

1st Quarter Report  
September

2019



 Sitara Peroxide  
Limited

## Company Information

<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> 1st Floor, 40-C, Block-6, P.E.C.H.S, Karachi - 75400. UAN: (92 21) 111-000-322 Ph: (92 21) 34168270 Fax: (92 21) 34168271	
<b>Head Office &amp; Project Location</b>	26 - KM Sheikhpura Road, Faisalabad. Ph : (92 41) 2400900-2, 2400904-5	



## ڈائریکٹرز جانتزہ

میں ستارہ پرائکسائیڈ لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے 30 ستمبر 2019 کو ختم ہونے والی سہ ماہی کے غیر محاسب شدہ مالی نتائج آپ کی خدمت میں پیش کرنا چاہوں گا۔

### 30 ستمبر کو ختم ہونے والی سہ ماہی

2018	2019	مالی جائزہ
-----	-----	پاکستانی روپے
553,622,385	394,181,882	فروخت
347,640,071	377,584,041	فروخت کی لاگت
205,982,314	37,597,841	خام نفع
146,939,851	10,782,211	قبل از ٹیکس نفع
140,019,571	5,236,330	بعد از ٹیکس نفع
2.54	0.10	فی حصص نفع۔ بنیادی

رواں مالی سال کے پہلے تین ماہ کے دوران آپ کی کمپنی نے 394.2 ملین روپے کی فروخت کی جبکہ گزشتہ مالی سال کی پہلی سہ ماہی میں 553.6 ملین روپے کی فروخت کی۔ حالیہ سہ ماہی میں خام نفع 37.6 ملین روپے رہا جو گزشتہ مالی سال کی پہلی سہ ماہی میں 205.9 ملین روپے تھا اور حالیہ سہ ماہی میں بعد از ٹیکس نفع 5.2 ملین روپے رہا جو تقابلی سہ ماہی میں 140 ملین روپے رہا۔ حالیہ سہ ماہی میں پیداواری استعداد کار 77 فیصد رہی جو تقابلی سہ ماہی کے دوران 81 فیصد تھی۔

حالیہ سہ ماہی کے دوران ہائیڈروجن پرائکسائیڈ کے پیداوار کنندگان کو مقامی منڈی میں چیلنجز کا سامنا رہا۔ دنیا بھر میں کھپت کم ہونے کے باعث، مقامی مارکیٹ میں ہائیڈروجن پرائکسائیڈ کی درآمد کم نرخوں پر جاری رہی جس کے باعث حالیہ سہ ماہی میں ہائیڈروجن پرائکسائیڈ کے نرخ تقابلی سہ ماہی کی نسبت کم رہے۔

ملک کی معاشی صورتحال، روپے کی قدر میں گراؤت KIBOR کی بلند شرح اور RLNG کے منگنے نرخ کے باعث حالیہ عرصہ کاروبار کیلئے مشکلات سے بھرپور رہا۔ حالیہ عرصے میں سخت مسابقت کے باوجود آپ کی کمپنی کا بورڈ درپیش چیلنجز کا سامنا کرنے کیلئے اور مستقبل میں نمونیکلے پر عزم ہے۔

بورڈ کمپنی کے ہر ملازم کی سخت محنت اور کام سے لگن کو سراہتا ہے۔ علاوہ ازیں بورڈ تمام سٹیک ہولڈرز بشمول حکومت پاکستان، معاشی اداروں، کمرشل بینکوں، کاروباری شراکت داروں، گاہکوں کی مدد، رہنمائی اور تعاون کے شکرگزار ہیں جن کی کاوشوں اور تعاون کے باعث کمپنی کو نئی تہ تیہ ملی۔

