



EXCELLENCE, QUALITY, TRUST.

Contents

| 02 | Company Information |
|----|---|
| 03 | Directors' Report |
| 06 | Shariah Compliance Review Report |
| 08 | Condensed Interim Statement of Financial Position |
| 09 | Condensed Interim Statement of Profit or Loss |
| 10 | Condensed Interim Statement of Comprehensive Income |
| 11 | Condensed Interim Statement of Changes in Equity |
| 12 | Condensed Interim Statement of Cash Flows |
| 13 | Notes to the Condensed Interim Financial Statements |

COMPANY INFORMATION

Board of Directors

Chairman

Mr. Ahmad Hassan Chief Executive Officer Mr. Muhammad Adrees Directors Mr. Haseeb Ahmad

> Mr. Haroon Ahmad Zuberi Mr. Ahmad Nawaz Mr. Naimul Hoda Khan Mrs. Shala Waheed Sher

Company Secretary Mr. Mazhar Ali Khan

Chief Financial Officer Mr. Zakir Hussain (FCA)

Audit Committee

Chairman Mr. Haroon Ahmad Zuberi Members Mr. Najmul Hoda Khan Mr. Ahmad Nawaz

Human Resource & Remuneration Committee

Chairman Mr. Ahmad Hassan Members Mr. Muhammad Adrees Mrs. Shala Waheed Sher

Head of Internal Audit Mr. Asghar Ali (ACMA)

External Auditors M/s. Yousuf Adil

Chartered Accountants

Legal Advisor Mr. Sahibzada Muhammad Arif

Shariah Advisor M/s. Alhamd Shariah Advisory Services (Pvt) Limited

Bankers Meezan Bank Limited

> Bank Alfalah Limited Habib Bank Limited

Standard Chartered Bank Pakistan Limite

Al-Baraka Bank (Pakistan) Limited

Faysal Bank Limited National Bank of Pakistan NBP Aitemaad Islamic Banking

MCB Bank Limited

MCB Islamic Bank Limited

Dubai Islamic Bank Pakistan Limited

Bank Islami Pakistan Limited

The Bank of Khyber

Askari Bank Islamic Banking

The Bank of Punjab United Bank Limited Soneri Bank Limited Bank Al-Habib Limited

Habib Metropolitan Bank Limited

Allied Bank Limited

Website of the Company www.sitara.com.pk

Registered Office 601-602 Business Centre, Mumtaz Hassan Road, Karachi-74000

Share Registrar Address THK Associates (Private) Limited

Plot No. 32-C, Jami Commercial Street 2, DHA, Phase VII, Karachi-75500

Factories 28 / 32 KM - Faisalabad - Sheikhupura Road, Faisalabad, Pakistan

DIRECTORS' REPORT

In the name of Allah, the Most Beneficent and the Most Merciful. On behalf of the Board of Directors of Sitara Chemical Industries Limited, we are pleased to present the condensed unaudited financial statements of the Company for the period of first guarter ended September 30, 2024.

Financial Performance:

During first quarter of the Financial Year 2024-25 (FY 2025) company recorded a net sales of Rs 7,607 million (1st Quarter FY 2024: Rs. 7,613 million) and gross profit of Rs. 1,172 million (1st Quarter FY 2024: Rs. 1,185 million). Net sales figures of the quarter under review remained almost stable when compared with same quarter of last year while a smaller decline in gross profit margins in percentage term were witnessed which is due to the impact of incremental depreciation charge arising on revaluation of fixed assets carried out as at June 30, 2024. Average energy cost per unit of the company remained higher when compared with energy cost during the same period last year due to higher FESCO tariff but your company having alternative captive power plants option maximum utilized them to keep the average energy cost at minimum level. Also 01 MW solar system installed in textile division of the company added in cost optimization drive in overall energy mix of the company. Finance cost remained on higher side due to higher average bank borrowings. The textile segment of the company earned better gross margin during the period of 1st quarter of FY 2025 as compared with 1st quarter of FY 2024 which is due to higher quantitative sales of finished fabrics. Quantitative sale of finished yarn remained almost stable during the period under review as compared with same period last year.

Profit after tax remained at Rs. 155 million (1st Quarter FY 2024 Rs. 202 million) translating into an earning per share of Rs. 7.25 as compared with earing per share of Rs. 9.41 during same period last year.

Future Outlook:

As stated in our previous directors' report attached with annual financial statements of the FY 2023-24, erection activity of new 50 MW coal fired power plant (CFPP) is in full swing. All substantial LCs of equipment have been opened, substantial deliveries of equipment have also reached at site while some are in transit. Some partial LCs of Balance of Plant equipment is in the process of LC opening with banks.

In view of declining trend in inflationary figures in Pakistan, SBP policy rate is further expected to be reduced during the FY 2025 which will bring some relief for the company in terms of saving in financial cost. However, geo-political situation in middle-east, any potential depreciation of Pak rupees against US dollar etc., could lead to slow down the economy and increase the energy cost. These factors could be anticipated as some key challenge for the company in the years to come.

Acknowledgments:

We take this opportunity to thank our valued business partners, stakeholders, and dedicated employees of the company for their trust, assistance and continued support for the progress and prosperity of the Company.

Muhammad Adrees

Chief Executive Officer Date: October 28, 2024

Faisalabad.

Ahmad Hassan Director

almadilaran

دُائرُ يكثرزر بورث

اللہ تعالیٰ کے بابر کت نام سے جو بڑا مہر بان اور نہایت رحم کرنے والا ہے۔ ستارہ کیمیکلز انڈسٹر بزلیم پیڈ کے بورڈ آف ڈائر کیسٹرز کی طرف سے ہم 30 ستمبر 2024 کوختم ہونے والی پہلی سیماہی کے غیرآ ڈٹشدہ اکاؤنٹس پیش کرتے ہوئے پُرمسرت ہیں۔

مالياتى كاركردگى:

مالی سال 2024-25 کی پہلی سے ماہی کے دوران آپ کی کمپنی نے 7,607 ملین روپے کی خالص فروخت کی ہے۔ اور مجموعی منافع 1,172 ملین روپے رہا۔ جبکہ گزشتہ مالی سال کی اسی مدت میں خالص فروخت کے اعداد و شارگزشتہ سال کی اسی مدت میں خالص فروخت کے اعداد و شارگزشتہ سال کی اسی مدت میں خالص فروخت کے اعداد و شارگزشتہ سال کی اسی مدت کے مقابلے میں تقریباً مستحکم رہے جبکہ فیصد کے لحاظ سے مجموعی منافع کے مارجن میں پچھکی دیکھی گئی جس کی وجہ 30 جون 2024 کو مقررہ ا ثاثوں کی دوبارہ تشخیص پر پیدا ہونے والے اضافی فرسودگی چارج کے اثرات ہیں۔ فیسکو کے زیادہ میرف کی وجہ سے کمپنی کی فی یونٹ توانائی کی اوسط لاگت گزشتہ سال کی اسی مدت کے دوران توانائی کی اوسط لاگت گزشتہ سال کی اسی مدت کے دوران توانائی کی الگت برقرار دے۔

اس کے علاوہ کمپنی کے مجموعی انر جی مکس میں اُلگت کو بہتر بنانے کے لیے آپ کی کمپنی کے ٹیکٹائل ڈویژن میں **01 میگاواٹ** کا سورسٹم نصب کیا گیا۔ بینکوں سے قرض لینے کی بلند اوسط شرح کی وجہ ہے کمپنی کی مالیاتی لاگت زیادہ رہی۔ کمپنی کے ٹیکٹائل شعبے نے مالی سال **2025** کی پہلی سہ ماہی کے دوران مالی سال **2024** کی پہلی سہ ماہی کے مقابلے میں بہتر مجموعی مار جن حاصل کیا جس کی وجہ تیار شدہ کپڑوں کی زیادہ مقدار کی فروخت ہے۔ زیر جائزہ مدت کے دوران تیار دھاگے کی مقدار کی فروخت گزشتہ سال کی اسی مدت کے مقابلے میں تقریباً مشحکم رہی۔

. آپ کی ممپنی کائیس کے بعد کمایا گیا منافع 155 ملین روپے رہا، جو کہ 7.25 کی فی خصص آمدنی کوظا ہر کرتا ہے، جبکہ گزشتہ سال کی اسی مدت کے دوران ٹیکس کے بعد کمایا گیا منافع 202 ملین روپے اور فی خصص آمدنی 9.41 تھی۔

مستقبل برنظر:

