

**NINE MONTHS  
REPORT  
MARCH 31,  
2021**



**Sitarra Peroxide**  
Limited

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

## DIRECTORS REVIEW

Dear shareholders,

On behalf of the Board, I am pleased to present the un-audited financial statements for the nine months ended March 31, 2021.

### Financial Results

	Nine months ended March 31	
	2021	2020
	..... Rupees .....	
Sales-net	1,514,512,941	1,396,451,049
Gross profit	375,275,696	182,434,430
Profit before tax	164,021,615	23,519,770
Profit / (loss) after tax	120,883,921	(8,801,077)
Earnings per share	2.19	(0.16)

During first nine months of current financial year, capacity utilization of plant has remained 78% against capacity utilization of 76% in comparative period of previous financial year. The Company achieved net sales of Rs. 1,514 million against sale of Rs. 1,396 million in comparative period; showing an increase of 8%. Increase in net sales is result of increased volume of quantity sold. The Company earned gross profit of Rs. 375 million and net profit after tax of Rs. 121 million in nine months of current financial year against gross profit of Rs. 182 million and net loss after tax of Rs. 9 million respectively in comparative period. The net profit after tax is attributed to increase higher capacity utilization of plant, rise in international prices of H<sub>2</sub>O<sub>2</sub> and improvement in all areas of operations. Earnings per share in current nine months remained Rs. 2.19 as against loss per share of Rs. 0.16 during comparative period.

During third quarter of current financial year, net sales remained Rs. 448 million against net sales of Rs. 465 million in comparative quarter. The Company earned gross profit of Rs. 92 million against gross profit of Rs. 80 million. The Company earned net profit after tax of Rs. 24 million and earnings per share remained Rs. 0.44 as against net profit of Rs. 8 million and earning per share of Rs. 0.15 respectively.

As informed earlier, your management decided to enhance plant capacity by 25% and to improve its production technology from fix bed to slurry bed technology. We are pleased to inform you that the Company has signed an agreement with world renowned technologist; M/S Chematur Engineering AB and has successfully established letter of credits (LCs) for the said purpose.

### Future Outlook

Owing to exporter friendly measures of government, we are expecting stronger demand of Hydrogen Peroxide due to rise in its consumption of textile sector. We are focused to benefit from this opportunity by strengthening our relationship with customers through product quality, competitive pricing and effective distribution network.

The Board would like to take this opportunity to express its appreciation to all stakeholders. We pray Almighty Allah to give us the ability to face the future challenges.

On behalf of Board of Directors



**IMRAN GHAFLOOR**  
Chief Executive Officer

Faisalabad  
April 29, 2021

## ڈائریکٹرز کا جائزہ

## معزز حصص داروں

میں کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے 31 مارچ 2021 کو ختم ہونے والی سہ ماہی کے غیر مختص شدہ مالی نتائج آپ کی خدمت میں پیش کرنا چاہتا ہوں

گا۔

## 31 مارچ کو ختم ہونے والی سہ ماہی

## مالی جائزہ

2020 2021  
----- پاکستانی روپے -----

1,396,451,049	1,514,512,941
182,434,430	375,275,696
23,519,770	164,021,615
(8,801,077)	120,883,921
(0.16)	2.19

فروخت

خام نفع

قبل از ٹیکس نفع

خالص نفع / (خسارہ)

