount is under negotiation.

	(Un-audited) December 31, 2024	(Audited) June 30, 2024
	----- Rupees in '000' -----	
9. Trade and other payables	607,279,214	595,746,576
9.1 Creditors includes Rs. 30.34 million (June 30, 2024: Rs. 30.34 million) payable to Sitara Spinning Mills Limited (associated undertaking) in ordinary course of business. The maximum aggregated amount outstanding during the year was Rs. 30.34 million.		

10. Loan from chief executive officer

This represents an Interest free loan provided by chief executive officer to meet the working capital requirement.

11. Accrued markup

Accrued markup pertains to long term and short term loans. All of the markup have become overdue as at reporting date.

NOTES TO THE FINANCIAL STATEMENTS

12. Contingencies and commitments

12.1 Contingencies

There is no significant change in contingent liabilities since the date of published audited financial statements for the year ended June 30, 2024.

(Un-audited) Half year ended December 31,		(Un-audited) Quarter ended December 31,	
2024	2023	2024	2023
----- Rupees in '000' -----			

13. Cost of sales

Fuel and power	-	1,371,253	-	824,143
Salaries, wages and benefits	-	4,895,070	-	2,909,656
Factory overheads	-	73,329,825	-	13,192,050
Cost of goods manufactured	-	79,596,148	-	16,925,849
Finished goods				
-Opening	-	12,798,888	-	12,798,888
-Closing	-	-	-	-
	-	12,798,888	-	12,798,888
	-	92,395,036	-	29,724,737

14. Other income

This includes mark-up on saving account amounting Nil (December 31, 2023: Rs. 10,184), income from scrap sale amounting to Nil (December 31, 2023: Rs. 3,485,065) and gain on disposal of operating assets Nil (December 31, 2023: 84,814).

15. Provision for taxation

Current				
For the period	-	-	-	-
For prior period	-	(2,388,970)	-	(2,388,970)
Deferred tax	(24,161,814)	(53,078,667)	(24,161,814)	(53,316,690)
	(24,161,814)	(55,467,637)	(24,161,814)	(55,705,660)

16. (Loss) / Profit per share - Basic and diluted

(Loss) / profit for the period	(123,630,100)	(76,371,801)	(53,006,094)	2,462,185
Weighted average number of ordinary shares outstanding during the period	55,100,000	55,100,000	55,100,000	55,100,000
(Loss) / Profit per share	(2.24)	(1.39)	(0.96)	0.04

NOTES TO THE FINANCIAL STATEMENTS

17. Aggregate Transactions With Related Parties

The related parties comprise associated company, directors, key management personnel and post employment benefit plan. The Company in the normal course of business carries out transactions with various related parties. The balances with related parties have been disclosed in the relevant notes to these condensed interim financial statements. These transactions include remuneration to chief executive officer, directors and 2 (2023 : 5) executives amounting to Rs. 4,260,000/- (2023 : Rs. 12,456,565/-). The significant transactions with related parties are as follows:

Name of the related party	Relationship and Percentage	Transactions during the period	Un-Audited Half year ended December 31,	
			2024	2023
			----- Rupees -----	
Mr. Imran Ghafoor	Chief executive officer	Loan Received	750,000	6,873,131

18. FAIR VALUE OF FINANCIAL INSTRUMENTS

The different levels at which the financial instruments are carried have been defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). The fair value of financial instruments is approximately the same as their carrying value.

19. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 24-10-2025 by the Board of Directors of the Company.

20. GENERAL

20.1 There is no unusual item included in these condensed interim financial statements which is affecting equity, liabilities, assets, (loss), comprehensive income or cash flows of the Company.

20.2 Figures have been rounded off to the nearest of Rupees.



Chief Executive Officer



Chief Financial Officer



Director



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