



Sitara Chemical
Industries Limited

Excellence, Quality, Trust.



2025 ANNUAL REPORT

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FINANCIAL PERFORMANCE 2025



VISION

Strive to develop and employ innovative technological solutions to add value to business with progressive and proactive approach.



MISSION

Continuing growth and diversification for bottom line results with risk well contained.



CODE OF ETHICS AND BUSINESS PRACTICES

We believe in stimulating and challenging team-oriented work environment that encourages, develops and rewards excellence and diligently serves communities, maintaining high standards of moral and ethical values.

COMPANY INFORMATION

Board of Directors

Chairman
Chief Executive Officer
Directors

Mr. Ahmad Hassan
Mr. Muhammad Adrees
Mr. Ijaz Hussain
Mr. Haroon Ahmad Zuberi
Mr. Abdul Awwal
Mr. Najmul Hoda Khan
Mrs. Shala Waheed Sher

Legal Advisor

Mr. Sahibzada Muhammad Arif

Shariah Advisor

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

Company Secretary

Mr. Mazhar Ali khan

Chief Financial Officer

Mr. Zakir Hussain (FCA)

Audit Committee

Chairman
Members

Mr. Haroon Ahmad Zuberi
Mr. Najmul Hoda Khan
Mr. Abdul Awwal

Human Resource and Remuneration Committee

Chairman
Members

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

Head of Internal Audit

Mr. Asghar Ali (ACMA)

Auditors

M/s. Yousuf Adil
Chartered Accountants

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
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

Shares Registrar
Address
THK Associates
(Pvt) Limited
Plot No. 32-C, Jami
Commercial Street
2, D.H.A., Phase,
Karachi-75500

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

REVIEW REPORT BY THE CHAIRMAN

(On the overall performance of Board u/s 192 of the Companies Act 2017)

Dear Stakeholders,

It is my privilege to present the Chairman's Review Report for the financial year ended June 30, 2025, as required under Section 192 of the Companies Act, 2017.

Economic Overview:

During financial year 2024-25 (FY 2025), Pakistan's economy exhibited encouraging signs of stability. Inflation declined significantly, enabling the State Bank of Pakistan to reduce its policy rate from 20.5% to 11% by year-end. These positive trends supported a GDP growth of 2.68%. The textile sector, which had contracted by 8.8% in the previous year, achieved a moderate recovery with 2.2% growth in FY 2025.

Operational Performance:

Your Company achieved net sales of PKR 32,530 million compared to PKR 31,112 million in the previous year, reflecting a growth of 4.56%. Gross profit margins improved to 17.27% from 15.81% last year. Financial costs were also reduced to PKR 1,904 million from PKR 2,349 million in the prior year. These factors collectively contributed to higher profitability, with Earnings Per Share (EPS) reaching PKR 43.83 against PKR 27.32 in FY 2024.

Governance:

Strong governance is the foundation of long-term corporate success and stakeholders' trust. The Company remains committed to full compliance with the Companies Act, 2017, and the Listed Companies (Code of Corporate Governance) Regulations, 2019. The Board of Directors and its Committees have functioned effectively, ensuring transparency, accountability, and alignment with the Company's vision, mission, and strategic objectives.

In line with governance best practices, an annual evaluation of the Board's performance was conducted. For the year under review, the Board's overall performance has been assessed as Satisfactory. The assessment considered key areas including Board composition, effectiveness of Committees, strategic oversight, fiscal discipline, governance environment, diversity, and regulatory compliance. While satisfactory progress has been made, the Board recognizes improvement as a continuous process and remains committed to strengthening its effectiveness further.

On August 7, 2025, the Board was reconstituted for a new three-year term. The reconstituted Board comprises a well-balanced mix of skills, experience, including independent and non-executive directors, as well as female representation. This diversity will strengthen the Board's ability to contribute effectively to strategic decision-making process and value creation for stakeholders.



Ahmad Hassan
Chairman

Date: September 20, 2025

DIRECTORS' REPORT



In the name of Allah, the Most Beneficent, the Most Gracious, the Most Merciful. On behalf of the Board of Directors of Sitara Chemical Industries Limited, we are pleased to present the audited financial statements of the Company together with Auditors' Report thereon and report of external Shariah auditors for the year ended June 30, 2025.

ECONOMIC AND BUSINESS OVERVIEW:

Building on the recovery that began in during the last fiscal year (FY 2024), Pakistan's economy continued its positive trajectory into fiscal year 2024-25 (FY 2025), depicting a 2.68% GDP growth. This progress is a result of prudent government macroeconomic policies that have improved fiscal and external balances while notably reducing inflation. A significant achievement was the sharp decline in the average inflation rate, which fell to 4.7% during the July-April period of FY 2025, a significant improvement from the 26.0% recorded the previous year. This stabilization across key indicators supported the overall GDP growth. The industrial sector showed a robust performance, growing by 4.77%. Within the manufacturing sub-sector, growth was driven by small-scale manufacturing which offset the slower recovery of the large-scale manufacturing (LSM) sector. Notably, despite the LSM sector's overall slow performance, the textile industry recorded moderate growth of 2.2% in FY 2025, a significant turnaround from the -8.8% decline in the same period last year. During the year, SBP reduced the policy rate from 20.5% to 11%, reflecting easing inflationary pressures. This monetary easing contributed to lowering the cost of borrowing for businesses.

