



Half Yearly Report December, 2023



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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

PH: (92 21) 35310-183-84

Fax: (92 21) 35310-194

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

Soneri Bank Limited

MCB Bank Limited

Meezan Bank Limited

National Bank Limited

JS Bank Limited

Standard Chartered Bank (Pakistan) Limited

Bank Makaramah Limited

United Bank Limited

Habib Bank Limited

First Women Bank Limited

Bank Al Habib Limited

Habib Metropolitan 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 duly reviewed condensed interim financial information of the Company for the half year ended December 31, 2023.

Business and Financial Review

The financial results for the of half year ended on December 31, 2023, in comparison with the last half year ended on December 31, 2022, are as under;

Financial Highlights	July-December 2023	July-December 2022
Sales – net	14,900,700	385,741,038
Cost of goods sold	92,395,036	498,601,272
Gross (loss)	(77,494,336)	(112,860,234)
(Loss) for the period after tax	(76,371,801)	(220,064,916)
(Loss) per share – basic and diluted in Rupees	(1.39)	(3.99)

During the current half year, net sales of the Company reduced to Rs. 14.900 Million in comparison with corresponding half year accounts due to shut down of the plant on accounts various reasons leading to the decision to make the Company debt free and the requisite balancing, modernization and replacement (BMR) to be competitive in the long run. The Company has been able to reduce gross loss to Rs. 77.494 Million during current half year (including depreciation charge of Rs 72.412 Mln) from Rs 112.860 Million during the corresponding half year (including depreciation charge Rs 88.330 Mln).

Loss for the current half year (after tax) has been reduced to Rs 76.371 Million (including overall depreciation of Rs 76.480 Mln) in comparison with Loss for the corresponding half year (after tax) Rs 220.06 Million (including depreciation Rs 93.294 Mln).

Accordingly, loss per share during the current half year reduced to Rs. 1.39 as compared with loss per share of Rs. 3.99 during the corresponding half year.

Moreover, the management has been successful in rescheduling its Sukuk Facility of Rs 167.160 Mln on December 29, 2023 along with cost of fund effective from 1st October 2023 and waiver off Rs 296.696 Million after full & final adjustment.

The management is paving the way of the Company towards its objective to make the Company debt free, reducing finance cost and moving for the aforesaid BMR.

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

SHARMEEN IMRAN
Director

IMRAN GHAFOR
Chief Executive Officer

Faisalabad
June 12, 2025

Directors' Report



ستارہ پراکسائیڈ لمیٹڈ کمپنی کے بورڈ آف ڈائریکٹرز کو 31 دسمبر 2023ء کو ختم ہونے والی ششماہی رپورٹ بعد میں عبوری مالیاتی معلومات پیش کرتے ہوئے خوش محسوس رہے ہیں۔

کاروباری اور مالیاتی نتائج:

31 دسمبر 2023ء کو ختم ہونے والی ششماہی کے مالی نتائج 31 دسمبر 2022ء کو ختم ہونے والی آخری ششماہی کے مقابلے میں حسب ذیل ہیں۔

مالیاتی اعداد و شمار	جولائی تا دسمبر 2023ء	جولائی تا دسمبر 2022ء
فروخت آمدنی	14,900,700	385,741,038
فروخت کی لاگت	92,395,036	498,601,272
مجموعی نقصان	(77,494,336)	(112,860,234)
نسیبیت کے بعد (نقصان)	(76,371,801)	(220,064,916)
فی شیئر نقصان (Basic and Diluted)	(1.39)	(3.99)

موجودہ ششماہی کے دوران کمپنی کی خالص فروخت آمدنی کم ہو کر گزشتہ ششماہی کے مقابلے میں 14.900 ملین روپے ہو گئی ہے۔ مختلف وجوہات کی بنا پر پلانٹ بند ہونے کی وجہ سے کمپنی کو قرض سے پاک کرنے کا فیصلہ اور مطلوبہ توازن، جدیدیت اور متبادل (BMR) طویل مدت مسابقتی بنانا ہے۔ کمپنی کا مجموعی نقصان 77.494 ملین روپے ہے۔ اس کو کم کرنے میں کامیاب رہی ہے۔ جس میں 72.412 ملین روپے فروسودگی چارج ہیں۔ اسی ششماہی کے دوران 112.860 ملین روپے بشمول 88.330 ملین روپے فروسودگی چارج ہیں۔

