

**THIRD QUARTERLY REPORT  
MARCH 31, 2025**



**Sitara Chemical  
Industries Limited**

**EXCELLENCE, QUALITY, TRUST.**

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# Company Information

## Board of Directors

Chairman  
Chief Executive Officer  
Directors

Mr. Ahmad Hassan  
Mr. Muhammad Adrees  
Mr. Haseeb Ahmad  
Mr. Haroon Ahmad Zuberi  
Mr. Ahmad Nawaz  
Mr. Najmul Hoda Khan  
Mrs. Shala Waheed Sher

Mr. Mazhar Ali Khan  
Mr. Zakir Hussain (FCA)

## Company Secretary

## Chief Financial Officer

## Audit Committee

Chairman  
Members

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

## Human Resource & Remuneration Committee

Chairman  
Members

Mr. Ahmad Hassan  
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 Limited  
Al-Baraka Bank (Pakistan) Limited  
Faysal Bank Limited  
National Bank of Pakistan  
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, D.H.A., Phase VII, Karachi-75500

## Factories

28 / 32 KM, Faisalabad - Sheikhpura Road, Faisalabad, Pakistan

## DIRECTORS' REPORT

In the name of Allah, the Most Beneficent, the Most Gracious, and the Most Merciful. The Board of Directors of Sitara Chemical Industries Limited is pleased to present the unaudited condensed interim financial statements for the third-quarter ended March 31, 2025.

### Financial Performance:

The financial results for the nine-month period ending March 31, 2025, indicates a sustained and solid performance for the company. Net sales revenue increased by 3.95% to PKR 24,248 million, compared to PKR 23,327 million for the corresponding period in fiscal year 2023-24. Overall gross profit margins of the company also witnessed a modest improvement by 4.81% reaching at PKR 3,928 million as against PKR 3,748 million during the same period last year. This improvement in gross margins can be attributed to lower production costs within the chemical division, driven by reduced coal prices and the effective use of the company's coal-based captive power generation facility. Financial costs also witnessed a reduction, driven from the State Bank of Pakistan's policy of consistently reducing policy rates adopted since the start of current financial year. The textile segment also witnessed a 5.13% growth in net sales revenue during the period under review, primarily attributable to an increase in the quantitative sale of finished fabrics.

For the reporting period under review, the company achieved a profit after tax of PKR 712 million, resulting in earnings per share of PKR 33.23. This compares favorably to the profit after tax of PKR 655 million and earnings per share of PKR 30.57 recorded during the same period of the previous fiscal year.

### Future Outlook:

The construction of the 50 MW coal-fired power plant is proceeding as planned, with major equipment delivered and currently undergoing installation. The project timeline remains on schedule, Inshallah. The company holds a positive outlook for the future, supported by favorable inflation trends and the State Bank of Pakistan's current policy of maintaining a lower policy rate. Furthermore, we are closely monitoring the ongoing situation of trade tensions between the USA and China. The protracted nature of this situation could present a significant risk to the global economy, potentially triggering a global recession if tariff disputes are not resolved amicably by the major economic powers. We recognize the potential impact of such global economic headwinds on operating environment of Pakistan and are actively assessing strategies to mitigate any adverse effects.

### Acknowledgments:

The Board acknowledges and appreciates the contributions of its valued business partners, stakeholders, and dedicated employees.



**Muhammad Adrees**  
Chief Executive Officer  
Date: April 29, 2025  
Faisalabad.



**Ahmad Hassan**  
Director



## ڈائریکٹر رپورٹ

شروع اللہ تعالیٰ کے بابرکت نام سے جو بڑا مہربان اور نہایت رحم کرنے والا ہے۔

ستارہ کیمیکلز انڈسٹریز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی طرف سے ہم 31 مارچ 2025 کو ختم ہونے والی تیسری سہ ماہی کے غیر آڈٹ شدہ اکاؤنٹس پیش کرتے ہوئے پُرسرت ہیں۔