اللہ تعالیٰ ہمیں مستقبل میں درپیش چیلنجز کا سامنا کرنے کی توفیق عطا فرمائے۔ آمین

بورڈ ممبران کی جانب سے



عمران غصور  
چیف ایگزیکٹو آفیسر

فیصل آباد

19 اکتوبر 2019

# Statement of Financial Position

## Condensed Interim Statement of Financial Position (Un-audited) As At September 30, 2019

		September 30, 2019 (Un-Audited)	June 30, 2019 (Audited)
	Note	----- Rupees -----	-----
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	2,521,383,296	2,580,125,562
Long term advances and deposits		4,205,000	4,205,000
		<u>2,525,588,296</u>	<u>2,584,330,562</u>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		103,399,394	94,793,290
Stock-in-trade		570,860,750	526,695,174
Trade debts		124,383,592	132,123,577
Advances		203,994,684	233,675,393
Deposits and short term prepayments		38,239,393	79,454,828
Sales tax refundable		49,615,929	155,436,650
Cash and bank balances		30,806,309	3,008,439
		<u>1,121,300,051</u>	<u>1,225,187,351</u>
		<u>3,646,888,347</u>	<u>3,809,517,913</u>
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital 60,000,000 ordinary shares of Rs.10 each		600,000,000	600,000,000
Issued, subscribed and paid up share capital 55,100,000 ordinary shares of Rs. 10 each fully paid in cash		551,000,000	551,000,000
Accumulated profits		104,842,424	75,417,761
Surplus on revaluation of property, plant and equipment		1,302,182,122	1,326,370,455
		<u>1,958,024,546</u>	<u>1,952,788,216</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing	5	241,079,121	249,222,984
Deferred liabilities		531,301,441	530,649,816
Deferred markup		141,438,052	115,928,401
		<u>913,818,614</u>	<u>895,801,201</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		290,125,140	393,475,057
Mark-up accrued on loans		89,196,392	105,421,503
Short-term borrowings		228,058,253	242,227,178
Current portion of long-term financing	5	162,738,128	160,672,238
Provision for taxation		4,927,274	59,132,520
		<u>775,045,187</u>	<u>960,928,496</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	6	-	-
		<u>3,646,888,347</u>	<u>3,809,517,913</u>

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



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

# Statement of Profit or Loss

## Condensed Interim Statement of Profit and Loss (Un-audited) for the 1<sup>st</sup> Quarter Ended September 30, 2019

	Note	Quarter Ended September 30,	
		2019	2018
		----- Rupees -----	
Sales - net		394,181,882	553,622,385
Cost of sales	7	356,584,041	347,640,071
Gross profit		37,597,841	205,982,314
Other income		41,377,702	126,854
		78,975,543	206,109,168
Distribution expenses		18,682,791	15,387,514
Administrative expenses		27,785,333	23,516,312
Finance cost		21,725,208	20,265,491
		68,193,332	59,169,317
Profit before taxation		10,782,211	146,939,851
Provision for taxation		5,545,881	6,920,280
Profit for the period		5,236,330	140,019,571
Earning per share - basic and diluted		0.10	2.54

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



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

# Statement of Cash Flows

## Condensed Interim Statement Of Cash Flows (Un-audited)

For the 1<sup>st</sup> Quarter Ended September 30, 2019

	Quarter Ended September 30,	
	2019	2018
	----- Rupees -----	
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) / profit before taxation	10,782,211	146,939,851
Adjustments for:		
Depreciation on property, plant and equipment	45,742,266	55,630,949
Profit on bank deposits	(38,517)	(126,854)
Provision for deferred-employee benefits	1,635,059	1,531,362
Finance cost	21,725,208	20,265,491
	79,846,227	224,240,799
Working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(8,606,104)	(1,504,350)
Stock-in-trade	(44,165,576)	(13,487,024)
Trade debts	7,739,985	4,530,322
Advances	(21,813,968)	(63,469,434)
Deposits and prepayments	41,215,435	(118,657,617)
Increase / (decrease) in current liabilities:		
Trade and other payables	(103,349,917)	44,570,976
	(128,980,145)	(148,017,127)
Cash (used in) / generated from operations	(49,133,918)	76,223,672
Finance cost paid	(12,440,668)	(26,774,012)
Sales tax (paid) / refunded	105,820,721	(18,595,973)
Employee benefits paid	(983,434)	(177,264)
Income taxes paid	(8,256,450)	(13,914,490)
	84,140,169	(59,461,739)
Net cash generated from operating activities	35,006,251	16,761,933
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	-	(12,361,999)
Profit received on bank deposits	38,517	126,854
Decrease in capital work-in-progress	13,000,000	-
Net cash generated from / (used in) investing activities	13,038,517	(12,235,145)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long-term financing	(6,077,973)	(40,323,589)
Net increase / (decrease) in short-term borrowings	(14,168,925)	54,724,823
Net cash (used in) / generated from financing activities	(20,246,898)	14,401,234
Net increase in cash and cash equivalents	27,797,870	18,928,022
<b>Cash and cash equivalents at beginning of period</b>	3,008,439	1,634,358
<b>Cash and cash equivalents at end of period</b>	30,806,309	20,562,380