موجودہ ششماہی کا نقصان بعد لیکس 76.371 ملین روپے بشمول 76.480 ملین روپے مجموعی فروسودگی شامل ہے۔ اسی ششماہی کے نقصان کے مقابلے میں بعد لیکس 220.06 ملین روپے بشمول 93.294 ملین روپے فروسودگی ہیں۔

اس کے مطابق موجودہ ششماہی کے دوران فی شرخصارہ کم ہو کر 1.39 روپے رہ گیا ہے۔ جو کہ اسی ششماہی کے مقابلے میں 3.99 روپے تھا۔ مذید برآں انتظامیہ یکم اکتوبر 2023ء سے لاگو فیڈرل لاگت کے ساتھ 29 دسمبر 2023ء کو 167.160 ملین روپے کی سکوک سہولت کو ری شیلڈ کرنے اور مکمل اور حتمی ایڈجسٹمنٹ کے بعد 296.696 روپے کی چھوٹ میں کامیاب رہی ہے۔

انتظامیہ کمپنی کو قرض سے پاک بنانے، مالیاتی لاگت کو کم کرنے اور مذکور (BMR) کے لئے آگے بڑھنے کے مقصد کے لئے کمپنی کی راہ ہموار کر رہی ہے۔

مستقبل کے امکانات:-

پاکستان کی معیشت کو شدید معاشی چیلنجز کا سامنا ہے۔ اور انتظامیہ تمام اسٹیک ہولڈرز کے مفادات کے تحفظ کے لئے سرمایہ کاری کا حتمی فیصلہ لینے میں پوری احتیاط برت رہی ہے۔ انتظامیہ کا خیال ہے کہ موجودہ ٹیکنالوجی کے ساتھ پیداواری سہولیات کا تسلسل RLNG اور بجلی کے زیادہ تیرف کے نتیجے میں بہت بڑا آپریشنل نقصان ہوتا۔

مذکورہ (BMR) بہتر پیداوار اور کارکردگی کے ساتھ پلانٹ کی موجودہ پیداواری صلاحیت 30,000 ٹن سالانہ سے 40,000 ٹن سالانہ تک بڑھا دے گا۔ کمپنی ٹیکنالوجی اور پلانٹ اور مشینری کے سپلائرز کے ساتھ فعال بات چیت کر رہی ہے۔ اور پہلے ہی کچھ چیلنگی ادائیگی کر چکی ہے۔ کمپنی کی انتظامیہ (BMR) اور قابل عمل آپریشن کے لئے پراعتماد ہے۔

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے تمام اسٹیک ہولڈرز کی حمایت اور تعاون کے لئے اپنی تعریف کا اظہار کرنا چاہتا ہے۔ اللہ ہمیں آنے والے چیلنجوں کا مقابلہ کرنے کی ہمت عطا فرمائے۔ آمین

بورڈ آف ڈائریکٹرز کی جانب سے

عمران غفور
چیف ایگزیکٹو آفیسر

شرمین عمران
ڈائریکٹر

فیصل آباد
12 جون 2025ء



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, 2023 and the related condensed interim statement of profit or loss, the condensed interim statement of comprehensive income, condensed interim statement of changes in equity and 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, 2023 and 2022 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2023.

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 gross loss and net loss for the period of Rs.77.49 million and Rs. 76.37



million respectively (June 30, 2023: Rs. 273.38 million and Rs.792.77 million respectively), and as at December 31, 2023, current liabilities exceed current assets by Rs. 834.23 million (June 30, 2023: Rs.844.83 million). The Company was unable to pay installments of long term financing and rental payments of sukuks of Rs. 146.73 million (June 30, 2023: Rs. 308.49 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 doubt about the company's ability to continue as a 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 through disposal of assets of an associated company and explore 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. 2,476 million. The management has not conducted an impairment assessment of the plant, as required under International Accounting Standard 36 "Impairment of Assets," notwithstanding that the plant has remained non-operational since June 12, 2023. Furthermore, the existing plant infrastructure necessitates balancing, modernization, and replacement (BMR) to achieve operational efficiency. Consequently, we were unable to obtain sufficient appropriate audit evidence to determine whether any adjustments were required in respect of property, plant, and equipment, and the related balances and disclosures in the statement of profit or loss, statement of comprehensive income, statement of changes in equity, and statement of cash flows.



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, 2023. Accordingly, we do not express a conclusion on these financial statements.

Other Matter

The financial statements of the Company for the year ended June 30, 2023 were audited by another firm of chartered accountants who expressed disclaimer of opinion on those financial statements on October 28, 2024.