### مالیاتی کارکردگی:

31 مارچ 2025 کو ختم ہونے والی نو ماہ کی مدت کے مالیاتی نتائج کمپنی کی مستقل اور مثبت کارکردگی کو ظاہر کرتے ہیں۔ زیر جائزہ مدت کے دوران، آپ کی کمپنی نے 24,248 ملین روپے کی خالص فروخت ریکارڈ کی جبکہ گزشتہ مالی سال 2023-24 میں اسی مدت کے دوران خالص فروخت 23,327 ملین روپے تھی، جس میں مجموعی طور پر 3.95 فیصد کا اضافہ دیکھا گیا۔ کمپنی کے مجموعی منافع کے مارجن میں بھی 4.81 فیصد کی معمولی بہتری دیکھی گئی۔ مجموعی منافع 3,928 ملین روپے رہا۔ جبکہ گزشتہ مالی سال کی اسی مدت کے دوران مجموعی منافع 3,748 ملین روپے تھا۔ مجموعی منافع کے مارجن میں بہتری کی وجہ کیمیکل ڈویژن کے اندر کم پیداواری لاگت ہے، جو کوئلے کی کم قیمتوں اور کمپنی کی کوئلے پڑنی کیپٹیو پاور جنریشن کی سہولت کے موثر استعمال کی وجہ سے ہے۔ مالیاتی اخراجات میں بھی کمی دیکھی گئی، جو کہ اسٹیٹ بینک آف پاکستان کی جانب سے جاری مالی سال کے آغاز سے لے کر اب تک اختیار کی گئی پالیسی ریٹ میں مسلسل کمی سے منسوب ہے۔ زیر جائزہ مدت کے دوران آپ کی کمپنی کے ٹیکسٹائل کے شعبے کی خالص فروخت میں 5.13 فیصد اضافہ دیکھا گیا، جو بنیادی طور پر تیار شدہ کپڑوں کی مقداری فروخت میں اضافے سے منسوب ہے۔

زیر جائزہ مدت کے دوران، آپ کی کمپنی کا ٹیکس کے بعد کمایا گیا مجموعی منافع 712 ملین روپے رہا اور فی حصص آمدنی 33.23 روپے رہی۔ جبکہ پچھلے سال اسی عرصہ کے دوران ٹیکس کے بعد کمایا گیا منافع 655 ملین روپے تھا اور فی حصص آمدنی 30.57 روپے تھی۔

### مستقبل کا نقطہ نظر:

50 میگا واٹ کے کوئلے سے چلنے والے پاور پلانٹ کی تعمیر منصوبہ بندی کے مطابق آگے بڑھ رہی ہے، بڑے آلات کی فراہمی اور تنصیب جاری ہے۔ پراجیکٹ کی ٹائم لائن شیڈول کے مطابق ہے، انشاء اللہ۔ کمپنی مستقبل کے لیے ایک مثبت نقطہ نظر رکھتی ہے۔ جس کی تائید مہنگائی کو موافق رجحانات اور اسٹیٹ بینک آف پاکستان کی کم پالیسی ریٹ برقرار رکھنے کی موجودہ پالیسی سے ہوتی ہے۔ مزید برآں، ہم امریکہ اور چین کے درمیان تجارتی کشیدگی کی جاری صورتحال پر گہری نظر رکھے ہوئے ہیں۔ اس صورتحال کی طویل نوعیت عالمی معیشت کے لیے ایک اہم خطرہ ہو سکتی ہے، اگر بڑی اقتصادی طاقتوں کی جانب سے ٹیرف کے تنازعات کو خوش اسلوبی سے حل نہیں کیا گیا تو ممکنہ طور پر عالمی کساد بازاری کا باعث بن سکتی ہے۔ ہم پاکستان کے آپریٹنگ ماحول پر اس طرح کی عالمی اقتصادی سرگرمیوں کے ممکنہ اثرات کو تسلیم کرتے ہیں اور کسی بھی منفی اثرات کو کم کرنے کے لیے سرگرمی سے حکمت عملیوں کا جائزہ لے رہے ہیں۔

### اعترافات:

ہم اس موقع پر اپنے قابل قدر کاروباری شراکت داروں، اسٹیک ہولڈرز اور کمپنی کے سرشار ملازمین کا کمپنی کی ترقی اور خوشحالی کے لیے ان کے اعتماد، مدد اور مسلسل تعاون کا شکریہ ادا کرتے ہیں۔



محمد اریس

چیف ایگزیکٹو آفیسر

فیصل آباد 29 اپریل 2025



احمد حسن

ڈائریکٹر

The background of the entire page is a solid blue color. Overlaid on this background are three large, intricate white geometric patterns. These patterns are complex, multi-layered mandala-like designs with a central circular motif surrounded by concentric rings of geometric shapes, including stars, polygons, and floral-like elements. The patterns are positioned in the upper left, upper right, and lower left areas of the page, leaving the lower right area for text.