Following the positive economic shifts in Pakistan during fiscal year 2025, your company experienced notable growth in terms of increased quantitative sales of caustic and other allied chemicals, coupled with improved profit margins. In the textile segment, the yarn division faced challenges from squeezed average yarn prices and elevated production costs. However, this was effectively offset by the strong performance of our fabric division, which achieved both increased sales volume and better gross margins, thereby sustaining the company's overall profitability in textile segment. Total net sales for the year were recorded at PKR 32,530 million compared with PKR 31,112 million last year, depicting a growth of 4.56%. Gross margins earned during the year were recorded at PKR 5,619 million vs PKR 4,919 last year, depicting an increase of PKR 700 million, with moderate increase of margins in percentage terms relative to sales. Company's financial expense decreased to PKR 1,904 million from PKR 2,349 million, which helped improving company's profitability. Profit after tax was recorded at PKR 939 million as against PKR 586 million last year, translating into Earning Per Share (EPS) of Rs. 43.83 as against EPS of Rs. 27.32 recorded last financial year. These results underscore your management's resilience and ability to capitalize on improving market conditions, delivering substantial value to our shareholders.

JCR-VIS CREDIT RATING

During the FY 2025, VIS Credit Rating Company Limited (VIS) reaffirmed entity ratings of the Company at A+/A-2 (Single A Plus/A-Two). The long-term rating of 'A+' signifies good credit quality and adequate protection factors. Short-term rating of 'A-2' indicates good certainty of timely payment. Liquidity factors and company fundamentals are sound. Access to capital markets is good. Risk factors are small. Outlook on the assigned ratings remains Stable. The fresh rating continues to draw strength from company's established position in the domestic chlor-alkali market and its operational diversification across chemicals, oleo chemicals, and textiles.

ASSESSMENT OF SUSTAINABILITY RELATED RISKS, MANAGEMENT, AND MEASURE TAKEN TO PROMOTE DIVERSITY, EQUITY AND INCLUSION (DE&I)

The Company recognizes and is committed to its responsibility for the governance and oversight of sustainability risks and opportunities, which includes environmental, social, and governance (ESG) considerations. By setting its sustainability strategies, priorities, and targets, the Company aims to create long-term corporate value. Given the significant impact of ESG factors on investor confidence, financial stability, and overall business viability, Company has integrated these considerations into its operations. This approach has helped mitigating sustainability risks, enhancing Company's reputation, and allow for the offering of sustainable products and services, and ultimately creating long-term value for all stakeholders.

ENVIRONMENT, QUALITY, ENERGY CONSERVATION, HEALTH & SAFETY

Environmental responsibility is a foundational principle at the company. We strive to keep our processes eco-friendly thereby promoting sustainability by reducing emissions during our production processes, reduce and dispose of waste arising from our operations in a manner that minimizes harm to the environment and prevents pollution of land, air and water. We have used innovative methods to bring efficiencies and reduce wastages. We use Waste Heat Recovery Plants to utilize waste heat released in the air to produce electricity. To support our environment friendly commitment, a dedicated energy conservation team has been established to oversee and enforce our initiatives on waste minimization, water conservation, and a cleaner environment.



SCIL-Environment



HSE Awareness Sessions

Simultaneously, we maintain the highest standards of quality, pollution prevention, and safety to ensure a continuous supply of products to our customers. Our commitment is demonstrated by our adherence to relevant national and international legislation and standards, including ISO 9001, ISO 14001, ISO 45001, ISO 22716, ISO 50001, FSSC 22000, and several Halal standards such as Pakistan Halal Food Standards (PS 3733:2019), UAE's Halal Food Standard (2055-1:2015), GSO Halal Food Standard (2055-1:2015), PS 5319 General Guidelines on Halal Cosmetics & Personal Care Products & UAE.S 2055-4:2014 Halal Cosmetics & Personal Care Products Standard.

Company uses its power generation infrastructure to conserve as much energy as possible. Company uses efficient technologies and appliances which consume minimal energy. Our responsible use of raw material, efficient technology, emission control procedures and regular tree plantations act towards mitigating the impact of climate change.

Company believes in responsible consumption of valuable resource of water and makes every effort to reduce its usage. Some water conservation projects include installation of RO plants at our production facilities to provide safe and clean drinking water for its employees.