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: 11 3 JUN 2025

UDIN: RR202310194BcWGZMaAJ

Statement of Financial Position



SITARA PEROXIDE LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT DECEMBER 31, 2023

		(Un-audited) December 31, 2023 Rupees	(Audited) June 30, 2023 Rupees
ASSETS	Note		
Non-current assets			
Property, plant and equipment	3	2,476,284,473	2,557,848,157
Long term advances		109,626,266	109,626,266
Long term deposits		52,741,143	52,741,143
		2,638,651,882	2,720,215,566
Current assets			
Stores, spare parts and loose tools		118,047,427	117,697,729
Stock in trade		218,776,704	224,714,591
Trade debts	4	93,104,738	127,394,884
Loans and advances	5	19,192,015	53,825,342
Taxes refundable due from government		107,888,847	131,692,180
Cash and bank balances		1,108,086	9,138,135
		558,117,818	664,462,861
Non-current asset held for sale		-	52,045,318
Total assets		3,196,769,700	3,436,723,745
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	6	551,000,000	551,000,000
Revenue reserve			
Accumulated (loss)		(663,842,309)	(622,800,423)
Capital reserve			
Surplus on revaluation of property, plant and equipment	7	1,357,254,134	1,392,584,049
		1,244,411,825	1,320,783,626
Non-current liabilities			
Long term financing	8	-	-
Deferred taxation		503,703,492	557,021,081
Staff retirement gratuity		56,304,880	49,625,297
		560,008,372	606,646,378
Current liabilities			
Trade and other payables	9	510,475,753	465,299,286
Contract liabilities		108,358,056	120,072,352
Loan from chief executive officer	10	352,345,131	345,472,000
Accrued markup	11	274,192,035	257,320,472
Current portion of long term financing	8	146,739,606	308,492,709
Provision for taxation		238,922	12,636,922
		1,392,349,503	1,509,293,741
Total equity and liabilities		3,196,769,700	3,436,723,745
Contingencies and commitments	12	-	-

The annexed notes from 1 to 21 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



Statement of Profit or Loss

SITARA PEROXIDE LIMITED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2023

		Half year ended December 31,		Quarter ended December 31,	
		2023	2022	2023	2022
Note		Rupees			
Revenue from contract with customers	13	14,900,700	385,741,038	-	70,591,320
Cost of sale	14	<u>92,395,036</u>	<u>498,601,272</u>	<u>29,724,737</u>	<u>145,085,257</u>
Gross (loss)		(77,494,336)	(112,860,234)	(29,724,737)	(74,493,937)
Other income	15	<u>88,309,603</u>	<u>775,274</u>	<u>87,420,818</u>	<u>753,375</u>
		10,815,267	(112,084,960)	57,696,081	(73,740,562)
Distribution cost		1,966,547	13,917,952	1,321,066	4,119,230
Impairment loss on financial assets		78,982,480	15,823,291	78,982,480	15,823,291
Administrative expenses		42,098,062	77,685,880	20,154,552	38,895,012
Other expenses		2,339,993	20,936,772	2,339,993	20,936,772
Finance cost		17,267,623	34,461,217	8,141,465	17,049,232
		142,654,705	162,825,112	110,939,556	96,823,537
(Loss) for the period before taxation		<u>(131,839,438)</u>	<u>(274,910,072)</u>	<u>(53,243,475)</u>	<u>(170,564,099)</u>
Provision for taxation	16	(55,467,637)	(54,845,156)	(55,705,660)	(59,572,402)
(Loss) / Profit for the period		<u>(76,371,801)</u>	<u>(220,064,916)</u>	<u>2,462,185</u>	<u>(110,991,697)</u>
(Loss) / Profit per share - Basic and diluted (Rupees)	17	<u>(1.39)</u>	<u>(3.99)</u>	<u>0.04</u>	<u>(2.01)</u>

The annexed notes from 1 to 21 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



Statement of Cash Flows

SITARA PEROXIDE LIMITED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2023

Half year ended December 31,	
2023	2022
-----Rupees '-----	

a) CASH FLOWS FROM OPERATING ACTIVITIES

(Loss) for the period before taxation	(131,839,438)	(274,910,072)
Adjustments for :		
Depreciation of property, plant and equipment	76,481,510	93,294,377
Profit on bank deposit	-	(25,274)
Provision for staff retirement benefits	6,779,583	6,100,735
(Gain) on disposal of non-current asset held for sale	(84,814,354)	-
Impairment loss on financial assets	78,982,480	15,823,291
Provision for sale tax refundable	-	20,936,772
Finance cost	17,267,623	34,461,217
Operating cash flows before working capital changes	(37,142,596)	(104,318,954)