# **SHARIAH COMPLIANCE REVIEW REPORT**

**For the nine months period ended  
March 31, 2025**





## ALHAMD SHARIAH ADVISORY SERVICES

(PVT) LIMITED

نحمده و نصلى على رسوله الكريم

April 23, 2025

### Shariah Review Report

For the period ended March 31, 2025

We have conducted a Shariah review of Sitara Chemical Industries Limited (SCIL) for the period ending on March 31, 2025, 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.

The company has made an equity investment in Sitara Energy Limited, which, although Shariah-compliant in its business activities, does not entirely meet the Shariah screening criteria for equity investment as outlined by SECP. To ensure compliance with SGR 2023, we recommend disposing of this investment as soon as possible.

#### Conclusion:

Based on the Review of SCIL's operations, transactions, related documentation, processes, policies, legal agreements, 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.

*For & Behalf of Alhamd Shariah Advisory Services Private Limited*

**Mufti Muhammad Ibrahim Essa**  
Chief Executive Officer



**Mufti Ubaid Ur Rahman Zubairi**  
Director

Address: Flat 503, 8<sup>th</sup> Floor Ibrahim Residency, C.P & Berar Society, Karachi.

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# **Condensed Interim Financial Statements**

**For the nine months period ended  
March 31, 2025**





**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2025**

		Un-audited March 31, 2025	Audited June 30, 2024
		(Rupees in thousand)	
<b>ASSETS</b>	<b>Note</b>		
<b>NON - CURRENT ASSETS</b>			
Property, plant and equipment	5	28,391,122	22,972,726
Intangible assets		6,548	6,787
Investment property	6	3,420,410	3,427,128
Long-term investments		20,039	20,039
Long-term loans and advances		516,092	225,440
Long-term deposits		125,693	125,134
		32,479,904	26,777,254
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		1,951,599	1,590,505
Stock-in-trade		3,298,016	3,674,747
Trade debts		3,184,557	3,158,903
Loans and advances		1,231,386	1,556,335
Trade deposits, prepayments and other receivables		88,031	59,621
Prepaid levies		2,308	14,368
Advance income tax		2,365,731	2,454,203
Other financial assets	7	677,297	864,458
Cash and bank balances		532,002	360,476
		13,330,927	13,733,616
		45,810,831	40,510,870
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital		214,294	214,294
Reserves		1,488,856	1,491,865
Unappropriated profit		13,132,950	12,464,378
Surplus on revaluation of property, plant and equipment		3,732,315	3,893,550
		18,568,415	18,064,087
<b>NON - CURRENT LIABILITIES</b>			
Long-term financing	8	8,064,809	2,937,312
Deferred taxation		3,599,775	3,692,636
Deferred liabilities	9	195,923	240,146
		11,860,507	6,870,094
<b>CURRENT LIABILITIES</b>			
Trade and other payables		3,411,812	3,210,245
Profit / financial charges payable		1,227,054	966,092
Short term borrowings		9,429,889	9,980,651
Provision for taxation		505,696	614,034
Unclaimed dividend		29,927	28,136
Current portion of long-term financing		777,531	777,531
		15,381,909	15,576,689
<b>CONTINGENCIES AND COMMITMENTS</b>	10	45,810,831	40,510,870

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025**

		Nine months period ended		Three months period ended	
		March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Note		(.....Rupees in thousand.....)			
Revenue from contract with customers - net	11	24,247,836	23,327,005	8,359,046	8,382,838
Cost of sales	12	(20,319,416)	(19,579,022)	(6,959,457)	(7,025,876)
Gross profit		3,928,420	3,747,983	1,399,589	1,356,962
Distribution cost		(360,304)	(436,415)	(103,601)	(164,791)
Administrative expenses		(923,691)	(822,568)	(326,282)	(288,599)
Other expenses		(190,551)	(159,723)	(77,003)	(22,187)
Finance cost		(1,548,548)	(1,740,465)	(405,970)	(605,439)
		(3,023,094)	(3,159,171)	(912,856)	(1,081,016)
Other income		218,408	242,898	50,957	63,560
Profit before income tax and final tax		1,123,734	831,710	537,690	339,506
Final tax and minimum tax differential		(13,693)	(56,573)	(12,813)	(25,636)
Profit before tax		1,110,041	775,137	524,877	313,870
Provision for taxation	13	(397,984)	(119,957)	(177,769)	(30,563)
Profit after taxation		712,057	655,180	347,108	283,307
Earnings per share - basic and diluted - (Rupees)		33.23	30.57	16.20	13.22