فی حصص نفع

رواں مالی سال کے پہلے نو ماہ کے دوران کمپنی کی پیداوار اپنی کل استعداد کا 78% فیصد رہی جو گزشتہ مالی سال کے اسی عرصے کے دوران 76% فیصد تھی۔ کمپنی نے 1,514 روپے کی فروخت کی جو تقابلی عرصے کے دوران 1,396 ملین روپے تھی۔ فروخت میں اضافہ 8% رہا جس کی وجہ پراڈکٹ کی تعداد و فروخت میں اضافہ تھا۔ کمپنی نے 375 ملین روپے کا خام نفع اور بعد از ٹیکس 121 ملین روپے نفع حاصل کیا جبکہ تقابلی عرصے کے دوران کمپنی نے 182 روپے کا نفع حاصل کیا اور بعد از ٹیکس 9 ملین روپے کا خسارہ ہوا۔ کمپنی کے خالص نفع میں اضافے کی وجہ کمپنی کی پلانٹ کی زیادہ پیداوار، عالمی منڈی میں H2O2 کی قیمتوں میں بہتری اور بحیثیت مجموعی تمام آپریشنل شعبوں میں بہتری رہی۔ نو ماہ کے دوران فی حصص نفع 2.19 روپے رہا جبکہ تقابلی عرصے میں فی حصص نفع 0.16 روپے کا خسارہ ہوا۔

تیسری سہ ماہی کے دوران کمپنی کی فروخت 448 ملین روپے رہی جو گزشتہ مالی سال کے اس عرصے میں 465 ملین روپے رہی تھی۔ کمپنی نے تیسری سہ ماہی کے دوران 92 ملین روپے کا نفع کمایا جو تقابلی سہ ماہی کے دوران 80 ملین روپے تھا۔ حالیہ سہ ماہی کے دوران خالص نفع 24 ملین روپے اور فی حصص نفع 0.44 روپے رہا جبکہ گزشتہ مالی سال کی تیسری سہ ماہی میں خالص نفع 8 ملین روپے اور فی حصص نفع 0.15 روپے رہا۔

جیسا کہ پہلے آگاہ کیا گیا تھا میجمنٹ نے پلانٹ کی استعداد میں 25% اضافے کا فیصلہ کیا ہے اور پیداواری ٹیکنالوجی Slurry Bed Fix Bed پر منتقل کر کے بہتر کرنے کا فیصلہ کیا ہے۔ ہم آپ کو یہ اطلاع دیتے ہوئے خوشی محسوس کر رہے ہیں کہ کمپنی کا عالمی شہرت یافتہ ٹیکنالوجسٹ کیا طور انجینئرنگ اے بی سے معاہدہ طے پا گیا ہے اور اس حوالے سے ایل سی ہول دی گئی ہیں۔

## مستقبل کا جائزہ

حکومت کی برآمد کنندگان کیلئے مثبت اقدامات کے باعث ہم H2O2 کی طلب میں اضافے کیلئے پرامید ہیں۔ کیونکہ ٹیکنالوجی کے شعبے کی کھیت میں اضافہ متوقع ہے۔ ہم اپنے صارفین سے بہترین تعلقات، اپنی پراڈکٹ کے معیار کم قیمتوں اور اچھے ڈسٹری بیوٹن نیٹ ورک کی بدولت اس موقع سے فائدہ اٹھانے کیلئے یکسو ہیں۔