Changes in working capital

(Increase) / decrease in current assets

Stores, spares and loose tools	(349,698)	(2,291,477)
Stock in trade	5,937,887	37,213,522
Trade debts	(44,692,335)	(18,750,337)
Loans and advances	14,670,026	(149,242,452)
Deposits and prepayments	-	851,762
Taxes refundable due from government - sales tax	-	50,452,276

(Decrease) / Increase in current liabilities

Trade and other payables	45,176,467	65,445,498
Contract liability	(11,714,296)	3,449,029
	9,028,051	(12,872,179)

Cash (used in) operating activities	(28,114,545)	(117,191,133)
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Staff retirement benefits paid	(100,000)	(841,195)
Finance cost paid	(396,060)	(17,943,633)
GIDC paid	-	(444,885)
Income tax refund received / (paid)	33,518,682	(17,095,357)

Net cash generated from / (used in) operating activities	4,908,077	(153,516,203)
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Statement of Cash Flows



Half year ended
December 31,

2023 2022

-----Rupees-----

b) CASH FLOWS FROM INVESTING ACTIVITIES

Additions in property, plant and equipment	-	(7,883,919)
Profit on bank deposit	-	25,274
Proceeds from disposal of non current asset held for sale	141,941,846	-
Increase in long term deposit	-	(34,924,000)
Net cash generated from / (used in) investing activities	<u>141,941,846</u>	<u>(42,782,645)</u>

c) CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of long term financing	(161,753,103)	(24,976,510)
Short term financing excluding running finance	-	1,420,950
Loan from chief executive officer	6,873,131	209,965,000
Net cash (used in) / generated from financing activities	<u>(154,879,972)</u>	<u>186,409,440</u>
Net (decrease) in cash and cash equivalents (a+b+c)	(8,030,049)	(9,889,408)
Cash and cash equivalents at the beginning of the period	9,138,135	(127,368,558)
Cash and cash equivalents at the end of the period	<u>1,108,086</u>	<u>(137,257,966)</u>

Cash and cash equivalents

Cash and bank balances	1,108,086	9,955,638
Running finance	-	(147,213,604)
	<u>1,108,086</u>	<u>(137,257,966)</u>

The annexed notes from 1 to 21 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



Statement of Comprehensive Income

SITARA PEROXIDE LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Half year ended December 31,		Quarter ended December 31,	
	2023	2022	2023	2022
	-----Rupees-----			
(Loss) / Profit for the period	(76,371,801)	(220,064,916)	2,462,185	(110,991,697)
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(76,371,801)</u>	<u>(220,064,916)</u>	<u>2,462,185</u>	<u>(110,991,697)</u>

The annexed notes from 1 to 21 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

Statement of Changes in Equity



SITARA PEROXIDE LIMITED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Issued, subscribed and paid up capital	Accumulated (loss)	Surplus on revaluation of property, plant and equipment	Total
-----Rupees-----				
Balance as at July 01, 2022 - (Audited)	551,000,000	140,654,535	1,444,238,118	2,135,892,653
Total comprehensive (loss) for the period				
(Loss) for the period	-	(220,064,916)	-	(220,064,916)
Other comprehensive income	-	(220,064,916)	-	(220,064,916)
Impact of change in tax rate	-	-	55,059,319	55,059,319
Transfer to unappropriated profit on account of incremental depreciation-net of tax	-	50,293,218	(50,293,218)	-
Balance as at December 31, 2022 - (Un-audited)	551,000,000	(29,117,163)	1,449,004,220	1,970,887,057
Total comprehensive (loss) for the period				
(Loss) for the period	-	(572,713,744)	-	(572,713,744)
Other comprehensive income / (loss)	-	(167,500)	(22,162,867)	(22,330,367)
	-	(572,881,244)	(22,162,867)	(595,044,111)
Impact of change in tax rate	-	-	(55,059,320)	(55,059,320)
Transfer to unappropriated profit on account of incremental depreciation-net of tax	-	(20,802,016)	20,802,016	-
Balance as at June 30, 2023 - (Audited)	551,000,000	(622,800,423)	1,392,584,049	1,320,783,626
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)	551,000,000	(663,842,309)	1,357,254,134	1,244,411,825

The annexed notes from 1 to 21 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



Notes to the Financial Statements

SITARA PEROXIDE LIMITED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2023

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 gross loss of Rs. 77.49 million and net loss of Rs. 76.37 million respectively during the period (June 30, 2023: Rs. 273.38 million and Rs. 792.77 million respectively). The current liabilities exceed the current assets by Rs. 834.23 million (June 30, 2023 : Rs. 844.83 million). The plant of the Company has remained shut down from June, 2023 until now. These events and conditions may cast significant doubt over the Company's ability to continue as a going concern.