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025**

	Nine months period ended		Three months period ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
	(.....Rupees in thousand.....)			
Profit after taxation	712,057	655,180	347,108	283,307
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified subsequently to profit or loss</b>				
Gain on sale of investments measured at FVTOCI	1,981	2,506	-	1,572
Gain/ (loss) on re-measurement of investments measured at FVTOCI	5,744	138,646	(555)	45,368
Related tax impact	(1,159)	(20,797)	83	(6,805)
<b>Other comprehensive income</b>	6,566	120,355	(472)	40,135
<b>Total comprehensive income for the period</b>	<b>718,623</b>	<b>775,535</b>	<b>346,636</b>	<b>323,442</b>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025**

Share Capital	Reserves							Total
	Capital				Revenue		Total Reserves	
	Share Premium	Reserve on re-measurement of equity instruments as at FVTOCI - net of tax	Reserve on re-measurement of post retirement benefits obligation- net of tax	Surplus on revaluation of property, plant and equipment	General Reserve	Unappropriated profit		
(..... Rupees in thousand .....								
214,294	97,490	30,092	(5,013)	3,115,074	1,225,000	11,927,301	16,389,944	16,604,238
-	-	-	-	-	-	655,180	655,180	655,180
-	-	120,355	-	-	-	-	120,355	120,355
-	-	120,355	-	-	-	655,180	775,535	775,535
-	-	-	-	(129,493)	-	129,493	-	-
-	-	-	-	-	-	(214,294)	(214,294)	(214,294)
214,294	97,490	150,447	(5,013)	2,985,581	1,225,000	12,497,680	16,951,185	17,165,479
214,294	97,490	177,829	(8,454)	3,893,550	1,225,000	12,464,377	17,849,792	18,064,087
-	-	-	-	-	-	712,057	712,057	712,057
-	-	6,566	-	-	-	-	6,566	6,566
-	-	6,566	-	-	-	712,057	718,623	718,623
		(9,575)				9,575	-	-
-	-	-	-	(161,235)	-	161,235	-	-
-	-	-	-	-	-	(214,294)	(214,294)	(214,294)
214,294	97,490	174,820	(8,454)	3,732,315	1,225,000	13,132,950	18,354,121	18,568,415

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

  
Chief Financial Officer

  
Chief Executive Officer

  
Director

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025**

	Nine months period ended	
	March 31, 2025	March 31, 2024
	(Rupees in thousand)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,110,041	775,137
Depreciation on property, plant and equipment	1,133,555	988,059
Depreciation on investment property	6,718	7,212
Amortization on intangible assets	516	566
Gain on sale of investments measured at FVTPL	(9,190)	(1,560)
Finance cost	1,548,548	1,740,465
Loss / (gain) on disposal of property, plant and equipment	14,353	(949)
Loss on disposal of stores	-	-
Loss on disposal of stores	16,941	-
Loss on sale long term investment	-	1,000
Provision for employee benefits	32,802	22,747
Dividend income	(50,814)	(64,653)
Exchange (gain) / loss	(4)	235
Final tax and minimum tax differential	13,693	56,573
Unwinding of deferred receivable	(17,667)	(36,861)
Amortization of deferred grant	(57,113)	(56,059)
Impairment loss on financial assets	75,942	97,744
Profit on bank deposits	(18,030)	(39,123)
	2,690,250	2,715,396
Operating cash flows before working capital changes	3,800,291	3,490,533
Working capital changes	(56,288)	(2,008,450)
Cash generated from operations	3,744,003	1,482,083
Finance cost paid	(1,230,474)	(1,231,894)
Employee benefits paid	(19,913)	(7,320)
Taxes paid	(447,434)	(860,083)
	(1,697,821)	(2,099,297)
<b>Net cash generated from / (used in) operating activities</b>	<b>2,046,182</b>	<b>(617,214)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment including capital work in progress	(6,565,893)	(3,612,295)
Proceeds from disposal of property, plant and equipment	50,192	51,306
Purchase of intangible assets	(277)	-
Purchase of investment property	-	(152,447)
Proceeds from Long Term Investment	-	4,000
Purchase of other financial assets	(1,089,838)	(951,721)
Proceeds from disposal of other financial assets	1,329,736	1,248,757
Long-term deposits paid	(559)	400
Long-term loans and advances	(290,384)	667,696
Long-term loans and advances (Receipts of deferred consideration on sale of land)	352,225	461,000
Profit received on bank deposits	18,030	39,123
Dividend income received	14,992	13,304
<b>Net cash used in investing activities</b>	<b>(6,181,776)</b>	<b>(2,230,877)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long-term financing obtained	5,657,681	1,103,638
Repayment of long-term financing	(587,296)	(480,034)
Short term borrowing - net	(550,762)	2,353,009
Long-term deposits received	-	12,500
Dividend paid	(212,503)	(212,525)
<b>Net cash generated from financing activities</b>	<b>4,307,120</b>	<b>2,776,588</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>171,526</b>	<b>(71,503)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>360,476</b>	<b>334,319</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>532,002</b>	<b>262,816</b>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