Company is a member of SEDEX (Supplier Ethical Data Exchange) and qualified SMETA (Sedex Members Ethical Trade Audit) SMETA 4 Pillar Audit i.e Labor Standards, Health & Safety, Environment and Business Ethics). Our commitment to safety is encapsulated in the slogan, "safety starts from the entrance," and we have implemented all necessary measures to protect both our people and the environment.

DIVERSITY, EQUITY AND INCLUSION (DE&I)

Your company is committed to promote diversity and strive to provide an inclusive and equitable workplace where compensation is determined by an individual's competence, experience and performance.

HUMAN RESOURCE DEVELOPMENT:

The HR Department of your company implements a continuous capacity development program for its employees. Through dedicated efforts, the company enhances knowledge and competence of employees to ensure performing their tasks effectively. We are committed to foster a positive work environment, adhering to current labor laws, and following industry best practices to make our workplace an exceptional one. Company regularly provides various trainings to its employees in order to increase their productivity. The in-house training program not only provides a learning platform but also helps team building. Your company has continuously conducted training programs for their employees and executives, and always welcomes the opportunities for staff training, broadening their knowledge, vision, skill, and awareness about technological and learning developments. For this purpose, multiple in-house workshops / training sessions were conducted during the year. During the FY 2025, company trained total 1,928 employees as against 1,615 employees last year.



In-House Training Sessions

CORPORATE SOCIAL RESPONSIBILITY:

The company is committed to playing an active role in public welfare. Through our Corporate Social Responsibility (CSR) policy, we strive to uplift underdeveloped communities by promoting healthy living and a clean environment. Similarly to provide clean water to our communities, we have also installed clean drinking water plants at various location in the vicinity of Faisalabad and is regularly maintaining them. As part of this commitment, we continue to make regular donations to various charitable hospitals and organizations.



Free Medical Camp



Inauguration of Water Treatment Plant

INFORMATION TECHNOLOGY:

Information Technology (IT) is at the forefront of our company's digital transformation. Our initiatives are focused on improving operational efficiency, centralizing data management, and aligning IT capabilities with evolving business needs. We are also exploring the use of Artificial Intelligence (AI) to automate processes, improve data analytics, and support better decision-making. We remain committed to strengthening our cybersecurity with advanced security protocols and reliable backup solutions for the continuity of operations. These advancements will also reinforce risk management, ensure regulatory compliance, and enhance internal controls, creating a secure, intelligent, and future-ready IT environment.

STAFF RETIREMENT BENEFITS:

The company maintains a recognized provident fund for employees at its chemical division. We have partnered with M/s Pak Qatar Takaful Limited to offer a Family Group Savings Takaful Plan to our employees. This plan allows each provident fund member's total balance to be transferred to an individual policy upon permanent withdrawal, as permitted under subsection (h) of section 103 of the Income Tax Rules, 2002. Employees at the textile division are entitled to a gratuity, for which an appropriate provision has been made in the accounts in accordance with IAS-19.

CONTRIBUTION TO NATIONAL EXCHEQUER:

During the fiscal year 2025, the Company contributed Rs. 7,071 million to the national treasury through income tax and sales tax (last year Rs. 6,057 million). This figure does not include other contributions such as import duties and withholding tax collected from employees, suppliers, and contractors and deposited into the Govt. treasury.

SIGNIFICANT FEATURES OF DIRECTORS' REMUNERATION POLICY:

The Board of Directors has approved a formal policy for remuneration of executive directors depending upon their responsibility in affairs of the Company. The remuneration is commensurate with their level of responsibility and expertise needed to govern the Company successfully. The Company does not pay any remuneration to non-executive and independent directors except fees for attending the meetings of the Board or its committees. Remuneration of executive directors is approved by the Board of Directors, and shareholders where so required, as recommended by the Human Resource and Remuneration Committee. Aggregate amount of the remuneration paid to Chief Executive and Executive Director has been disclosed in note 41 of the annexed financial statements.

BOARD OF DIRECTORS:

The Board comprises of two executive directors, two independent, two non-executive male directors, and one non-executive female director. The independent and non-executive directors are independent to management. The Board has delegated day-to-day operations of the Company to the Chief Executive Officer.

During the FY 2025, total 04 board meetings were held and attendance of Directors is as follows:

Sr.#	Name	Category	No. of Meetings Attended
1	Mr. Ahmad Hassan	Independent Director	04
2	Mr. Muhammad Adrees	Executive Director	04
3	Mr. Haseeb Ahmed	Executive Director	03
4	Mr. Ahmad Nawaz	Non-executive Director	03
5	Mr. Haroon Ahmad Zuberi	Independent Director	01
6	Mr. Najmul Hoda Khan	Non-executive Director	04
7	Mrs. Shala Waheed Sher	Non-executive Director	04

Leave of absence was granted to the members of Board, who did not attend the meetings.