جیبا کہ مالی سال 24-2023 کے سالانہ مالیاتی گواشواروں کے ساتھ منسلک ہمارے ڈائز یکٹرز کی آخری رپورٹ میں بیان کیا گیا ہے، نئے 50 میگاواٹ کے کو کلے سے چلنے والے یاور پلانٹ (CFPP) کی تعمیراتی سرگرمی زوروں پر ہے۔ سامان کی تمام ایل سیز کھول دی گئی ہیں، سامان کی کافی ترسیلات بھی سائٹ پر پہنچ بچکی ہے جبکہ پچھڑانزٹ میں ہیں۔ ہیں۔ بیکنس آف پلانٹ کے سامان کے پچھ جزوی ایل سی بیکوں کے ساتھ ایل سی کھولنے کے مراحل میں ہیں۔

پاکستان میں افراط ذرکے اعدادوشار میں کمی کے رتجان کے پیش نظر ، مالی سال 2025 کے دوران اسٹیٹ بینک کی پالیسی کی شرح میں مزید کمی کی توقع ہے جو مالیاتی لاگت میں بپاکستانی روپے کی حالیہ قدر میں ممکنہ گراوٹ بچت کے لحاظ ہے کمپنی کے لیے بچھر ملیف لائے گی۔ تاہم ، مشرق وسطی کی جغرافیائی سیاسی صورتحال ، امر کمی ڈالر کے مقابلے میں پاکستانی روپے کی حالیہ قدر میں ممکنہ گراوٹ وغیرہ سے معیشت کی رفتار سب ہو سکتی ہے اور بجلی کی قیمت میں اضافہ ہو سکتا ہے۔ ان عوامل کو آنے والے سالوں میں کمپنی کے لیے بچھکلیدی چیلنج کے طور پر بیش کیا جا سکتا ہے۔

اعترافات:

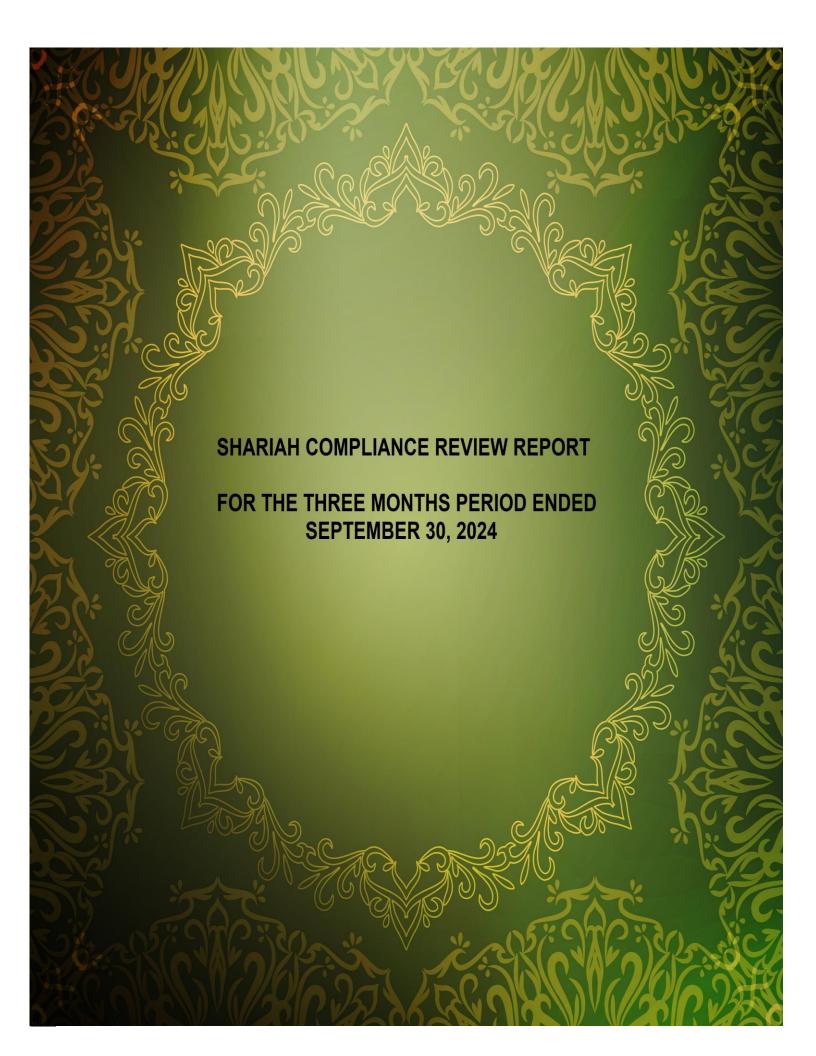
ہم اس موقع پراپنے قابل قدر کاروباری شراکت داروں،اسٹیک ہولڈرزاور کمپنی کے سرشار ملاز مین کا کمپنی کی ترقی اورخوشحالی کے لیےان کے اعتماد، مدداور سلسل تعاون کاشکر میادا کرتے ہیں۔

محمدادرلیس

بيف الميَّز يَكثيواً فيسر

فيصل آباد: 28 أكتوبر 2024

احرصن احرصن ڈائریکٹر





ALHAMD SHARIAH ADVISORY SERVICES

(PVT) LIMITED

Oct 06, 2024

تحمده و تصلى على رسولم الكريم

Shariah Review Report

For the period ended Sep 30, 2024

We have conducted a Shariah review of Sitara Chemical Industries Limited (SCIL) for the period ending on Sep 30, 2024, in accordance with the provisions outlined in the Shariah Governance Regulations of 2023. Our assessment led us to the following conclusions:

- the transactions, the documentations and the procedures adopted have been in accordance with principles of Shariah;
- > the business affairs have been carried out in accordance with rules and principles of Shariah;
- Further, the Shariah non-compliant income earned by the company during the period has been purified from the company's income.

Conclusion:

Based on the Review of SCIL's operations, transactions, related documentation, and management's representation, in our opinion, the affairs of SCIL have been carried out in accordance with the rules and principles of Shariah, and therefore, we are of the view that Sitara Chemical Industries Limited is a Shariah Compliant Company.

In the end, we pray to Allah Almighty to grant us success and help us at every step, keep us away from every hindrance and difficulty, and give financial success to Sitara Chemical Industries Limited.