The management of Company has prepared a business plan and projected financial statements. The sponsors have planned to further inject Rs. 355 million in the Company through disposal of assets of associated company which shall be utilized for Balancing, Modernization and Replacement (BMR) in addition to financing from banks. This BMR include implementing the latest and most efficient production technology through the conversion to slurry bed catalyst technology from fix bed catalyst technology. This upgrade will allow for greater efficiency and productivity in the production process and will enhance the production capacity of existing plant by 40% and will result in significant reduction in cost of production of the Company. The CEO have also offered full support to the Company to meet any working capital needs, if required for 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.

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.

- 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, 2023.
- 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, 2023.



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, 2023 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, 2024 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, 2023.

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, 2023.

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, 2023.

- 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, 2023.



Notes to the Financial Statements

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
	Note	Rupees	
3. Property, plant and equipment			
Operating assets	3.1	2,476,284,473	2,557,848,157
3.1 Operating assets			
Book value at beginning of period / year		2,557,848,157	2,789,162,656
Additions during the period		-	8,555,090
Disposals during the period / year		(5,082,174)	(77,147,111)
Depreciation charged during the period / year		(76,481,510)	(162,722,478)
		<u>2,476,284,473</u>	<u>2,557,848,157</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. 1,357 million net of tax (June 2023: Rs. 1,392 million) remains undepreciated as at December 31, 2023.

Details of the Company's revalued assets and information about fair value hierarchy, as at December 31, 2023

	Level 1	Level 2	Level 3	Total
Land	-	308,281,250	-	308,281,250
Building	-	178,126,171	-	178,126,171
Plant and machinery	-	1,876,660,084	-	1,876,660,084

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

	(Un-audited) December 31, 2023	(Audited) June 30, 2023
	Rupees in '000'	
Land	41,997,852	41,997,852
Building	39,482,858	42,115,049
Plant and machinery	380,377,466	400,397,332
	<u>461,858,176</u>	<u>484,510,233</u>



4. Trade debts

Direct customers

Via traders - net of advances

Allowance for expected credit losses

4.1 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 provision of doubtful debts.

5. Loans and advances

Advances

Employees against salary

Employees for expensesSuppliers-net of allowancesIncome tax

6. Share capital

Authorised capital

60,000,000 Ordinary shares of Rs. 10 each

Issued, subscribed and paid up capital

55,100,000 Ordinary shares of Rs. 10 each13



Notes to the Financial Statements

Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
	Rupees in '000'	
7. Surplus on revaluation of Property Plant and Equipment		
Balance at beginning of the year	1,928,806,906	2,002,922,890
Transferred to unappropriated profit in respect of incremental depreciation charged during the year	(49,760,443)	(74,115,984)
	1,879,046,463	1,928,806,906
Related deferred tax liability at the beginning of the year	536,222,857	558,684,772
Transferred to unappropriated profit in respect of incremental depreciation charged during the year	(14,430,528)	(22,461,915)
	521,792,329	536,222,857
	<u>1,357,254,134</u>	<u>1,392,584,049</u>
8. Long term financing		
Secured		
From banking company		
Under mark up arrangement		
Sukuk arrangement - syndicated	8.1	131,279,103
Term finance II	8.2	15,460,503
		146,739,606
Less: Current portion		308,492,709
Payable within one year		(146,739,606)
		<u>(308,492,709)</u>
		<u>-</u>
8.1	This loan has been rescheduled on December 29, 2023. According to the revised terms, Rs 30M has been paid as down payment. Rs 20M shall be paid on or before Jan 15, 2024 and remaining amount on or before Jan 30, 2024. Accrued and deferred rental amounting to Rs. 296,696,690/- will be waived off at tail end after full payment of the settlement amount, provided payments are made in a timely manner.	
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 commencing from May, 2023 after one year grace period. Mark-up was to be paid on quarterly basis.	
	However, during the period due to non - payment of mark-up for the quarters ended June 30, 2023 and September 30, 2023, the bank has adjusted Rs. 119.895 million from the proceeds realized on export of catalyst. Payment of remaining principle amount is under negotiation.	
	(Un-audited) December 31, 2023	(Audited) June 30, 2023
	Rupees in '000'	
9. Trade and other payables	510,475,753	465,299,286
9.1	Creditors includes Rs. 34.02 million (June 30, 2023: Rs. 35.05 million) payable to Sitara Spinning Mills Limited (associated undertaking) in ordinary course of business. The maximum aggregated amount outstanding during the year was Rs. 35.05 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.