AUDIT COMMITTEE MEETINGS:

Audit committee has been established to assist board in discharging its responsibilities for corporate governance, financial reporting and corporate controls. Audit Committee consists of three members. During the FY 2025, 04 meetings were held and attendance of members of audit committee is as follows:

Sr.#	Name	Category	No. of Meetings Attended
1	Mr. Haroon Ahmad Zuberi	Chairman Audit Committee	02
2	Mr. Najmul Hoda Khan	Member Audit Committee	04
3	Mr. Ahmad Nawaz	Member Audit Committee	04

HUMAN RESOURCE AND REMUNERATION COMMITTEE:

Human Resource and Remuneration Committee (HR&R) has been formed to monitor the procedure of selection, evaluation, compensation and succession planning of the key management personals. The committee comprises of three members. During the FY 2025, 02 meetings were held and attendance of members is as follows:

Sr.#	Name	Category	No. of Meetings Attended
1	Mr. Ahmad Hassan	Chairman HR&R Committee	02
2	Mr. Muhammad Adrees	Member HR&R Committee	02
3	Mrs. Shala Waheed Sher	Member HR&R Committee	02

CORPORATE GOVERNANCE:

Statement of Compliance of Corporate Governance is separately annexed.

GENDER PAY GAP STATEMENT UNDER SECP CIRCULAR 10 OF 2024

As required under the SECP circular no. 10 of 2024, the statement on the Gender Pay Gap is separately annexed.

PATTERN OF SHAREHOLDING:

The pattern of shareholding of the Company is annexed along with trading in shares of the Company by its Directors, their spouses and minor children, CEO, CFO, Head of internal audit and Company Secretary.

CORPORATE AND FINANCIAL REPORTING:

Your Company is committed to good corporate governance. The Board acknowledges its responsibility in respect of Corporate and Financial Reporting Framework. These Financial Statements together with the notes thereto have been drawn up, in conformity with the Companies Act, 2017. International Financial Reporting Standards, wherever applicable, have been followed in their preparation. Proper books of accounts have been maintained by the Company and appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

There are no doubts upon the Company's ability to continue as a going concern. There has been no material departure from the best practices of the Code of Corporate Governance as detailed in the listing regulations of the stock exchange. The system of internal control is sound in design and has been effectively implemented and monitored.

The Board of Directors certifies that the financial statements including cash flow and statement of changes in equity fairly presents the state of affairs of company's business and of its operations.

AUDITORS:

The existing auditors M/s Yousuf Adil, Chartered Accountants, shall retire on the conclusion of 44th Annual General Meeting. Being eligible, they have offered themselves for reappointment as auditors of the company from the conclusion of 44th annual general meeting until the conclusion of 45th annual general meeting of the company. Audit Committee has recommended the appointment of aforesaid M/s Yousuf Adil, Chartered Accountants, as external auditors for the year ending June 30, 2026. The external auditors have been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan (ICAP) and the firm, and all its partners, are in compliance with the International Federation of Accountants' Guidelines on Code of Ethics, as adopted by the ICAP.

APPROPRIATIONS:

The following appropriations of profits for the year ended June 30, 2025 were made:

Description	Rupees
Net profit for the year after tax before WPPF and WWF	1,087,044,105
Workers Welfare Fund (WWF) and Workers Profit Participation Fund (WPPF)	(147,769,552)
Net Profit for the year	939,274,553
Incremental depreciation (net of deferred tax)	214,980,277
Un-appropriated profit brought forward	12,464,377,427
Final dividend for the year ended June 30, 2024 @ Rs. 10 per share	(214,294,060)
Amount available for appropriation	13,404,338,197
Proposed dividend for the year ended June 30, 2025 @ Rs. 11 per share	(235,723,466)
Earnings per share- basic and diluted	43.83

DIVIDEND:

In view of the financial results of the Company for the year ended June 30, 2025; the Board of Directors of the Company have recommended a cash dividend of 110% i.e. Rs. 11 per share.

FUTURE OUTLOOK:

The commissioning of the new 50 MW coal-fired power plant is currently in progress and is expected to be completed in due course. Upon its completion, the Company anticipates a positive outlook, driven by favorable inflationary trends and the State Bank of Pakistan's policy of maintaining a relatively low policy rate. Nonetheless, the recent widespread flooding across Punjab and Sindh presents a potential risk that may adversely impact the pace of national economic growth.



ACKNOWLEDGMENTS:

We take this opportunity to thank our valued business partners and stakeholders for their continued support, trust and assistance for the progress and prosperity of the Company. Company also appreciates its staff for their continuous dedication, commitment and support.

Muhammad Adrees
Chief Executive Officer
September 20, 2025
Faisalabad.