Elivino

Mufti Muhammad Ibrahim Essa

Chief Executive Officer

Alhamd Shariah Advisory Services (Pvt.) Limited

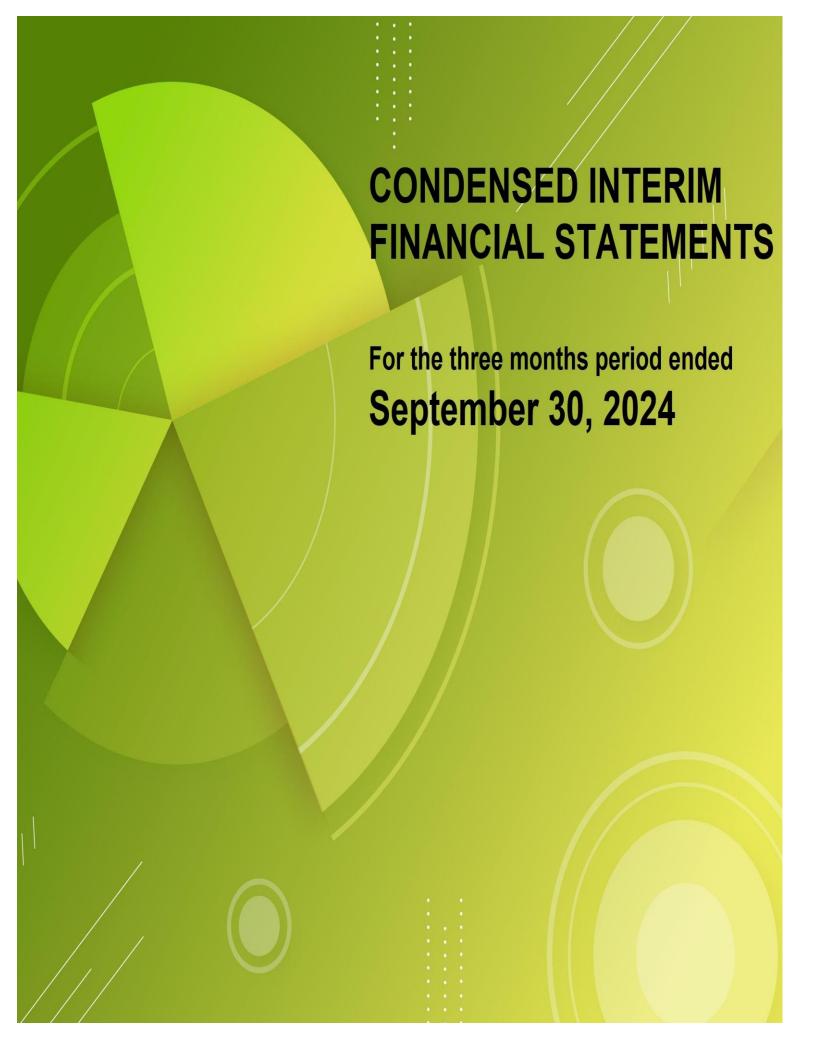
A coll

Mufti Ubaid Ur Rahman Zubairi

Director

Alhamd Shariah Advisory Services (Pvt.) Limited





CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2024

| | | Un-audited | Audited |
|---|------|---------------|------------|
| | | September 30, | June 30, |
| | | 2024 | 2024 |
| ASSETS | Note | (Rupees in th | ousand) |
| Non-current assets | | | |
| Property, plant and equipment | 5 | 23,748,810 | 22,972,726 |
| Intangible assets | | 6,617 | 6,787 |
| Investment property | 6 | 3,424,866 | 3,427,127 |
| Long term investments | | 20,039 | 20,039 |
| Long term loans and advances | | 224,764 | 225,441 |
| Long term deposits | | 125,134 | 125,134 |
| | | 27,550,230 | 26,777,254 |
| Current assets | | | |
| Stores, spare parts and loose tools | | 1,658,576 | 1,590,506 |
| Stock in trade | | 3,871,953 | 3,674,747 |
| Trade debts | 7 | 3,234,027 | 3,158,903 |
| Loans and advances | | 2,263,564 | 1,556,335 |
| Trade deposits, prepayments and other receivables | | 81,501 | 59,621 |
| Prepaid levis | | 14,368 | 14,368 |
| Advance income tax | | 1,754,272 | 2,454,203 |
| Other financial assets | 8 | 788,005 | 864,458 |
| Cash and bank balances | | 285,829 | 360,476 |
| | | 13,952,095 | 13,733,617 |
| Total assets | | 41,502,325 | 40,510,871 |
| FOUNTY AND HABILITIES | | | |
| EQUITY AND LIABILITIES | | | |
| Share capital and reserves | | 244224 | 244224 |
| Share capital | 9 | 214,294 | 214,294 |
| Reserves | | 1,479,971 | 1,491,865 |
| Unappropriated profits | | 12,669,124 | 12,464,377 |
| Surplus on revaluation of property, plant and equipment | | 3,844,128 | 3,893,550 |
| Total equity | | 18,207,517 | 18,064,086 |
| Non-current liabilities | | | |
| Long term financing | 10 | 3,771,476 | 2,937,312 |
| Deferred taxation | | 3,635,410 | 3,692,636 |
| Deferred liabilities | | 230,579 | 240,146 |
| | | 7,637,465 | 6,870,094 |
| Current liabilities | | | |
| Trade and other payables | | 3,331,337 | 3,210,246 |
| Profit / financial charges payable | | 1,108,308 | 966,093 |
| Short term borrowings | | 10,307,316 | 9,980,651 |
| Provision for taxation | | 104,715 | 614,034 |
| Unclaimed dividend | | 28,136 | 28,136 |
| Current portion of long term financing | | 777,531 | 777,531 |
| | | 15,657,343 | 15,576,691 |
| Total equity and liabilities | | 41,502,325 | 40,510,871 |
| Contingencies and commitments | 11 | | |

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

Chief Financial Officer

Chief Executive Officer

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

| | | Three months period ended | | |
|---|------|---------------------------|---------------|--|
| | | September 30, | September 30, | |
| | | 2024 | 2023 | |
| | Note | (Rupees in t | :housand) | |
| Revenue from contracts with customers - net | 12 | 7,607,083 | 7,613,221 | |
| Cost of sales | 13 | (6,435,202) | (6,428,472) | |
| Gross profit | | 1,171,881 | 1,184,749 | |
| Distribution cost | | (128,207) | (135,512) | |
| Administrative expenses | | (289,622) | (262,597) | |
| Other expenses | | (15,189) | (22,502) | |
| Finance cost | | (607,785) | (518,080) | |
| | | (1,040,803) | (938,691) | |
| | | 131,078 | 246,058 | |
| Other income | | 73,866 | 56,862 | |
| Profit before income tax and final tax | | 204,944 | 302,920 | |
| Final tax | | (4,827) | (9,271) | |
| Profit before tax | | 200,117 | 293,649 | |
| Provision for taxation | 14 | (44,792) | (91,927) | |
| Profit for the period | | 155,325 | 201,722 | |
| | | | | |
| Earnings per share - basic and diluted (Rupees) | 15 | 7.25 | 9.41 | |

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

Chief Financial Officer

Chief Executive Officer

Director

ahmadilaran

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

| | Three months period ended | | | |
|---|---------------------------|-----------------------|--|--|
| | September 30, 2024 | September 30, 2023 | | |
| | (Rupees in thousand) | | | |
| Profit for the period | 155,325 | 201,722 | | |
| Items that may be reclassified subsequently to profit or loss | | | | |
| Items that will not be reclassified to profit or loss | | | | |
| Gain on sale of investments measured at FVTOCI | 178 | 367 | | |
| Gain on re-measurement of equity instruments as at FVTOCI | (14,202) | 22,464 | | |
| Related tax impact | 2,130 | (3,370) | | |
| Total items that will not be reclassified to profit or loss | (11,894) | 19,461 | | |
| Total comprehensive income for the period | 143,431 | 221,183 | | |

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

Chief Financial Officer

Chief Executive Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

| | | Reserves | | | | | | | |
|---|---------------|------------------|---|--|--|--------------------|-----------------------|-------------------|------------|
| | | | C | apital | | Re | evenue | | |
| | Share Capital | Share Premium | Reserve on re- measurement of equity instruments as at FVTOCI | Reserve on re- measurement of post retirement benefits obligation - net of tax | Surplus on revaluation of property, plant and equipment -net of tax | General Reserve | Unappropriated profit | Total Reserves | Total |
| | (| | | R | upees in thousand | | | |) |
| Balance as at July 01, 2023 - Audited | 214,294 | 97,490 | 30,092 | (5,013) | 3,115,074 | 1,225,000 | 11,927,301 | 16,389,944 | 16,604,238 |
| Total comprehensive income | | | | | | | | | |
| Profit for the three months period ended September 30, 2023 | - | - | - | - | - | - | 201,722 | 201,722 | 201,722 |
| Other comprehensive income | - | - | 19,461 | - | - | - | - | 19,461 | 19,461 |
| | - | - | 19,461 | - | - | - | 201,722 | 221,183 | 221,183 |
| Transfer to unappropriated profit on account of incremental depreciation - net of tax | - | - | - | - | (43,164) | - | 43,164 | - | - |
| Balance as at September 30, 2023 - Un-audited | 214,294 | 97,490 | 49,553 | (5,013) | 3,071,910 | 1,225,000 | 12,172,187 | 16,611,127 | 16,825,421 |
| | | | | | | | | | |
| Balance as at July 01, 2024 - Audited | 214,294 | 97,490 | 177,829 | (8,454) | 3,893,550 | 1,225,000 | 12,464,377 | 17,849,792 | 18,064,086 |
| Total comprehensive income | | | | | | | | | |
| Profit for the three months period ended September 30, 2024 | - | - | - | - | - | - | 155,325 | 155,325 | 155,325 |
| Other comprehensive income | - | - | (11,894) | - | - | - | - | (11,894) | (11,894) |
| | - | - | (11,894) | - | - | - | 155,325 | 143,431 | 143,431 |
| Transfer to unappropriated profit on account of incremental depreciation - net of tax | - | - | - | - | (49,422) | - | 49,422 | - | - |
| Balance as at September 30, 2024 - Un-audited | 214,294 | 97,490 | 165,935 | (8,454) | 3,844,128 | 1,225,000 | 12,669,124 | 17,993,223 | 18,207,517 |