بورڈ اس موقع پر اپنے تمام سٹیک ہولڈرز کا مشکور ہے۔

اللہ تعالیٰ ہمیں مستقبل کے چیلنجز کا سامنا کرنے کی توفیق عطا فرمائے۔



بورڈ آف ڈائریکٹرز کی جانب سے

عمران نقور  
چیف ایگزیکٹو آفیسر

فیصل آباد

129 اپریل 2021

## Condensed Interim Statement of Financial Position As at March 31, 2021

		March 31, 2021 (Un-Audited)	June 30, 2020 (Audited)
	Note	----- Rupees -----	
<b>ASSETS</b>			
<b>Non - current assets</b>			
Property, plant and equipment	4	2,239,661,232	2,373,960,760
Long term deposits		4,205,000	4,205,000
		<u>2,243,866,232</u>	<u>2,378,165,760</u>
<b>Current assets</b>			
Stores, spare parts and loose tools		122,707,564	111,705,561
Stock-in-trade		488,819,787	609,267,601
Trade debts		165,606,747	161,973,844
Advances		128,037,177	109,910,437
Deposits and short term prepayments		191,487,435	37,909,229
Taxes refundable		125,048,300	153,040,461
Cash and bank balances		12,476,397	42,471,897
		<u>1,234,183,407</u>	<u>1,226,279,030</u>
		<u>3,478,049,639</u>	<u>3,604,444,790</u>
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital		551,000,000	551,000,000
Un-appropriated profit		439,685,991	247,354,973
Surplus on revaluation of property, plant and equipment		1,159,660,559	1,231,107,657
		<u>2,150,346,550</u>	<u>2,029,462,630</u>
<b>Non - current liabilities</b>			
Long-term financing	5	97,412,502	148,674,510
Deferred liabilities		527,003,379	519,115,718
Deferred mark-up		105,900,169	184,406,709
		<u>730,316,050</u>	<u>852,196,937</u>
<b>Current liabilities</b>			
Trade and other payables		179,088,953	244,024,954
Contract liabilities		19,190,466	32,069,259
Accrued markup		100,769,659	54,975,671
Running finance under markup arrangement		178,940,564	183,098,258
Current portion of long term financing	5	80,477,367	180,491,401
Provision for income tax		38,920,030	28,125,680
		<u>597,387,039</u>	<u>722,785,223</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	6	-	-
		<u>3,478,049,639</u>	<u>3,604,444,790</u>

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

## Condensed Interim Statement of Profit or Loss (Un-audited) For the Nine Months Period Ended March 31, 2021

	Note	Nine months ended		Quarter ended	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
----- Rupees -----					
Sales	7	1,514,512,941	1,396,451,049	447,763,631	465,376,109
Cost of sales	8	1,139,237,245	1,214,016,619	355,519,080	385,245,294
Gross profit		375,275,696	182,434,430	92,244,551	80,130,815
Other operating income		141,173	51,595,997	22,427	723,624
		375,416,869	234,030,427	92,266,978	80,854,439
Distribution expenses		72,265,049	63,050,563	19,856,963	18,441,955
Administrative expenses		100,025,819	83,109,767	33,637,612	29,239,037
Other operating expenses		9,301,837	-	-	-
Finance cost		29,802,549	64,350,327	8,293,909	18,008,344
		211,395,254	210,510,657	61,788,484	65,689,336
<b>Profit before taxation</b>		164,021,615	23,519,770	30,478,494	15,165,103
Provision for income tax		43,137,694	32,320,847	6,140,746	7,038,962
<b>Profit / (loss) for the period</b>		120,883,921	(8,801,077)	24,337,748	8,126,141
Other comprehensive income		-	-	-	-
<b>Total comprehensive profit / (loss) for the period</b>		120,883,921	(8,801,077)	24,337,748	8,126,141
<b>Earning per share - basic and diluted</b>		2.19	(0.16)	0.44	0.15

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

## Condensed Interim Statement of Cash Flows (Un-audited) For the Nine Months Period Ended March 31, 2021

	Nine months ended	
	March 31, 2021	March 31, 2020
	----- Rupees -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	164,021,615	23,519,770
Adjustments for:		
Depreciation of property, plant and equipment	137,544,505	137,078,215
Gain on disposal of property, plant and equipment	-	(525,000)
Profit on bank deposits	(108,123)	(150,226)
Provision for deferred employee benefits	7,021,115	4,905,180
Provision for deferred tax liability	4,160,384	10,716,738
Finance cost	29,802,549	64,350,327
	178,420,430	216,375,234
	342,442,045	239,895,004
Working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(11,002,003)	(20,183,416)
Stock-in-trade	120,447,814	28,373,597
Trade debts	(3,632,903)	1,215,073
Advances	(18,126,740)	(46,560,664)
Deposits and prepayments	(153,578,206)	9,740,130
Other receivables	-	-
(Decrease)/ increase in current liabilities:		
Trade and other payables	(64,936,001)	(175,642,875)
Contract liabilities	(12,878,793)	-
	(143,706,832)	(203,058,155)
Cash generated from operations	198,735,213	36,836,849
Finance cost paid	(62,515,101)	(55,906,634)
Sales tax refunded/ (paid)	11,918,137	119,108,997
Employee benefits paid	(3,293,839)	(4,246,991)
Income tax (refunded) / paid	(16,269,320)	(30,249,432)
	(70,160,123)	28,705,940
Net cash generated from operating activities	128,575,090	65,542,789
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(3,244,977)	-
Proceeds from sale of property, plant and equipment	-	525,000
Proceeds from suppliers of capital work	-	13,000,000
Profit received on bank deposits	108,123	150,226
Net cash generated (used in) / generated from investing activities	(3,136,854)	13,675,226
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long-term financing	(151,276,042)	(80,729,307)
Net increase in short-term borrowings	(4,157,694)	9,720,139
Net cash used in financing activities	(155,433,736)	(71,009,168)
(Decrease) / increase in cash and cash equivalents	(29,995,500)	8,208,847
Cash and cash equivalents at beginning of period	42,471,897	3,008,439
Cash and cash equivalents at end of period	12,476,397	11,217,286