  
Chief Financial Officer

  
Chief Executive Officer

  
Director

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025**

**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, soap noodles 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 - Sheikhpura 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.

**2 BASIS OF PREPARATION**

- 2.1** These condensed interim financial statements of the Company for the nine months period ended March 31, 2025 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.

- 2.2** 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 nine months period ended March 31, 2024.

- 2.3** These condensed interim financial statements are un-audited. However, a limited scope review has been performed by statutory auditor of the Company in accordance with Section 237 of Companies Act, 2017 and they have issued their review report thereon.

**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 amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 01, 2024, however, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

**4 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 March 31, 2025	Audited June 30, 2024
		(Rupees in thousand)	
Operating assets	5.1	19,251,400	19,760,226
Capital work-in-progress	5.2	9,089,118	3,125,953
Capital stores		50,604	86,547
		<u>28,391,122</u>	<u>22,972,726</u>



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025**

	Un-audited March 31, 2025	Audited June 30, 2024
	(Rupees in thousand)	
<b>5.1 Operating assets</b>		
Opening written down value	19,760,226	16,998,641
Additions during the period / year:		
Buildings on freehold land - Mill	11,823	127,354
Plant and machinery	613,256	2,459,330
Grid station and electric installations	-	13,021
Factory equipment	18,804	9,807
Electric equipment	22,346	118,695
Office equipment	5,977	5,955
Furniture and fittings	5,851	2,094
Vehicles	11,217	33,747
	689,274	2,770,003
Written down value of assets disposed off during the period / year	(64,545)	(69,841)
Revaluation adjustments	-	1,401,244
Depreciation charged during the period / year	(1,133,555)	(1,339,821)
Written down value at the end of the period / year	19,251,400	19,760,226

**5.2 Capital work-in-progress**

Description	At July 01, 2024	Additions	Transfers	At March 31, 2025
	----- (Rupees in thousand) -----			
Civil works	631,990	423,205	(5,045)	1,050,150
Mechanical works	2,493,963	5,660,811	(115,806)	8,038,968
	3,125,953	6,084,016	(120,851)	9,089,118

Description	At July 01, 2023	Additions	Transfers	At June 30, 2024
	----- (Rupees in thousand) -----			
Civil works	338,749	375,848	(82,607)	631,990
Mechanical works	976,578	3,494,293	(1,976,908)	2,493,963
	1,315,327	3,870,141	(2,059,515)	3,125,953

**5.3** The Company had revalued its freehold land, building and plant & machinery at June 30, 2024. The revaluation had been carried out by Hamid Mukhtar & Company (Private) Limited, an independent valuer not connected to the Company and is on the panel of Pakistan Banks Association as 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.

Out of the total revaluation surplus of Rs. 3,894 million, Rs. 3,732 million net of tax (June 30, 2024: 3,894 million) remains undepreciated as at March 31, 2025.

**5.4** Details of the Company's revalued assets and information about fair value hierarchy, as at March 31, 2025 are as follows:

	Un-audited March 31, 2025			Audited June 30, 2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	----- (Rupees in thousand) -----					
Land - freehold	-	1,524,838	-	-	1,300,875	-
Buildings on freehold land	-	2,117,743	-	-	1,789,965	-
Plant and machinery	-	14,033,701	-	-	12,218,350	-
	-	17,676,282	-	-	15,309,190	-

		Un-audited March 31, 2025	Audited June 30, 2024
		(Rupees in thousand)	
<b>6 INVESTMENT PROPERTY</b>	<b>Note</b>		
Land	6.1	3,340,787	3,340,787
Buildings	6.2	79,623	86,341
		3,420,410	3,427,128