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

Chief Financial Officer

Chief Executive Officer

Ilmadiacen

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

| | | | Three months period ended | | |
|--|--|------|---------------------------|---------------|--|
| A. CASH FLOWS FROM OPERATING ACTIVITIES Note (Rupees in thousand) Operating cash flows before changes in working capital 18 1,135,801 1,113,805 WORKING CAPITAL CHANGES: | | • | September 30, | September 30, | |
| Net cash used in operating activities Net cash used in investing capital assets Net cash used in investing activities Net cash and cash equivalents (A+B+C) Net cash used in investing activities Net cash used in operation Net cash used in operating activities Net cash used in investing activities Net cash us | | | 2024 | 2023 | |
| WORKING CAPITAL CHANGES: (Increase) / decrease in current assets (197,206) (47,198) (47,198) (505,119) (75,120) (351,326) | A. CASH FLOWS FROM OPERATING ACTIVITIES | Note | (Rupees in th | ousand) | |
| (Increase) / decrease in current assets (68,071) (47,198) (50,071) (47,198) (50,071) (47,198) (50,071) (175,120) (351,326) (351, | Operating cash flows before changes in working capital | 18 | 1,135,801 | 1,113,385 | |
| Stores, spare parts and loose tools | WORKING CAPITAL CHANGES: | | | | |
| Stock-in-trade | (Increase) / decrease in current assets | | | | |
| Trade debts | Stores, spare parts and loose tools | | (68,071) | (47,198) | |
| Advance Sales Tax Loans and advances (782,906) Trade deposits and short-term prepayments (21,881) (10,410) (decrease) / increase in current liabilities Trade and other payables Trade and other payables Advance Sales in current liabilities Trade and other payables English in crease in current liabilities Trade and other payables Advance Sales in current liabilities Trade and other payables Advance Sales in current liabilities (977,385) (1,111,590) Cash used in operations 158,416 1,795 Finance cost paid (446,531) (10,06) (1,100) Levies paid (1,006) (1,100) Levies paid (4,827) (9,271) Taxes refunded/(paid) (125,48) (262,702) Recals used in operating activities B. CASH FLOWS FROM INVESTING ACTIVITIES Additions to property, plant and equipment including capital work in progress (1,171,840) (1,250,449) Proceeds from disposal of property, plant and equipment (1,250,449) Proceeds from disposal of property, plant and equipment (26,599 13,150 Purchase of other financial assets (463,256) (77,396) Long term deposits - net (685) (290,476 Dividend received (338) 308 Profit received on bank deposits (1,047,738) (774,336) C. CASH FLOWS FROM HINACING ACTIVITIES Proceeds from long term loans and advances - net (685) (1,047,738) (774,336) C. CASH FLOWS FROM FINANCING ACTIVITIES Proceeds from long term financing (185,180) (182,775) Short term borrowings - net (326,665 1,100,497 Net cash generated from financing activities (1,141,791 1,44,062 Net (decrease)/increase in cash and cash equivalents (A+B+C) (74,647) (74,647) 42,935 Cash and cash equivalents a beginning of the period 360,476 334,319 | Stock-in-trade | | (197,206) | (965,119) | |
| Loans and advances | Trade debts | | (75,120) | (351,326) | |
| Trade deposits and short-term prepayments (21,881) (10,410) (decrease) / increase in current liabilities 84,437 407,995 Trade and other payables (977,385) (1,111,590) Cash used in operations 158,416 1,795 Finance cost paid (446,531) (325,513) Employee benefits paid (1,006) (1,100) Levies paid (4,827) (9,271) Taxes refunded/(paid) 125,248 (262,702) Net cash used in operating activities (168,700) (596,791) B. CASH FLOWS FROM INVESTING ACTIVITIES Additions to property, plant and equipment including capital work in progress (1,171,840) (1,250,449) Proceeds from disposal of property, plant and equipment 26,599 13,150 Proceeds from other financial assets (463,256) (77,396) Long term deposits - net - 400 Realization of Long term loans and advances - net (685) 290,476 Dividend received 338 308 Profit received on bank deposits 9,555 7,170 Net cash used in investing activities | Advance Sales Tax | | 83,362 | 14,948 | |
| (decrease) / increase in current liabilities 84,437 407,995 Trade and other payables (977,385) (1,111,590) Cash used in operations 158,416 1,795 Finance cost paid (446,531) (325,513) Employee benefits paid (1,006) (1,100) Levies paid (4,827) (9,271) Taxes refunded/(paid) 125,248 (262,702) Taxes refunded in operating activities (168,700) (596,791) B. CASH FLOWS FROM INVESTING ACTIVITIES 400 (596,791) B. CASH FLOWS FROM INVESTING ACTIVITIES 400 (1,171,840) (1,250,449) Proceeds from disposal of property, plant and equipment including capital work in progress (1,171,840) (1,250,449) Proceeds from disposal of property, plant and equipment including capital work in progress (463,256) (77,396) Proceeds from disposal of property, plant and equipment including capital work in progress (463,256) (77,396) Purchase of other financial assets (463,256) (77,396) (77,396) Long term diaposal of property, plant and equipment including capital work in progress (685) 290,476 | Loans and advances | | (782,906) | (160,480) | |
| Realization of Long term loans and advances - net long term deposits - net cash used in investing activities 1,795 1,111,590 1,111 | Trade deposits and short-term prepayments | | (21,881) | (10,410) | |
| Cash used in operations | (decrease) / increase in current liabilities | | | | |
| Cash used in operations 158,416 1,795 Finance cost paid (446,531) (325,513) Employee benefits paid (1,006) (1,100) Levies paid (4,827) (9,271) Taxes refunded/(paid) 125,248 (262,702) Net cash used in operating activities (168,700) (598,586) Net cash used in operating activities (168,700) (596,791) B. CASH FLOWS FROM INVESTING ACTIVITIES 327,116 (1,250,449) Additions to property, plant and equipment including capital work in progress (1,171,840) (1,250,449) Proceeds from disposal of property, plant and equipment 26,599 13,150 Proceeds from other financial assets (463,256) (77,396) Long term deposits - net (885) 290,476 Dividend received 338 308 Profit received on bank deposits 9,856 7,170 Net cash used in investing activities (1,007,308) (774,336) C. CASH FLOWS FROM FINANCING ACTIVITIES 1,000,306 496,340 Repayment of long term financing (185,180) (182,775) </td <td>Trade and other payables</td> <td></td> <td>84,437</td> <td>407,995</td> | Trade and other payables | | 84,437 | 407,995 | |
| Finance cost paid | | L | (977,385) | (1,111,590) | |
| Employee benefits paid (1,006) (1,100) Levies paid (4,827) (9,2711) Taxes refunded/(paid) 125,248 (262,702) (327,116) (598,586) Net cash used in operating activities (168,700) (596,791) B. CASH FLOWS FROM INVESTING ACTIVITIES Additions to property, plant and equipment including capital work in progress (1,171,840) (1,250,449) Proceeds from disposal of property, plant and equipment 26,599 13,150 Proceeds from other financial assets (463,256) (77,396) Long term deposits - net - 400 Realization of Long term loans and advances - net (685) 290,476 Dividend received 338 308 Profit received on bank deposits 9,856 7,170 Net cash used in investing activities (1,047,738) (774,336) C. CASH FLOWS FROM FINANCING ACTIVITIES (1,000,306 496,340 Repayment of long term financing (185,180) (182,775) Short term borrowings - net 326,665 1,100,497 Net cash generated from financing activities 1,1 | Cash used in operations | | 158,416 | 1,795 | |
| Employee benefits paid (1,006) (1,100) Levies paid (4,827) (9,2711) Taxes refunded/(paid) 125,248 (262,702) (327,116) (598,586) Net cash used in operating activities (168,700) (596,791) B. CASH FLOWS FROM INVESTING ACTIVITIES Additions to property, plant and equipment including capital work in progress (1,171,840) (1,250,449) Proceeds from disposal of property, plant and equipment 26,599 13,150 Proceeds from other financial assets (463,256) (77,396) Long term deposits - net - 400 Realization of Long term loans and advances - net (685) 290,476 Dividend received 338 308 Profit received on bank deposits 9,856 7,170 Net cash used in investing activities (1,047,738) (774,336) C. CASH FLOWS FROM FINANCING ACTIVITIES (1,000,306 496,340 Repayment of long term financing (185,180) (182,775) Short term borrowings - net 326,665 1,100,497 Net cash generated from financing activities 1,1 | Finance cost paid | | (446,531) | (325,513) | |
| Taxes refunded/(paid) 125,248 (327,116) (598,586) Net cash used in operating activities (168,700) (596,791) B. CASH FLOWS FROM INVESTING ACTIVITIES 327,116 (1,250,449) Additions to property, plant and equipment including capital work in progress (1,171,840) (1,250,449) Proceeds from disposal of property, plant and equipment 26,599 13,150 Proceeds from other financial assets (593,256) (77,396) Long term deposits - net - 400 Realization of Long term loans and advances - net (685) 299,476 Dividend received 338 308 Profit received on bank deposits 9,856 7,170 Net cash used in investing activities (1,047,738) (774,336) C. CASH FLOWS FROM FINANCING ACTIVITIES To ceeds from long term financing (185,180) (182,775) Short term borrowings - net 326,665 1,100,497 Net cash generated from financing activities 1,141,791 1,414,062 Net (decrease)/increase in cash and cash equivalents (A+B+C) (74,647) 42,935 Cash and cash equivalents at beginning of the period | Employee benefits paid | | (1,006) | | |
| Net cash used in operating activities (168,700) (598,586) | Levies paid | | (4,827) | (9,271) | |
| Net cash used in operating activities (168,700) (596,791) B. CASH FLOWS FROM INVESTING ACTIVITIES Additions to property, plant and equipment including capital work in progress (1,171,840) (1,250,449) (1,250,4 | Taxes refunded/(paid) | | 125,248 | (262,702) | |