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

## Condensed Interim Statement of Changes In Equity (Un-audited) For the Nine Months Period Ended March 31, 2021

	Share capital	Accumulated losses	Surplus on revaluation of property, plant and equipment	Total
----- Rupees -----				
<b>Balance as at July 01, 2019 (audited)</b>	551,000,000	75,417,761	1,326,370,455	1,952,788,216
Total comprehensive income for the period ended March 31, 2020				
Loss for the period	-	(8,801,077)	-	(8,801,077)
Other comprehensive income	-	-	-	-
	-	(8,801,077)	-	(8,801,077)
Transfer to un-appropriated profit on account of incremental depreciation - net of tax	-	73,246,360	(73,246,360)	-
<b>Balance as at March 31, 2020 (un-audited)</b>	551,000,000	139,863,044	1,253,124,095	1,943,987,139
<b>Balance as at July 01, 2020 (audited)</b>	551,000,000	247,354,973	1,231,107,657	2,029,462,630
Total comprehensive income for the period ended March 31, 2021				
Loss for the period	-	120,883,921	-	120,883,921
Other comprehensive income	-	-	-	-
	-	120,883,921	-	120,883,921
Transfer to un-appropriated profit on account of incremental depreciation - net of tax	-	71,447,098	(71,447,098)	-
<b>Balance as at March 31, 2021 (un-audited)</b>	551,000,000	439,685,991	1,159,660,559	2,150,346,550

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR



## **Selected Explanatory Notes to the Condensed Interim Financial Information (Un-audited) For the Nine Months Period Ended March 31, 2021**

### **1 GENERAL INFORMATION**

Sitara Peroxide Limited ("the Company") is limited by shares, incorporated in Pakistan on March 08, 2004 as a public limited company under the Companies Ordinance, 1984. The Company is listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at 601-602, Business Centre, Mumtaz Hassan Road, Karachi in the province of Sindh and the manufacturing facilities are located at 26-KM Sheikhpura Road, Faisalabad in the province of Punjab. The principal activity of the Company is manufacturing and sale of hydrogen peroxide ( $H_2O_2$ ).

### **2 STATEMENT OF COMPLIANCE**

**2.1** These condensed interim financial statements of the Company for the nine months period ended March 31, 2020 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** These condensed interim financial statements should be read in conjunction with annual audited financial statements for the year ended June 30, 2020. Comparative balance sheet is extracted from annual audited financial statements for the year ended June 30, 2020 whereas comparative profit and loss account, comparative statement of comprehensive income, comparative statement of changes in equity and comparative cash flow statement are stated from un-audited condensed interim financial statements for the nine months ended on March 31, 2020.

**2.3** These condensed interim financial statements are un-audited.

**2.4** These condensed interim financial statements have been presented in Pak Rupee, which is the Company's functional and presentation currency.