Ijaz Hussain
Director

منافع:

کمپنی نے 30 جون 2025 کو ختم ہونے والے سال کے مالی نتیجہ کے تحت، بورڈ آف ڈائریکٹرز نے 110 فیصد کیش Dividend کی سفارش کی ہے جو کہ 11 روپے فی شیئر بنتا ہے۔

مستقبل پر نظر:

کونسلے سے چلنے والے نئے 50 میگا واٹ پاور پلانٹ (CFPP) کی توسیع کا کام جاری ہے اور توقع ہے کہ یہ مقررہ وقت میں مکمل ہو جائے گا۔ اس کی تکمیل کے بعد، کمپنی ایک مثبت نقطہ نظر کی توقع کرتی ہے، جو مہنگائی کے سازگار رجحانات اور اسٹیٹ بینک آف پاکستان کی نسبتاً کم شرح پالیسی کے ذریعے کارفرما ہے۔ بہر حال، پنجاب اور سندھ میں حالیہ بڑے پیمانے پر سیلاب ایک ممکنہ خطرہ پیش کر رہا ہے جو قومی اقتصادی ترقی کی رفتار کو بری طرح متاثر کر سکتا ہے۔

اعترافات:

ہم اس موقع پر اپنے محترم کاروباری شراکت داروں کی مستقل حوصلہ افزائی، مدد اور اعتماد کا شکریہ ادا کرتے ہیں۔ کمپنی اپنے ملازمین کی مستقل مزاجی، محنت، لگن اور صلاحیتوں کی معترف ہے اور اس پر فخر کرتی ہے۔



محمد ازیمن

چیف ایگزیکٹو آفیسر



اعجاز حسین

ڈائریکٹر

ستارہ کیمیکل انڈسٹریز لمیٹڈ فیصل آباد

20 ستمبر 2025

فنانشل سٹیمٹس کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مسلسل لاگو کیا ہوا ہے۔ اور اکاؤنٹنگ تخمینے مناسب اور محتاط فیصلوں کی بنیاد پر کیے گئے ہیں۔

کمپنی کے جاری رہنے کی اہلیت پر کوئی شک نہیں ہے۔ کوڈ آف کارپوریٹ گورننس کے بہترین طریقوں سے کوئی قابل ذکر شے کو نہیں چھوڑا، جیسا کہ اسٹاک ایکسچینج کی لسٹنگ کے قواعد میں وضاحت کی گئی ہے۔ اندرونی کنٹرول کا نظام مضبوط ہے اور اسے موثر طریقے سے لاگو اور نگرانی کی جاتی ہے۔

بورڈ آف ڈائریکٹرز اس بات کی تصدیق کرتے ہیں کہ فنانشل سٹیمٹس بشمول کیش فلو سٹیمٹ اور سٹیمٹ آف ایکویٹی میں تبدیلی صحیح طور پر کمپنی کے کاروبار اور آپریشنز کو ظاہر کرتے ہیں۔

آڈیٹرز:

کمپنی کے موجودہ آڈیٹرز میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹس 44th سالانہ اجلاس عام کے ساتھ ریٹائر ہو جائیں گے۔ اہل ہونے کے ساتھ، انہوں نے اپنے آپ کو بطور آڈیٹرز 44th سالانہ اجلاس عام سے 45th سالانہ اجلاس عام تک دوبارہ مقرر کرنے کے لیے پیش کیا ہے۔ آڈٹ کمیٹی نے مذکورہ بیان کردہ میسرز یوسف عادل چارٹرڈ اکاؤنٹنٹس کو بطور بیرونی آڈیٹرز 30 جون 2026 تک مقرر کرنے کی سفارش کی ہے۔ ان بیرونی آڈیٹرز کو انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کے کوالٹی کنٹرول ریویو پروگرام کے تحت تسلی بخش درجہ بندی دی گئی ہے، اور اس کے تمام پارٹنرز بین الاقوامی فیڈریشن آف اکاؤنٹنٹس کے اخلاق کے اصول جو ICAP نے اپنائے ہیں سے مطابقت رکھتے ہیں۔

تخصیص:

30 جون 2025 کو ختم ہونے والے سال کے منافع کی مندرجہ ذیل تقسیم کاری کی گئی ہے۔

روپے	تفصیل
1,087,044,105/-	ٹیکس کے بعد سال کا خالص منافع، (WPPF اور WWF سے پہلے)
(147,769,552)	ورکرز ویلفیئر فنڈ اور ورکرز منافع شمولیت فنڈ
939,274,553/-	سال کا خالص منافع
214,980,277/-	Incremental Depreciation - Net of deferred Tax
12,464,377,427/-	پچھلے سال کا جمع شدہ منافع
(214,294,060)	30 جون 2024 کے اختتام پر منافع 10 روپے فی شیئر
13,404,338,197/-	تقسیم کاری کے لیے دستیاب رقم
(235,723,466)	30 جون 2025 کے اختتام پر تجویز کردہ منافع 11 روپے فی شیئر
43.83	سالانہ فی حصص آمدنی

آڈٹ کمیٹی میٹنگز:

آڈٹ کمیٹی بورڈ کی معاونت کے لیے قائم کی گئی جو کارپوریٹ گورننس، فنانشل رپورٹنگ، کارپوریٹ کنٹرول کے لیے ان کی ذمہ داریوں سے آگاہ کرتی ہے۔ کمیٹی تین اراکین پر مشتمل ہے۔ سال 2025 کے دوران 04 میٹنگز منعقد ہوئیں جس میں آڈٹ کمیٹی کے اراکین کی حاضری کچھ اس طرح رہی:

سیریل نمبر	نام	کمیٹری	میٹنگز میں شرکت کی تعداد
1	ہارون احمد زبیری	چیئر مین آڈٹ کمیٹی	02
2	نجم الہدیٰ خان	ممبر آڈٹ کمیٹی	04
3	احمد نواز	ممبر آڈٹ کمیٹی	04

انسانی وسائل اور معاوضہ کی کمیٹی:

انسانی وسائل اور معاوضہ کی کمیٹی سلیکشن طریقے کار، اندازے، معاوضے اور مینجمنٹ کے اہم افراد کی توازن منصوبہ بندی کے لیے قائم کی گئی۔ کمیٹی تین افراد پر مشتمل ہے۔ سال 2025 کے دوران 02 میٹنگز منعقد ہوئیں جس میں اراکین کی حاضری کچھ اس طرح رہی:

سیریل نمبر	نام	کمیٹری	میٹنگز میں شرکت کی تعداد
1	احمد حسن	چیئر مین ایچ آر اینڈ آر کمیٹی	02
2	محمد ادیس	ممبر ایچ آر اینڈ آر کمیٹی	02
3	مسز شہلا وحید شیر	ممبر ایچ آر اینڈ آر کمیٹی	02

کارپوریٹ گورننس:

کارپوریٹ گورننس کی Statement of Compliance کو علیحدہ شامل کیا گیا ہے۔

ایس ای سی پی سرکلر 10 کے تحت پے گیپ کا بیان:

جیسا کہ SECP کے سرکلر نمبر 10 میں طلب کیا گیا ہے، صنفی تنخواہ کے فرق پر بیان الگ سے منسلک ہے۔

شیر ہولڈنگ کی شکل:

کمپنی کے شیر ہولڈنگ کے پیٹرن کو، ڈائریکٹرز، ان کی شریک حیات اور چھوٹے بچوں، سی ای او، سی ایف او، انٹرنل آڈٹ کے سربراہ اور کمپنی سیکرٹری کی طرف سے کی گئی کمپنی کے شیرز کی تجارت کے ساتھ جوڑا گیا ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ:

آپ کی کمپنی اچھی کارپوریٹ گورننس کے لیے پُر عزم ہے۔ بورڈ کارپوریٹ اور مالیاتی رپورٹنگ کے فریم ورک کے حوالے سے اس کی ذمہ داری کو تسلیم کرتا ہے۔ یہ فنانشل سٹیٹمنٹس اور ان کے نوٹس کمپنیز ایکٹ 2017 کے مطابق لکھے گئے ہیں۔ ان کی تیاری میں جہاں قابل اطلاق ہیں بین الاقوامی مالیاتی رپورٹنگ کے معیارات کو اختیار کیا گیا ہے۔ اکاؤنٹس کی مناسب کتابوں کو برقرار رکھا گیا ہے اور کمپنی نے ان

ڈائریکٹرز کے معاوضے کی پالیسی کی نمایاں خصوصیات:

بورڈ آف ڈائریکٹرز نے ایگزیکٹو ڈائریکٹرز کمپنی کے معاملات میں ذمہ داری کے لحاظ سے معاوضے کی ایک رسمی پالیسی منظور کی ہوئی ہے۔ یہ معاوضہ ان کی ذمہ داری اور کمپنی کو کامیابی سے چلانے کی مہارت کے مطابق ہے۔ کمپنی آزاد ڈائریکٹرز کو بورڈ اور اس کی کمیٹیوں کی میٹنگ میں حاضری کی فیس کے علاوہ اور کوئی معاوضہ ادا نہیں کرتی۔ ایگزیکٹو ڈائریکٹرز کا معاوضہ انسانی وسائل اور معاوضے کی کمیٹی کی سفارش پر بورڈ منظور کرتا ہے۔

چیف ایگزیکٹو اور ایگزیکٹو ڈائریکٹر کے معاوضے کی مجموعی رقم کو مالیاتی گوشوارے کے نوٹ نمبر 41 میں دکھایا گیا ہے۔

بورڈ آف ڈائریکٹرز:

بورڈ دو ایگزیکٹو ڈائریکٹر، دو آزاد ڈائریکٹر اور دو نان ایگزیکٹو خاتون ڈائریکٹر پر مشتمل ہے۔ آزاد اور نان ایگزیکٹو ڈائریکٹرز میٹنگز کے انتظامات میں خود مختار ہیں۔ بورڈ نے کمپنی کے روز بروز کے معاملات چیف ایگزیکٹو آفیسر کے سپرد کیے ہوئے ہیں۔