| B. CASH FLOWS FROM INVESTING ACTIVITIES Additions to property, plant and equipment including capital work in progress (1,171,840) (1,250,449) Proceeds from disposal of property, plant and equipment 26,599 13,150 Proceeds from other financial assets 551,250 242,005 Purchase of other financial assets (463,256) (77,396) Long term deposits - net - 400 Realization of Long term loans and advances - net (685) 290,476 Dividend received 3338 308 Profit received on bank deposits 9,856 7,170 Net cash used in investing activities (1,047,738) (774,336) C. CASH FLOWS FROM FINANCING ACTIVITIES Proceeds from long term financing 1,000,306 496,340 Repayment of long term financing 1,000,306 496,340 Repayment of long term financing 1,100,497 Net cash generated from financing activities 1,141,791 1,414,062 Net (decrease)/increase in cash and cash equivalents (A+B+C) (74,647) 42,935 Cash and cash equivalents at beginning of the period 360,476 334,319 | | | (327,116) | (598,586) | |
| Additions to property, plant and equipment including capital work in progress (1,171,840) (1,250,449) Proceeds from disposal of property, plant and equipment 26,599 13,150 Proceeds from other financial assets 551,250 242,005 Purchase of other financial assets (463,256) (77,396) Long term deposits - net - 400 Realization of Long term loans and advances - net (685) 290,476 Dividend received 3338 338 Profit received on bank deposits 99,856 7,170 Net cash used in investing activities (1,047,738) (774,336) C. CASH FLOWS FROM FINANCING ACTIVITIES Proceeds from long term financing 1,000,306 496,340 Repayment of long term financing (185,180) (182,775) Short term borrowings - net 326,665 1,100,497 Net cash generated from financing activities 1,141,791 1,414,062 Net (decrease)/increase in cash and cash equivalents (A+B+C) (74,647) 42,935 Cash and cash equivalents at beginning of the period 360,476 334,319 | Net cash used in operating activities | | (168,700) | (596,791) | |
| including capital work in progress Proceeds from disposal of property, plant and equipment Proceeds from disposal of property, plant and equipment Proceeds from other financial assets Purchase of other financial assets Purchase of other financial assets Purchase of other financial assets (463,256) Long term deposits - net Realization of Long term loans and advances - net (685) Dividend received 338 Profit received on bank deposits Proteceded in investing activities C. CASH FLOWS FROM FINANCING ACTIVITIES Proceeds from long term financing Repayment of long term financing Repayment of long term financing Short term borrowings - net Net cash generated from financing activities Net (decrease)/increase in cash and cash equivalents (A+B+C) Cash and cash equivalents at beginning of the period (1,71,840) (1,250,449) 1,3150 242,005 242,05 242, | B. CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Proceeds from disposal of property, plant and equipment Proceeds from other financial assets Purchase of other financial assets Purchase of other financial assets (463,256) Long term deposits - net Realization of Long term loans and advances - net Dividend received Profit received on bank deposits Proceeds from long term financing Proceeds from long term financing Repayment of long term financing Repayment of long term financing Repayment of long term financing Protect cash generated from financing activities Net cash generated from financing activities Net (decrease)/increase in cash and cash equivalents (A+B+C) Cash and cash equivalents at beginning of the period 13,150 26,599 13,150 242,005 242,005 242,005 26,599 13,150 242,005 26,599 13,150 242,005 26,599 13,150 242,005 26,599 13,150 242,005 26,599 13,150 242,005 26,599 13,150 242,005 26,599 13,150 242,005 26,599 13,150 26,599 13,100 26,590 13,100 26,590 11,100,497 26,590 26,590 26,590 26,590 27,170 27,4336) 27,170 27,4336) 27,170 27,4336) 27,170 27,170 28,190 28, | Additions to property, plant and equipment | | | | |
| Proceeds from other financial assets Purchase of other financial assets Long term deposits - net Realization of Long term loans and advances - net Dividend received By a same and advances - net Side and a same and advances - net Dividend received By a same and advances - net Dividend received By a same and advances - net Dividend received By a same and advances - net Dividend received By a same and advances - net Dividend received By a same and advances - net By a same and a same and advances - net By a same and a same and advances - net By a same and a same a | including capital work in progress | | (1,171,840) | (1,250,449) | |
| Purchase of other financial assets Long term deposits - net Realization of Long term loans and advances - net Dividend received Profit received on bank deposits Net cash used in investing activities C. CASH FLOWS FROM FINANCING ACTIVITIES Proceeds from long term financing Repayment of long term financing Repayment of long term financing Short term borrowings - net Net cash generated from financing activities Net (decrease)/increase in cash and cash equivalents (A+B+C) Cash and cash equivalents at beginning of the period (77,396) (77,396) (77,396) (88) (88) 290,476 338 308 7,170 (1,047,738) (1,047,738) (774,336) (1,047,738) (182,775) 326,665 1,100,497 1,414,791 1,414,062 | Proceeds from disposal of property, plant and equipment | | 26,599 | 13,150 | |
| Long term deposits - net Realization of Long term loans and advances - net (685) 290,476 Dividend received 338 308 Profit received on bank deposits 9,856 7,170 Net cash used in investing activities (1,047,738) (774,336) C. CASH FLOWS FROM FINANCING ACTIVITIES Proceeds from long term financing Repayment of long term financing (185,180) (182,775) Short term borrowings - net 326,665 1,100,497 Net cash generated from financing activities Net (decrease)/increase in cash and cash equivalents (A+B+C) Cash and cash equivalents at beginning of the period 360,476 334,319 | Proceeds from other financial assets | | 551,250 | 242,005 | |
| Realization of Long term loans and advances - net Dividend received Profit received on bank deposits Profit received on bank deposits Profit received in investing activities C. CASH FLOWS FROM FINANCING ACTIVITIES Proceeds from long term financing Repayment of long term financing Repayment of long term financing Short term borrowings - net Net cash generated from financing activities Net cash generated from financing activities Net (decrease)/increase in cash and cash equivalents (A+B+C) Cash and cash equivalents at beginning of the period Repayment of long term financing activities 1,000,306 496,340 (182,775) 1,000,497 1,411,791 1,414,062 | Purchase of other financial assets | | (463,256) | (77,396) | |
| Dividend received Profit received on bank deposits Protect ash used in investing activities C. CASH FLOWS FROM FINANCING ACTIVITIES Proceeds from long term financing Proceeds from | Long term deposits - net | | - | 400 | |
| Profit received on bank deposits 9,856 7,170 Net cash used in investing activities (1,047,738) (774,336) C. CASH FLOWS FROM FINANCING ACTIVITIES Proceeds from long term financing 1,000,306 (185,180) (182,775) Short term borrowings - net 326,665 1,100,497 Net cash generated from financing activities 1,141,791 1,414,062 Net (decrease)/increase in cash and cash equivalents (A+B+C) (74,647) 42,935 Cash and cash equivalents at beginning of the period 360,476 334,319 | Realization of Long term loans and advances - net | | (685) | 290,476 | |
| Net cash used in investing activities (1,047,738) (774,336) C. CASH FLOWS FROM FINANCING ACTIVITIES Proceeds from long term financing 1,000,306 (185,180) (182,775) Short term borrowings - net 326,665 1,100,497 Net cash generated from financing activities 1,141,791 1,414,062 Net (decrease)/increase in cash and cash equivalents (A+B+C) (74,647) 42,935 Cash and cash equivalents at beginning of the period 360,476 334,319 | Dividend received | | 338 | 308 | |
| C. CASH FLOWS FROM FINANCING ACTIVITIES Proceeds from long term financing Repayment of long term financing (185,180) Short term borrowings - net Net cash generated from financing activities 1,141,791 1,414,062 Net (decrease)/increase in cash and cash equivalents (A+B+C) Cash and cash equivalents at beginning of the period 360,476 334,319 | · | | | 7,170 | |
| Proceeds from long term financing Repayment of long term financing Short term borrowings - net Net cash generated from financing activities Net (decrease)/increase in cash and cash equivalents (A+B+C) Cash and cash equivalents at beginning of the period 1,000,306 (185,180) (182,775) 326,665 1,100,497 1,414,062 (74,647) 42,935 Cash and cash equivalents at beginning of the period 360,476 334,319 | Net cash used in investing activities | | (1,047,738) | (774,336) | |
| Repayment of long term financing Short term borrowings - net Net cash generated from financing activities Net (decrease)/increase in cash and cash equivalents (A+B+C) Cash and cash equivalents at beginning of the period (185,180) (182,775) (192,775) (1 | C. CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Short term borrowings - net 326,665 1,100,497 Net cash generated from financing activities 1,141,791 1,414,062 Net (decrease)/increase in cash and cash equivalents (A+B+C) (74,647) 42,935 Cash and cash equivalents at beginning of the period 360,476 334,319 | | | | | |
| Net cash generated from financing activities 1,141,791 1,414,062 Net (decrease)/increase in cash and cash equivalents (A+B+C) (74,647) 42,935 Cash and cash equivalents at beginning of the period 360,476 334,319 | | | | (182,775) | |
| Net (decrease)/increase in cash and cash equivalents (A+B+C) Cash and cash equivalents at beginning of the period 360,476 334,319 | - | | 326,665 | 1,100,497 | |
| Cash and cash equivalents at beginning of the period 360,476 334,319 | Net cash generated from financing activities | | 1,141,791 | 1,414,062 | |
| | Net (decrease)/increase in cash and cash equivalents (A+B+C) | | (74,647) | 42,935 | |
| Cash and cash equivalents at end of the period 285,829 377,254 | Cash and cash equivalents at beginning of the period | | 360,476 | 334,319 | |
| | Cash and cash equivalents at end of the period | | 285,829 | 377,254 | |