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025**

	Note	Un-audited March 31, 2025 (Rupees in thousand)	Audited June 30, 2024 (Rupees in thousand)
<b>6.1 Land</b>			
Balance at the beginning of the period / year		3,340,787	3,188,600
Additions/adjustments during the period / year		-	153,787
Disposals during the period / year		-	(1,600)
Balance at the end of the period / year		<u>3,340,787</u>	<u>3,340,787</u>
<b>6.2 Buildings</b>			
Opening written down value		86,341	95,934
Depreciation charged during the period / year		(6,718)	(9,593)
Written down value at the end of the period / year		<u>79,623</u>	<u>86,341</u>
<b>7 OTHER FINANCIAL ASSETS</b>			
<b>Investments classified as fair value through other comprehensive income (FVTOCI)</b>			
Equity investments	7.1	283,088	349,214
<b>Investments classified as fair value through profit and loss (FVTPL)</b>			
Mutual Funds		394,209	515,244
		<u>677,297</u>	<u>864,458</u>
<b>7.1 Reconciliation between fair value and cost of investments classified at FVTOCI</b>			
Fair value of investments			
- in listed equity securities		283,088	349,214
Gain on remeasurement of investments		205,671	209,211
Cost of investment		<u>77,417</u>	<u>140,003</u>

**7.2 FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

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

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

Level 3 - Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

	Un-audited March 31, 2025			Audited June 30, 2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	----- (Rupees in thousand) -----					
<b>Equity instruments at fair value:</b>						
Investments - FVTOCI	283,088	-	-	349,214	-	-
Investments - FVTPL	394,209	20,039	-	515,244	20,039	-
Total assets at fair value	<u>677,297</u>	<u>20,039</u>	<u>-</u>	<u>864,458</u>	<u>20,039</u>	<u>-</u>

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

	Un-audited March 31, 2025 (Rupees in thousand)	Audited June 30, 2024 (Rupees in thousand)
<b>8 LONG-TERM FINANCING</b>		
<b>Diminishing Musharka (from financial institutions - secured)</b>		
Opening balance	3,860,236	3,346,367
Obtained during the period / year	5,657,681	1,215,065
Re-paid during the period / year	(587,296)	(701,196)
	<u>8,930,621</u>	<u>3,860,236</u>
Deferred grant recognized on subsidized rate loan	(88,281)	(145,393)
	<u>8,842,340</u>	<u>3,714,843</u>
Less: Current portion of long term loans	(777,531)	(777,531)
	<u>8,064,809</u>	<u>2,937,312</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025**

	Un-audited March 31, 2025	Audited June 30, 2024
	(Rupees in thousand)	
<b>9 DEFERRED LIABILITIES</b>		
Gratuity payable	107,642	94,752
Deferred grant	88,281	145,393
	<u>195,923</u>	<u>240,145</u>

**10 CONTINGENCIES AND COMMITMENTS**

**10.1 Contingencies**

There are no significant change in status of contingencies as disclosed in the annual audited financials statements for the year ended June 30, 2024.

**10.2 Commitments**

Outstanding letters of credit for raw material, spare parts, plant and machinery	2,898,124	3,559,522
Guarantees issued by banks on behalf of the Company	294,815	259,891

	Un-audited Nine months period ended		Un-audited Three months period ended	
	March 31 2025	March 31 2024	March 31 2025	March 31 2024
	(.....Rupees in thousand.....)			
<b>11 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET</b>				
<b>Local:</b>				
Chemicals	24,501,822	23,143,170	8,397,895	8,139,804
Yarn	3,849,470	3,543,161	1,060,781	1,136,002
Fabric	686,908	404,245	509,718	339,061
Waste	22,115	41,867	8,424	16,749
Others - trading	237,683	264,594	79,793	151,232
	<u>29,297,998</u>	<u>27,397,037</u>	<u>10,056,611</u>	<u>9,782,848</u>
<b>Export:</b>				
Chemicals	148,523	326,767	35,330	129,930
<b>Gross Sales</b>	<u>29,446,521</u>	<u>27,723,804</u>	<u>10,091,941</u>	<u>9,912,778</u>
<b>Less:</b>				
Commission and discount	(676,295)	(596,579)	(226,690)	(199,814)
Sales tax	(4,522,390)	(3,800,220)	(1,506,205)	(1,330,126)
	<u>(5,198,685)</u>	<u>(4,396,799)</u>	<u>(1,732,895)</u>	<u>(1,529,940)</u>
	<u>24,247,836</u>	<u>23,327,005</u>	<u>8,359,046</u>	<u>8,382,838</u>