### **3 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements for the year ended 30 June 2020.

<b>(Un-Audited)</b> <b>March 31,</b> <b>2021</b>	<b>(Audited)</b> <b>June 30,</b> <b>2020</b>
----- Rupees -----	

**4 PROPERTY PLANT AND EQUIPMENT**

Operating assets	2,239,661,232	2,373,960,760
<b>Operating assets</b>		
Written down value at beginning of the period / year	2,373,960,760	2,544,425,562
Plant and machinery		
Laboratory equipment	-	11,563,896
Vehicles	3,029,111 215,866	- 1,099,000
Additions during the period / year	3,244,977	12,662,896
	2,377,205,737	2,557,088,458
Deletions at WDV during the period / year	-	-
Less: depreciation charged during the period / year	(137,544,505)	(183,127,698)
Written down value at the end of the period / year	2,239,661,232	2,373,960,760

**5. LONG TERM FINANCING**

Secured - from financial institutions		
Under Sukuk arrangements		
Sukuk arrangement - syndicated	177,889,869	329,165,914
Less: Current maturity of long term loan	(80,477,367)	(180,491,401)
	97,412,502	148,674,513

**6. CONTINGENCIES AND COMMITMENTS****6.1 Contingencies**

6.1.1 Guarantees issued by banks on behalf of the Company	99,270,835	99,270,865
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**6.2 Commitments**

Irrevocable letters of credit	375,885,860	6,693,120
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Nine months ended		Three months ended	
March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
(Un-audited)		(Un-audited)	

----- Rupees -----

## 7. SALES - NET

Sales	1,518,643,641	1,397,072,589	448,520,531	465,376,109
Less: Trade discount	4,130,700	621,540	756,900	-
	<u>1,514,512,941</u>	<u>1,396,451,049</u>	<u>447,763,631</u>	<u>465,376,109</u>

## 8. COST OF SALES

Raw material consumed	80,768,521	122,720,758	25,231,078	60,624,016
Fuel and power	485,940,806	634,973,274	186,084,987	191,870,757
Packing material consumed	164,720,669	185,018,502	48,747,640	59,345,615
Salaries wages and benefits	77,586,718	67,415,001	23,671,259	21,861,964
Factory Overheads	194,370,779	199,021,426	62,147,123	59,253,759
	<u>1,003,387,493</u>	<u>1,209,148,961</u>	<u>345,882,087</u>	<u>392,956,111</u>
Work-in-process				
Balance at beginning				
of period	445,671,441	494,933,305	413,944,124	482,003,604
Balance at end of period	399,762,967	479,417,727	399,762,967	479,417,727
	<u>45,908,474</u>	<u>15,515,578</u>	<u>14,181,157</u>	<u>2,585,877</u>
Cost of goods manufactured	<u>1,049,295,967</u>	<u>1,224,664,539</u>	<u>360,063,244</u>	<u>395,541,988</u>
Finished goods				
Balance at beginning				
of period	102,298,925	4,751,033	7,813,483	5,102,256
Balance at end of period	12,357,647	15,398,953	12,357,647	15,398,953
	<u>89,941,278</u>	<u>(10,647,920)</u>	<u>(4,544,164)</u>	<u>(10,296,697)</u>
Cost of goods sold	<u>1,139,237,245</u>	<u>1,214,016,619</u>	<u>355,519,080</u>	<u>385,245,291</u>

## 9. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, directors, key management personnel and post employment benefit plans. The Company in the normal course of business carries out transactions with various related parties. Significant transactions with related parties are as follows:

Relationship	Nature of transaction	Nine months ended	
		March 31, 2021 (Un-audited)	March 31, 2020 (Un-audited)
		----- Rupees -----	
<b>Associated companies</b>	Organizational expenses charged	11,729,080	28,820,273
<b>Key management personnel</b>	Remuneration and other benefits	36,323,976	34,851,783
<b>Employee benefit plan</b>	Provision for the period	7,021,115	4,905,180
	Payment during the period	3,293,839	4,246,991

## 10. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information has been approved by the Board of Directors of the Company and authorized for issue on April 29, 2021.

## 11. GENERAL

Figures have been rounded off to the nearest Rupee.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR





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