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

Chief Financial Officer

Chief Executive Officer

1 **LEGAL STATUS AND OPERATIONS**

1.1 Sitara Chemical Industries Limited ("the Company") was incorporated in Pakistan on September 08, 1981 as a public limited company under the Companies Act, 1913 (now the Companies Act, 2017). The Company is currently listed on the Pakistan Stock Exchange. The company is a Shariah Compliant Company certified by Securities & Exchange Commission of Pakistan (SECP) under Shariah Governance Regulation 2018. The principal activities of the Company are operating Chlor Alkali plant, Oleo chehmical plant and yarn spinning unit. 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 28/32 K.M., Faisalabad - Sheikhupura Road, Faisalabad, in the province of Punjab.

The Company is currently organized into two operating divisions and these divisions are the basis on which the Company reports its primary segment information.

Principal business activities are as follows:

Chemical Division Manufacturing of caustic soda, soap noodles and allied products

Textile Division Manufacturing of yarn and trading of fabric

1.2 These condensed interim financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency.

BASIS OF PREPARATION 2

- 2.1 These condensed interim financial statements of the Company for the three months period ended September 30, 2024 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards 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;
 - Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) under the Companies Act, 2017; and
 - Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 (the Act) differ with the requirements of IAS 34 and IFAS, the provisions of and directives issued under the Act have been followed.

These condensed interim financial statements should be read in conjunction with annual audited financial statements for the year ended June 30, 2024. Comparative statement of financial position is extracted from annual audited financial statements for the year ended June 30, 2024, whereas comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows are extracted from un-audited condensed interim financial statements for the three months period ended September 30, 2023.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT

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

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the company's annual accounting periods beginning on or after July 1, 2024. However, these will not have any significant effects on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparation of these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements for the year ended June 30, 2024.

| 5 | PROPERTY, PLANT AND EQUIPMENT | Note | Un-audited September 30, 2024 (Rupees in | Audited June 30, 2024 thousand) |
|---|-------------------------------|------|---|--|
| | Operating assets | 5.1 | 19,617,663 | 19,760,227 |
| | Capital work-in-progress | | 4,071,598 | 3,125,953 |
| | Capital stores | | 59,549 | 86,546 |
| | | | 23,748,810 | 22,972,726 |

| | | Un-audited | Audited |
|-----|--|-------------------|-------------|
| | | September 30, | June 30, |
| | | 2024 | 2024 |
| | | (Rupees in | thousand) |
| 5.1 | Operating assets | | |
| | Opening written down value | 19,760,227 | 16,998,641 |
| | Additions during the period / year: | | |
| | Buildings on freehold land - Mill | 1,512 | 127,354 |
| | Plant and machinery | 222,445 | 2,459,330 |
| | Grid station and electric installations | - | 13,021 |
| | Containers and cylinders | - | - |
| | Containers and cylinders | - | - |
| | Factory equipment | 7,628 | 9,807 |
| | Electric equipment | 10,148 | 118,695 |
| | Office equipment | 1,746 | 5,955 |
| | Furniture and fittings | 122 | 2,094 |
| | Vehicles | 9,591 | 33,747 |
| | | 253,192 | 2,770,003 |
| | Written down value of assets disposed off during the period / year | (21,820) | (69,840) |
| | Revaluation adjustments | - | 1,401,244 |
| | Depreciation charged during the period / year | (373,936) | (1,339,821) |
| | | 19,617,663 | 19,760,227 |
| | | | |

5.2 The Company had revalued its freehold land, building and plant & machinery at June 30, 2024. The revaluation had been carried out by Hamid Mukhatar & Company (Private) Limited, an independent valuer not connected to the Company and is on the panel of Pakistan Banks Association as 'Any Amount' asset valuer. It is also on the 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.

The revaluation was performed at June 30, 2024. Out of the total revaluation surplus of Rs. 3,894 million, Rs. 3,844 million net of tax (June 30, 2024: 3,894 million) remains undepreciated as at September 30, 2024.

Audited

Details of the Company's revalued assets and information about fair value hierarchy, as at September 30, 2024 are as follows:

Un-audited

| | | Level 1 | | | June 30, 2024 | | | | |
|---------|---|----------------------|----------------------|---------|---------------|-------------------------------------|---------------------------------|--|--|
| | | LCVCII | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 | | |
| | | | (Rupees in thousand) | | | | | | |
| Lan | nd - freehold | - | 1,524,838 | - | - | 1,525,068 | - | | |
| Bui | ildings on freehold land | - | 2,252,066 | - | - | 2,276,235 | - | | |
| Pla | int and machinery | - | 14,205,190 | - | | 14,307,197 | - | | |
| | | - | 17,982,094 | - | | 18,108,500 | - | | |
| | | | | | | Un-audited September 30, 2024 | Audited June 30, 2024 | | |
| 6 IN\ | VESTMENT PROPERTY | | | | Note | (Rupees in | thousand) | | |
| Lar | nd | | | | 6.1 | 3,340,788 | 3,340,788 | | |
| Bui | ildings | | | | 6.2 | 84,078 | 86,339 | | |
| | | | | | | 3,424,866 | 3,427,127 | | |
| 6.1 Lar | nd | | | | | | | | |
| | Balance at the beginning o Additions/adjustments do Disposal during the perio | uring the period / y | | | | 3,340,788 - - | 3,188,600 153,788 (1,600) | | |
| В | Balance at end of the perio | od / year | | | | 3,340,788 | 3,340,788 | | |

| | | | Un-audited September 30, | Audited June 30, |
|-----|--|----------------|-----------------------------|---------------------|
| | | Note | 2024 | 2024 |
| 6.2 | Buildings | | (Rupees in t | housand) |
| | Cost: | | | |
| | Balance at the beginning of the period / year | | 151,879 | 151,879 |
| | Additions during the period / year | | - | - |
| | Disposal during the period / year | | - | - |
| | Balance at the end of the period / year | | 151,879 | 151,879 |
| | Accumulated depreciation: | | | |
| | At the beginning of the period / year | | 65,540 | 55,946 |
| | For the period / year | | 2,261 | 9,594 |
| | At the end of the period / year | | (67,801) | (65,540) |
| | Written down value at the end of the period / year | | 84,078 | 86,339 |
| 7 | TRADE DEBTS | | | |
| ′ | | 2 2024 D- 4 | 02.45 | |
| | These include receivable from related parties amounting to Rs. 813 thousand (June 30 | J, 2024: KS. 1 | .03 thousand). | |
| 8 | OTHER FINANCIAL ASSETS | | | |
| | Equity investments held at FVTOCI | 8.1 | 327,401 | 349,214 |
| | Mutual funds held at FVTPL | 8.2 | 460,604 | 515,244 |
| | | | 788,005 | 864,458 |
| | | | - | |
| 8.1 | Investments measured at fair value through other comprehensive income (FVTOCI) | | | |
| | Fair value at July 01 | | 349,214 | 186,672 |
| | Acquired during the period / year | | 9,256 | 38,243 |
| | | | 358,470 | 224,915 |
| | Disposed off during the period / year | | (16,867) | (46,417) 178,498 |
| | Gain / (loss) on fair value and disposal of investments during the period / year | | 341,603 | · · |
| | daili / (loss) on fail value and disposal of investments during the period / year | | (14,202) | 170,716 |
| | | | 327,401 | 349,214 |
| 8.2 | Investments measured at fair value through profit or Loss (FVTPL) | | 545 244 | 525 204 |
| | Fair value at July 01 | | 515,244 | 535,294 |
| | Acquired during the period / year | | 386,834 | 1,740,907 |
| | | | 902,078 | 2,276,201 |
| | Disposed off during the period / year | | (441,855) | (1,762,963) |
| | | | 460,223 | 513,238 |
| | Gain on disposal of investments during the period / year | | 381 | 2,006 |
| | | | 460,604 | 515,244 |