**12 COST OF SALES**

Raw material consumed	6,493,710	6,677,347	1,912,002	2,340,260
Fuel and power	10,250,730	11,166,563	3,513,792	3,971,285
Salaries, wages and benefits	897,813	812,900	309,953	283,242
Factory overheads	1,930,838	1,702,458	647,173	604,933
	<u>19,573,091</u>	<u>20,359,268</u>	<u>6,382,920</u>	<u>7,199,720</u>
Work-in-process				
Opening stock	57,219	45,650	42,576	29,682
Closing stock	(46,591)	(94,991)	(46,591)	(94,991)
	<u>10,628</u>	<u>(49,341)</u>	<u>(4,015)</u>	<u>(65,309)</u>
Cost of goods manufactured	<u>19,583,719</u>	<u>20,309,927</u>	<u>6,378,905</u>	<u>7,134,411</u>
Finished goods				
Opening stock	2,363,522	1,700,648	2,342,182	2,412,910
Closing stock	(1,828,758)	(2,633,575)	(1,828,758)	(2,633,575)
	<u>534,764</u>	<u>(932,927)</u>	<u>513,424</u>	<u>(220,665)</u>
Cost of trading items	<u>200,933</u>	<u>202,022</u>	<u>67,128</u>	<u>112,130</u>
	<u>20,319,416</u>	<u>19,579,022</u>	<u>6,959,457</u>	<u>7,025,876</u>

**13 PROVISION FOR TAXATION**

Current				
For the current period	492,003	305,122	211,684	73,186
For prior year	-	(137,125)	-	(137,125)
	<u>492,003</u>	<u>167,997</u>	<u>211,684</u>	<u>(63,939)</u>
Deferred	(94,019)	(48,040)	(33,915)	94,502
	<u>397,984</u>	<u>119,957</u>	<u>177,769</u>	<u>30,563</u>



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025**

**14 TRANSACTIONS WITH RELATED PARTIES**

The related parties comprise of 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 period are as follows:

		Un-audited Nine months period ended	
		March 31 2025	March 31 2024
		(Rupees in thousand)	
Relationship with the Company	Nature of transactions		
Associated undertaking	Sale of goods	1,587	153
	Donation	47,776	46,167
Key management personnel	Remuneration to Executives	218,863	156,365
Payable to Provident fund - related party	Employers Contribution	3,680	2,997

		Un-audited March 31, 2025	Audited June 30, 2024
		(Rupees in thousand)	
Associated company	Long term receivable - undiscounted	-	352,225

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

Company name	Basis of association	Relationship with the Company
Sitara Developers (Private) Limited	Common directorship	Associated company
Aziz Fatima Trust Hospital	Common directorship	Associated undertaking
Sitara Chemical Industries Limited - Employees Provident Fund Trust	Common directorship / trustees	Associated entity

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

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025**

**15 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

**15.1 Information about operating segments is as follows:**

	Operating segments .....					
	Chemical Division		Textile Division		Total	Total
	Un-audited .....					
	Nine months period ended .....					
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
	(----- Rupees in thousand -----)					
Revenue from external customers - net	20,224,435	19,499,982	4,023,401	3,827,023	24,247,836	23,327,005
Depreciation on property, plant and equipment	1,019,383	911,934	114,172	76,125	1,133,555	988,059
Segment profit	1,103,149	772,900	211,136	218,533	1,314,285	991,433
	Un-audited March 31, 2025	Audited June 30 2024	Un-audited March 31, 2025	Audited June 30 2024	Total Un-audited March 31, 2025	Total Audited June 30 2024
	(----- Rupees in thousand -----)					
Capital expenditure	6,532,371	4,441,650	120,068	138,979	6,652,439	4,580,629
Segment assets	38,658,339	33,674,638	4,639,112	4,045,368	43,297,451	37,720,006
Segment liabilities	22,652,163	17,857,657	454,853	254,321	23,107,016	18,111,978

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025**

**15.2 Reconciliations of reportable segments are as follows:**

**Revenue**

Total revenue for reportable segments

**Profit for the period**

Total profit for reportable segments

Unallocated other expenses

Profit before income tax and final tax

**Assets**

Total assets for reportable segments

Other unallocated corporate assets

Company's assets

**Liabilities**

Total liabilities for reportable segments

Other unallocated corporate liabilities

Company's liabilities

**15.3 The Company has no reportable geographical segment.**

**16 Working capital changes**

(Increase) / decrease in current assets

Stores, spare parts and loose tools

Stock-in-trade

Trade debts

Loans and advances

Trade deposits and short-term prepayments

Increase / (decrease) in current liabilities

Trade and other payables

Un-audited Nine months period ended	
March 31, 2025	March 31, 2024
(Rupees in thousand)	