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, 2023 except the following:

According to the revised terms of Sukuk arrangement markup of Rs. 296 million will be waived off, provided company makes no default in making the payments as agreed under revised terms of agreement.

(Un-audited) Half year ended December 31,		(Un-audited) Quarter ended December 31,	
2023	2022	2023	2022
----- Rupees in '000' -----			

13. Revenue from contract with customers

Local Sales	14,900,700	386,996,658	-	70,807,320
Less: Commission and discount	-	(1,255,620)	-	(216,000)
	<u>14,900,700</u>	<u>385,741,038</u>	<u>-</u>	<u>70,591,320</u>

14. Cost of sales

Raw material consumed	-	182,657,795	-	38,780,762
Fuel and power	1,371,253	115,147,565	824,143	22,666,812
Packing material consumed	-	24,123,990	-	10,142,513
Salaries, wages and benefits	4,895,070	41,132,766	2,909,656	15,673,885
Factory overheads	73,329,825	106,662,989	13,192,050	45,787,318
Working solution consumed	-	24,864,819	-	8,934,663
Cost of goods manufactured	<u>79,596,148</u>	<u>494,589,924</u>	<u>16,925,849</u>	<u>141,985,953</u>
Finished goods				
-Opening	12,798,888	4,011,348	12,798,888	3,099,304
-Closing	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>12,798,888</u>	<u>4,011,348</u>	<u>12,798,888</u>	<u>3,099,304</u>
	<u>92,395,036</u>	<u>498,601,272</u>	<u>29,724,737</u>	<u>145,085,257</u>

15. Other income

This includes mark-up on saving account amounting to Rs. 10,184 (December 31, 2022: Rs. 25,274), income from scrap sale amounting to Rs. 3,485,065 (December 31, 2022: Rs. 750,000) and gain on disposal of operating assets Rs. 84.814 million (December 31, 2022: Nil).



Notes to the Financial Statements

16. Provision for taxation

Current				
For the period	238,922	4,821,763	899	94,517
For prior period	(2,388,970)	-	(2,388,970)	-
Deferred tax	(53,317,589)	(59,666,919)	(53,317,589)	(59,666,919)
	<u>(55,467,637)</u>	<u>(54,845,156)</u>	<u>(55,705,660)</u>	<u>(59,572,402)</u>

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

(Loss) / profit for the period	(76,371,801)	(220,064,916)	2,462,185	(110,991,697)
Weighted average number of ordinary shares outstanding during the period	<u>55,100,000</u>	<u>55,100,000</u>	<u>55,100,000</u>	<u>55,100,000</u>
(Loss) / Profit per share	<u>(1.39)</u>	<u>(3.99)</u>	<u>0.04</u>	<u>(2.01)</u>

18. 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 5 (2022 : 10) executives amounting to Rs. 12,456,565/- (2022 : Rs. 21,522,435/-). 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,	
			2023	2022
			----- Rupees -----	
Sitara Spinning Mills Limited	Associated Undertaking	Organizational Expense	-	213,122
Sitara Spinning Mills Limited	Associated Undertaking	Advance given for purchase of packing material and store	-	35,797,327
Mr. Imran Ghafoor	Chief executive officer	Loan Received	6,873,131	-

19. 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.



20. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 12 June, 2025 by the Board of Directors of the Company.

21. GENERAL

21.1 Provisions for taxation made in these condensed interim financial statements are subject to adjustment in annual financial statements.

21.2 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.

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

21.4 Re-Arrangements / Re-classification

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. There were no significant reclassification / restatement to these financial statements during the period except as mentioned below.

Advance tax of Rs. 33,192,860/- was shown as a separate line item under the head "Current Assets". This has been grouped under the head "Loan and Advances" for better presentation.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



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