FAIR VALUE OF FINANCIAL INSTRUMENTS 8.3

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as

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 following table presents the fair value hierarchy for financial assets which are carried at fair value:

| | Un-audited | | | | Audited | | |
|---------------------------|------------|--------------------|----------|-------------|---------------|---------|--|
| | Sep | September 30, 2024 | | | June 30, 2024 | | |
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 | |
| | | (| Rupees i | n thousand) | | | |
| Investments classified as | | | | | | | |
| - available for sale | 788,005 | - | - | 864,458 | - | - | |

There were no transfers between levels during the period / year. The carrying value of all other finanacial assets and liabilities reflected in these condensed interim financial statements approximate their fair values.

SHARE CAPITAL

| Un-audited September 30, 2024 | Audited June 30, 2024 | | Un-audited September 30, 2024 | Audited June 30, 2024 |
|-------------------------------------|-----------------------------|--|-------------------------------------|-----------------------------|
| N | lo of shares | | (Rupees in | thousand) |
| | | Authorized | | |
| | | Ordinary shares of Rs. 10 each | | |
| 40.000.000 | 40.000.000 | Class "A" | 400.000 | 400.000 |
| 20,000,000 | 20,000,000 | Class "B" | 200,000 | 200,000 |
| | | | | |
| | | Issued, subscribed and paid up | | |
| | | Class "A" ordinary shares of Rs. 10/- each | | |
| 8,640,000 | 8,640,000 | - fully paid in cash | 86,400 | 86,400 |
| 10,804,398 | 10,804,398 | - issued as fully paid bonus shares | 108,044 | 108,044 |
| 1,985,009 | 1,985,009 | - issued as fully paid under scheme of | 19,850 | 19,850 |
| | | arrangement for amalgamation | | |
| 21,429,407 | 21,429,407 | • | 214,294 | 214,294 |

- 9.1 Class "B" ordinary shares do not carry any voting rights.
- 9.2 Number of shares held by associated companies or related parties are 763,922 (June 30, 2024: 763,922).

| LONG TERM FINANCING LONG TERM FINANCING Note Diminishing Musharka (from financial institutions - secured) Balance at the beginning of the period / year Availed during the period / year Repaid during the period / year Present value adjustment against subsidized rate long term loan Less: Current portion Balance at the end of the period / year (100,306 1,215,065 1,215,06 | 9.3 | The Company has no reserved shares under options or sales contracts. | | |
|--|--------|---|---------------------|---------------|
| LONG TERM FINANCING Diminishing Musharka (from financial institutions - secured) Balance at the beginning of the period / year Availed during the period / year Repaid during the period / year Repaid during the period / year Repaid during the period / year Present value adjustment against subsidized rate long term loan Less: Current portion Balance at the end of the period / year 2024 (Rupees in thousand) 3,714,843 3,148,320 1,000,306 1,215,065 (185,180) (701,197) 19,038 52,655 4,549,007 3,714,843 1,007,531) 2,937,312 | | | Un-audited | Audited |
| LONG TERM FINANCING Diminishing Musharka (from financial institutions - secured) Balance at the beginning of the period / year Availed during the period / year Repaid during the period / year Repaid during the period / year Repaid during the period / year Present value adjustment against subsidized rate long term loan Less: Current portion Balance at the end of the period / year 2024 (Rupees in thousand) 3,714,843 3,148,320 1,000,306 1,215,065 (185,180) (701,197) 19,038 52,655 4,549,007 3,714,843 1,007,531) 2,937,312 | | | September 30. | June 30. |
| Diminishing Musharka (from financial institutions - secured) Balance at the beginning of the period / year 3,714,843 3,148,320 Availed during the period / year 1,000,306 1,215,065 Repaid during the period / year (185,180) (701,197) Present value adjustment against subsidized rate long term loan 19,038 52,655 Less: Current portion (777,531) (777,531) Balance at the end of the period / year 3,771,476 2,937,312 | 10 | LONG TERM FINANCING Note | | • |
| Diminishing Musharka (from financial institutions - secured) Balance at the beginning of the period / year 3,714,843 3,148,320 Availed during the period / year 1,000,306 1,215,065 Repaid during the period / year (185,180) (701,197) Present value adjustment against subsidized rate long term loan 19,038 52,655 4,549,007 3,714,843 Less: Current portion (777,531) (777,531) Balance at the end of the period / year 3,771,476 2,937,312 | | | (Rupees in | thousand) |
| Balance at the beginning of the period / year 3,714,843 3,148,320 Availed during the period / year 1,000,306 1,215,065 Repaid during the period / year (185,180) (701,197) Present value adjustment against subsidized rate long term loan 19,038 52,655 4,549,007 3,714,843 Less: Current portion (777,531) (777,531) Balance at the end of the period / year 3,771,476 2,937,312 | | Diminishing Musharka (from financial institutions - secured) | (- (| |
| Availed during the period / year 1,000,306 1,215,065 Repaid during the period / year (185,180) (701,197) Present value adjustment against subsidized rate long term loan 19,038 52,655 4,549,007 3,714,843 Less: Current portion (777,531) (777,531) Balance at the end of the period / year 3,771,476 2,937,312 | | · · · · · · · · · · · · · · · · · · · | 3,714,843 | 3,148,320 |
| Present value adjustment against subsidized rate long term loan 19,038 52,655 4,549,007 3,714,843 Less: Current portion (777,531) (777,531) Balance at the end of the period / year 3,771,476 2,937,312 | | Availed during the period / year | 1,000,306 | 1,215,065 |
| Less: Current portion 4,549,007 3,714,843 Less: Current portion (777,531) (777,531) Balance at the end of the period / year 3,771,476 2,937,312 | | Repaid during the period / year | (185,180) | (701,197) |
| Less: Current portion (777,531) (777,531) Balance at the end of the period / year 3,771,476 2,937,312 | | Present value adjustment against subsidized rate long term loan | 19,038 | 52,655 |
| Balance at the end of the period / year 2,937,312 | | | 4,549,007 | 3,714,843 |
| | | Less: Current portion | (777,531) | (777,531) |
| 11 CONTINGENCIES AND COMMITMENTS | | Balance at the end of the period / year | 3,771,476 | 2,937,312 |
| | 11 | CONTINGENCIES AND COMMITMENTS | | |
| 11.1 Contingencies | 11.1 | | | |
| Contingencies 11.1.1 - | | Contingencies 11.1.1 | - | - |
| 11.1.1 There were no contingencies as at period end / year end. | 11.1.1 | There were no contingencies as at period end / year end. | | |
| 11.2 Commitments | 11.2 | Commitments | | |
| Guarantees issued by banks on behalf of the Company 267,259 259,891 | | Guarantees issued by banks on behalf of the Company | 267,259 | 259,891 |
| Outstanding letters of credit for plant and machinery, stores, spare parts and raw material 3,415,255 3,559,522 | | Outstanding letters of credit for plant and machinery, stores, spare parts and raw material | 3,415,255 | 3,559,522 |
| The control of | | | | dia d |
| Un-audited Three months period ended | | | | |
| September 30, September 30, | | | September 30, | September 30, |
| 2024 2023 | | | 2024 | 2023 |
| 12 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET (Rupees in thousand) | 12 | REVENUE FROM CONTRACTS WITH CUSTOMERS - NET | (Rupees in | thousand) |
| Local: | | | 7.000.040 | 7.654.670 |
| Chemicals 7,636,943 7,651,678 | | | | |
| Yarn 1,338,398 1,299,952 | | | | |
| Fabric 90,066 14,836 | | | • | · |
| Waste 9,789 9,161 | | | 9,789 | 9,161 |
| Trading - others 57,001 - | | Trading - others | 57,001 | - |
| 9,132,197 8,975,627 | | | 9,132,197 | 8,975,627 |
| Export: | | · | 402 540 | 4.46.042 |
| Chemicals 103,518 146,843 | | Cnemicals | | |
| 9,235,715 9,122,470 Less: | | Less: | 9,235,715 | 9,122,470 |
| Commission and discount (224,082) (197,193) | | | (224,082) | (197,193) |
| Sales tax (1,404,550) (1,312,056) | | Sales tax | (1,404,550) | (1,312,056) |
| (1,628,632) (1,509,249) | | | (1,628,632) | |
| 7,607,083 7,613,221 | | | 7,607,083 | 7,613,221 |