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

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

# Statement of Changes in Equity

## Condensed Interim Statement of Changes In Equity (Un-audited) For the 1<sup>st</sup> Quarter Ended September 30, 2019

	Share capital	Accumulated loss	Surplus on revaluation of property, plant and equipment	Total
----- Rupees -----				
<b>Balance as at July 01, 2018</b>	551,000,000	(223,264,696)	1,423,123,786	1,750,859,900
Total comprehensive income for the period ended September 30, 2018				
Profit for the period	-	140,019,571	-	140,019,571
Other comprehensive income	-	-	-	-
	-	140,019,571	-	140,019,571
Incremental depreciation for the period transferred to accumulated losses - net of deferred tax	-	21,704,207	(21,704,207)	-
<b>Balance as at September 30, 2018</b>	<u>551,000,000</u>	<u>(61,540,918)</u>	<u>1,401,419,579</u>	<u>1,890,878,661</u>
<b>Balance as at July 01, 2019</b>	551,000,000	75,417,761	1,326,370,455	1,952,788,216
Total comprehensive income for the period ended September 30, 2019				
Profit for the period	-	5,236,330	-	5,236,330
Other comprehensive income	-	-	-	-
	-	5,236,330	-	5,236,330
Incremental depreciation for the period transferred to accumulated losses - net of deferred tax	-	24,188,333	(24,188,333)	-
<b>Balance as at September 30, 2019</b>	<u>551,000,000</u>	<u>104,842,424</u>	<u>1,302,182,122</u>	<u>1,958,024,546</u>

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



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR



## Notes to the Condensed Interim Financial Information (Un-audited) For the 1<sup>st</sup> Quarter Ended September 30, 2019

### 1. GENERAL INFORMATION

Sitara Peroxide Limited ("the Company") is limited by shares, incorporated in Pakistan on March 08, 2004 as a public limited company under the Companies Ordinance, 1984. The Company is listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at 601-602, Business Centre, Mumtaz Hassan Road, Karachi in the province of Sindh and the manufacturing facility is located at 26-KM Sheikhpura Road, Faisalabad in the province of Punjab. The principal object of the Company is manufacturing and sale of Hydrogen Peroxide (H<sub>2</sub>O<sub>2</sub>).

### 2. STATEMENT OF COMPLIANCE

- 2.1** These condensed interim financial statements of the Company for the first quarter ended September 30, 2019 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. In case where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.
- 2.2** This condensed interim financial information should be read in conjunction with annual audited financial statements for the year ended June 30, 2019. Comparative statement of financial position is extracted from annual audited financial statements for the year ended June 30, 2019 whereas comparative statement of profit and loss, comparative statement of comprehensive income, comparative statement of changes in equity and comparative statement of cash flows are stated from un-audited condensed interim financial information for the quarter ended on September 30, 2018.
- 2.3** This condensed interim financial information is un-audited.
- 2.4** This condensed interim financial information has been presented in Pak Rupee, which is the Company's functional and presentation currency.

### 3. ACCOUNTING POLICIES AND ESTIMATES

The accounting policies and the methods of computation adopted in preparation of this condensed interim financial information are the same as those applied in the preparation of annual audited financial statements for the year ended June 30, 2019.

# Notes to the Financial Statements

		September 30, 2019 (Un-Audited)	June 30, 2019 (Audited)
	Note	----- Rupees -----	
<b>4. PROPERTY PLANT AND EQUIPMENT</b>			
Operating fixed assets	4.1	2,498,683,296	2,544,425,562
Advance against capital work in progress		22,700,000	35,700,000
		<u>2,521,383,296</u>	<u>2,580,125,562</u>
<b>4.1 Operating assets</b>			
Opening carrying value		2,544,425,562	2,722,609,461
Additions during the period / year			
Electric installations		-	56,345
Office equipment		-	30,500
Vehicles		-	5,408,180
		-	5,495,025
Deletions during the period / year	Vehicles	-	-
		<u>2,544,425,562</u>	<u>2,728,104,486</u>
Depreciation charged during the period / year		(45,742,266)	(183,678,924)
		<u>2,498,683,296</u>	<u>2,544,425,562</u>
<b>5. LONG TERM FINANCING</b>			
Secured - from financial institutions			
Sukuk arrangement - syndicated		403,817,249	409,895,222
Term finance		-	-
		<u>403,817,249</u>	<u>409,895,222</u>
Less: current maturity of long term loan		162,738,128	160,672,238
		<u>241,079,121</u>	<u>249,222,984</u>
<b>6. CONTINGENCIES AND COMMITMENTS</b>			
<b>6.1 Contingencies</b>			
Gaurantees issued by banks on behalf of the Company		54,640,000	94,640,000
<b>6.2 Commitments</b>			
Irrevocable letters of credit		8,755,200	24,447,902





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