24,247,836	23,327,005
1,314,285	991,433
(190,551)	(159,723)
1,123,734	831,710

Un-audited March 31, 2025	Audited June 30, 2024
(Rupees in thousand)	

43,297,451	37,720,006
2,513,380	2,790,864
45,810,831	40,510,870
23,107,016	18,111,978
4,135,400	4,334,805
27,242,416	22,446,783

Un-audited Nine months period ended	
March 31, 2025	March 31, 2024
(Rupees in thousand)	

(428,638)	(108,655)
376,730	(989,929)
(101,591)	(559,424)
(9,876)	(265,240)
(28,410)	(20,006)
(191,785)	(1,943,254)
135,497	(65,196)
(56,288)	(2,008,450)

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025

- 17 Corresponding figures have been re-arranged and / or reclassified, where ever considered necessary, for the purpose of better presentation of the condensed interim financial statements. However, no significant reclassification has been made in these condensed interim financial statements except as disclosed below.

The Institute of Chartered Accountants of Pakistan (ICAP) issued 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guide) in May 2024, which requires to classify certain amounts of tax paid under minimum and final tax regime separately as a levies instead of classifying under current tax. The Company applied Guide for the first time in the annual financial statements for the year ended June 30, 2024 and reported the change in accounting policy in note 3.1 of the annual financial statements for the year ended June 30, 2024. Accordingly, in these condensed interim financial statements, the Company has reclassified the levies as final tax from income tax amounts as stated below:

	Nine months period ended March 31, 2024	
	Current Classification	Previous Classification
	Rupees in thousand	
<b>Effect on statement of profit or loss:</b>		
Final tax and minimum tax differential	56,573	-
Provision for taxation		
Current - for the year	206,300	262,873
Deferred tax	(142,542)	(142,542)
	<u>120,331</u>	<u>120,331</u>

## 18 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been approved by the Board of Directors of the Company and authorized for issue on April 29, 2025.

## 19 GENERAL

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



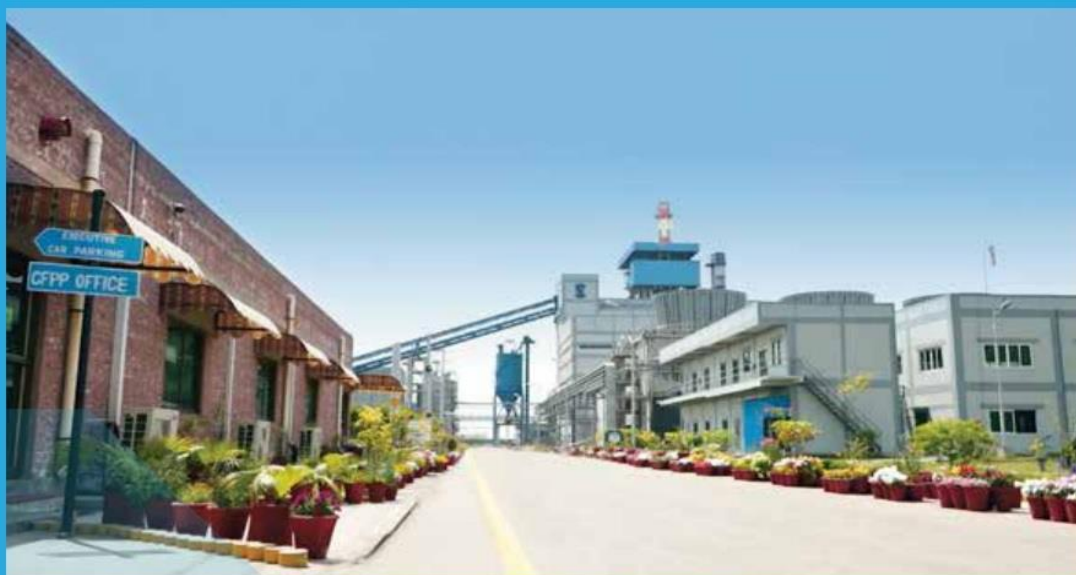
Chief Financial Officer



Chief Executive Officer



Director



**Sitara Chemical** Industries Limited

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