| | | Oli-addited | |
|----|---|---------------------------|---------------|
| | | Three months period ended | |
| | | September 30, | September 30, |
| | | 2024 | 2023 |
| 13 | COST OF SALES | (Rupees in | thousand) |
| | Raw material consumed | 2,383,033 | 2,765,564 |
| | Fuel and power | 3,280,987 | 3,361,836 |
| | Salaries, wages and benefits | 310,192 | 245,853 |
| | Factory overheads | 648,898 | 556,550 |
| | | 6,623,110 | 6,929,803 |
| | Work in process | F7 210 | 45.050 |
| | Opening stock | 57,219 | 45,650 |
| | Closing stock | (40,614) | (52,718) |
| | | 16,605 | (7,068) |
| | Cost of goods manufactured | 6,639,715 | 6,922,735 |
| | Finished goods | | |
| | Opening stock - including waste | 2,363,522 | 1,700,648 |
| | Closing stock - including waste | (2,568,035) | (2,194,911) |
| | | (204,513) | (494,263) |
| | | 6,435,202 | 6,428,472 |
| 14 | PROVISION FOR TAXATION | | |
| | Current - for the period | 99,888 | 136,811 |
| | Deferred | (55,096) | (44,884) |
| | | 44,792 | 91,927 |
| 15 | EARNINGS PER SHARE - BASIC AND DILUTED | | |
| | Profit for the period | 155,325 | 201,722 |
| | Weighted average number of ordinary shares outstanding during the period (Number of shares in thousand) | 21,429 | 21,429 |
| | Earnings per share (Rupees) | 7.25 | 9.41 |

Un-audited

16 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, other related group companies, directors of the company, key management personnel and post employment benefit plans. The Company in the normal course of business carries out transactions with its related parties. Details of transactions with related parties for the three months period ended are as follows:

| | | Un-au | Un-audited | |
|-------------------------------|----------------------------|---------------|---------------------------|--|
| | | Three months | Three months period ended | |
| | | September 30, | September 30, | |
| | | 2024 | 2023 | |
| Relationship with the Company | Nature of transactions | (Rupees in | thousand) | |
| Associated undertakings | Sale of goods | 710 | 40 | |
| | Donation | 15,124 | 15,268 | |
| Key management personnel | Remuneration to Executives | 69,290 | 54,872 | |
| Associated company | Long term receivable | 352,225 | 702,225 | |

Following are the related parties with whom the Company had entered into transactions or have arrangement / agreement in place:

| Company name | Basis of association |
|-------------------------------------|----------------------|
| Sitara Developers (Private) Limited | Common directorship |
| Aziz Fatima Trust Hospital | Common directorship |

The Company does not hold any shares in the above mentioned companies.

17 SEGMENT REPORTING

The Company has two reportable segments, which offer different products and are managed separately. The following summary describes the operations in each of the reportable segment of the Company;

- Chemical division: Manufacturing of caustic soda, soap noodles and allied products

- **Textile division:** Manufacturing of yarn and trading of fabric

17.1 Information about operating segments is as follows:

| | Operating segments | | | | | |
|---|--------------------|---------------------------|---------------|---------------|---------------|---------------|
| | Chemical | Division Textile Division | | Total | Total | |
| | | | | | | |
| | | | Three months | period ended | | |
| | September 30, | September 30, | September 30, | September 30, | September 30, | September 30, |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | | (| Rupees in | thousand | ·) | |
| | 5 242 424 | 6 400 547 | 4 257 602 | 4 470 704 | 7.607.000 | 7.640.004 |
| Revenue from contracts with customers - net | 6,349,481 | 6,439,517 | 1,257,602 | 1,173,704 | 7,607,083 | 7,613,221 |
| | | | | | | |
| Depreciation on property, plant and equipment | 336,921 | 303,100 | 37,015 | 24,447 | 373,936 | 327,547 |
| | | | | | | |
| Segment profit | 166,755 | 277,080 | 53,378 | 48,342 | 220,133 | 325,422 |
| | | | | | | |
| | | | | | Total | Total |
| | Un-audited | Audited | Un-audited | Audited | Un-audited | Audited |
| | September 30, | June 30, | September 30, | June 30, | September 30, | June 30, |
| | 2024 | 2024 | 2024 | 2024 | 2024 | 2024 |
| | | () | | | | |
| Capital expenditure | 1,079,103 | 4,441,650 | 92,737 | 138,979 | 1,171,840 | 4,580,629 |
| cupital experiatore | 1,079,103 | 4,441,030 | 32,737 | 138,979 | 1,171,040 | 4,380,029 |
| Segment assets | 25 124 677 | 22 674 620 | 4 260 070 | 4 O4E 260 | 20 404 755 | 27 720 006 |
| Jeginent assets | 35,134,677 | 33,674,638 | 4,360,078 | 4,045,368 | 39,494,755 | 37,720,006 |
| Segment liabilities | 10 105 602 | 17 057 657 | 420.046 | 25/1 221 | 10 526 540 | 10 111 070 |
| Segment natinities | 19,105,602 | 17,857,657 | 420,946 | 254,321 | 19,526,548 | 18,111,978 |

| | | Un-audited Three months period ended | | |
|------|--|---|--|--|
| | | September 30, 2024 (Rupees in | September 30, 2023 | |
| 17.2 | Reconciliations of reportable segments are as follows: | (Rupees in | tnousand) | |
| | Revenue | | | |
| | Total revenue for reportable segments | 7,607,083 | 7,613,221 | |
| | Profit for the period | | | |
| | Total profit for reportable segments | 220,133 | 325,422 | |
| | Unallocated corporate income / (expenses) Other expenses | (15,189) | (22,502) | |
| | Profit before income tax and final tax | 204,944 | 302,920 | |
| | | Un-audited September 30, 2024 (Rupees in | Audited June 30, 2024 thousand) | |
| | Assets | (napees in enouseila) | | |
| | Total assets for reportable segments | 39,494,755 | 37,720,006 | |
| | Other unallocated corporate assets | 2,007,570 | 2,790,865 | |
| | Company's assets | 41,502,325 | 40,510,871 | |
| | Liabilities | | | |
| | Total liabilities for reportable segments | 19,526,548 | 18,111,978 | |
| | Other unallocated corporate liabilities | 3,768,260 | 4,334,807 | |
| | Company's liabilities | 23,294,808 | 22,446,785 | |

17.3 The Company has no reportable geographical segment.

| Un-audited | | | | |
|-----------------------------|--|--|--|--|
| Three months period ended | | | | |
| September 30, September 30, | | | | |
| 2024 2023 | | | | |
| (Rupees in thousand) | | | | |

18 **OPERATING CASH FLOWS BEFORE CHANGES IN WORKING CAPITAL**

| Profit before taxation | 200,117 | 293,649 |
|---|-----------|-----------|
| Adjustments for: | | |
| Depreciation on property, plant and equipment | 373,936 | 327,547 |
| Depreciation on investment property | 2,262 | 2,656 |
| Amortization on intangible assets | 170 | 189 |
| Finance cost | 607,785 | 518,080 |
| Exchange (gain) / loss | (4) | 101 |
| Gain on disposal of property, plant and equipment | (4,778) | (3,470) |
| Gain on sale of investments measured at FVTPL | (381) | (254) |
| Amortization of deferred grant | (19,038) | . - |
| Provision for employee benefits | 10,477 | 5,295 |
| Unwinding of discount on deferred consideration | (6,324) | (11,802) |
| Dividend income | (23,392) | (20,707) |
| Markup on bank deposits | (9,856) | (7,170) |
| Final tax | 4,827 | 9,271 |
| | 935,684 | 819,736 |
| | 1,135,801 | 1,113,385 |

DATE OF AUTHORIZATION FOR ISSUE 19

This condensed interim financial information has been approved by the Board of Directors of the Company and authorized for issue on October 28, 2024.

20 **GENERAL**

Figures have been rounded to the nearest thousand of Pak Rupees, unless otherwise stated.

Chief Financial Officer

Chief Executive Officer