سال 2025 کے دوران بورڈ کی کل 4 میٹنگز منعقد ہوئیں جس میں ڈائریکٹرز کی حاضری مندرجہ ذیل رہی:

سیریل نمبر	نام	کمیٹری	میٹنگز میں شرکت کی تعداد
1	احمد حسن	آزاد ڈائریکٹر	04
2	محمد ادریس	ایگزیکٹو ڈائریکٹر	04
3	حسیب احمد	ایگزیکٹو ڈائریکٹر	03
4	احمد نواز	نان ایگزیکٹو ڈائریکٹر	03
5	ہارون احمد زبیری	آزاد ڈائریکٹر	01
6	نجم الہدی خان	نان ایگزیکٹو ڈائریکٹر	04
7	مسز شہلا وحید شیر	نان ایگزیکٹو ڈائریکٹر	04

بورڈ کے ممبرز جنہوں نے میٹنگز میں شمولیت نہیں کی ان کو غیر حاضری کی چھٹی دی گئی ہے۔

کارکردگی کا مظاہرہ کرنے، پیداواری صلاحیت بڑھانے اور ایک بہتر رہنما بننے کا موقع دیتی ہے۔ اور ہمیشہ عملے کی تربیت کے مواقع کا خیر مقدم کرتی ہے، ان کے علم، وژن، مہارت، تکنیک اور سیکھنے کی تبدیلیوں کے بارے میں آگاہی کو وسیع کرتی ہے۔ اس مقصد کے لیے، عملے کو تربیت دینے کے لیے سال کے دوران متعدد اندرون خانہ ورکشاپس / تربیتی سیشن منعقد کیے گئے۔ مالی سال 2025 کے دوران کمپنی نے 1,928 ملازمین کو تربیت دی جبکہ گزشتہ سال ملازمین کی تعداد 1,615 تھی۔

کارپوریٹ سماجی ذمہ داری:

آپ کی کمپنی عوامی فلاح و بہبود میں فعال کردار ادا کرنے کے لیے پُر عزم ہے۔ اپنی کارپوریٹ سماجی ذمہ داری (CSR) پالیسی کے ذریعے، ہم صحت مند زندگی اور صاف ستھرا ماحول کو فروغ دے کر پسماندہ کمیونٹیز کو صاف پانی فراہم کرنے کے لیے ہم نے فیصل آباد کے گرد و نواح میں مختلف مقامات پر پینے کے صاف پانی کے پلانٹ بھی لگائے ہیں اور ان کی باقاعدگی سے دیکھ بھال کر رہے ہیں۔ اس عزم کے حصے کے طور پر، ہم مختلف خیراتی ہسپتالوں اور تنظیموں کو باقاعدہ عطیات دیتے رہتے ہیں۔

انفارمیشن ٹیکنالوجی:

انفارمیشن ٹیکنالوجی (IT) ہماری کمپنی کی ڈیجیٹل تبدیلی میں سب سے آگے ہے۔ ہمارے اقدامات آپریشنل کارکردگی کو بہتر بنانے، ڈیٹا مینجمنٹ کو سنٹرلائز کرنے، اور آئی ٹی صلاحیتوں کو بدلتی ہوئی کاروباری ضروریات کے ساتھ ہم آہنگ کرنے پر مرکوز ہیں۔ ہم مصنوعی ذہانت (AI) کے استعمال کو خود کار طریقے سے عمل کرنے، ڈیٹا کے تجزیات کو بہتر بنانے اور بہتر فیصلہ سازی کی حمایت کرنے کے لیے بھی تلاش کر رہے ہیں۔ ہم آپریشنز کے تسلسل کے لیے جدید سکیورٹی پروٹوکولز اور قابل اعتماد بیک اپ حل کے ساتھ اپنی سائبر سکیورٹی کو مضبوط بنانے کے لیے پُر عزم ہیں۔ یہ پیشرفت رسک مینجمنٹ کو بھی تقویت دے گی، ریگولیٹری تعمیل کو یقینی بنائے گی اور اندرونی کنٹرول کو بہتر بنائے گی، جس سے ایک محفوظ ذہن اور مستقبل کے لیے تیار IT ماحول پیدا ہوگا۔

اشاف کی ریٹائرمنٹ کے فوائد:

کمپنی نے کیمیکل ڈویژن میں اپنے ملازمین کے لیے ایک تسلیم شدہ پروویڈنٹ فنڈ برقرار رکھا ہوا ہے، اور پاک قطر تکافل لمیٹڈ کے ساتھ اپنے ملازم کو فیملی گروپ سیونگ تکافل پلان پیش کرنے کا معاہدہ کیا ہے۔ گروپ سیونگ تکافل پلان ایک تکافل پلان ہے جو پروویڈنٹ فنڈ کے ہر ممبر کو جاری کیا جاتا ہے۔ جس کے تحت انکم ٹیکس رولز، 2002 کے سیکشن 103 (اجازت شدہ انخلاء) کے ذیلی سیکشن (h) کے تحت ملازمین کی طرف سے مستقل طور پر نکالے جانے کے بعد، پروویڈنٹ فنڈ کا کل بیلنس ملازمین کی انفرادی پالیسیوں میں جاتا ہے۔ ٹیکسٹائل ڈویژن کے ملازمین قانون کے مطابق گریجویٹ کے حقدار ہیں اور ان کا وٹنس میں IAS-19 کے مطابق مناسب رقم وقف کی گئی ہے۔

قومی خزانے میں حصہ:

سال 2025 کے دوران آپ کی کمپنی نے قومی خزانے میں انکم ٹیکس اور سیلز ٹیکس کی مد میں -7,071 ملین روپے جمع کروائے جو گزشتہ سال -6,057 ملین روپے تھے۔ اس میں درآمدی ڈیوٹیاں، ملازمین، سپلائرز اور ٹھیکیداروں سے وڈ ہولڈنگ ٹیکس کی کٹوتی شامل نہیں ہے۔

بشمول، ISO 9001, ISO 14001, ISO 45001, ISO 22716, ISO 50001, FSSC 22000، پاکستان حلال اسٹینڈرڈ (حلال فوڈ سٹینڈرڈ)، جی۔ ایس۔ او۔ حلال فوڈ سٹینڈرڈ، یو۔ اے۔ ای حلال فوڈ سٹینڈرڈ، جنرل گائیڈ لائنز آن حلال کا سیمپلکس اینڈ پرسنل کیئر پراڈکٹس جیسے تمام متعلقہ قانون سازی اور بین الاقوامی معیارات کی تعمیل کرتے ہوئے اپنے مربوط انتظامی نظام کی مسلسل بہتری کے لیے پُر عزم ہے۔

کمپنی اپنے پاور جنریشن انفراسٹرکچر کو زیادہ سے زیادہ توانائی کے تحفظ کے لیے استعمال کرتی ہے۔ کمپنی موثر ٹیکنالوجیز اور آلات استعمال کرتی ہے جو کم سے کم توانائی استعمال کرتی ہے۔ ہمارے خام مال کا ذمہ دارانہ استعمال، موثر ٹیکنالوجی، اخراج پر قابو پانے کے طریقہ کار اور باقاعدگی سے درخت لگانے سے موسمیاتی تبدیلی کے اثرات کو کم کرنے کے لیے کام کیا جاتا ہے۔

کمپنی پانی کے قیمتی وسائل کے ذمہ دارانہ استعمال پر یقین رکھتی ہے اور اس کے استعمال کو کم کرنے کی ہر ممکن کوشش کرتی ہے۔ پانی کے تحفظ کے کچھ منصوبوں میں ہماری پیداواری سہولیات پر RO پلانٹس کی تنصیب شامل ہے تاکہ اس کے ملازمین کے پینے کا صاف پانی فراہم کیا جاسکے۔

آپ کی کمپنی (SEDEX (Supplier Ethical Data Exchange اور Sedex Members Ethical Trade Audit) SMETA 4 Pillar Audit یعنی لیبر اسٹینڈرڈز، ہیلتھ اینڈ سیفٹی، ماحولیات اور کاروباری اخلاقیات) کی رکن بھی ہے۔

حفاظت کے لیے ہماری وابستگی اس نعرے میں شامل ہے "حفاظت داخلی راستے سے ہی شروع ہوتی ہے"۔ اور ہم نے اپنے لوگوں اور ماحول دونوں کی حفاظت کے لیے تمام ضروری اقدامات کو نافذ کیا ہے۔

تنوع، مساوات اور شمولیت (DE & I):

آپ کی کمپنی تنوع کو فروغ دینے کے لیے پُر عزم ہے اور ایک جامع اور مساوی کام کی جگہ فراہم کرنے کی کوشش کرتی ہے جہاں معاوضے کا تعین فرد کی قابلیت، تجربے اور کارکردگی سے ہوتا ہے۔

انسانی وسائل کی ترقی:

ستارہ کیمیکل انڈسٹریز لمیٹڈ کا ہیومن ریسورس ڈیپارٹمنٹ اپنے ملازمین کی ترقی کا باقاعدہ پروگرام نافذ العمل کرتا ہے کوششوں کے ذریعے کمپنی اپنے ملازمین کی معلومات اور استعداد کو بڑھاتی ہے تاکہ وہ اپنے کاموں کو موثر طریقے سے انجام دیں۔ ہم مروجہ لیبر قوانین کی تعمیل کو یقینی بناتے ہوئے کام کے مثبت ماحول کو فروغ دینے اور اسے برقرار رکھنے اور اسے کام کرنے کی ایک بہترین جگہ بنانے کے لیے انڈسٹری میں بہترین طریقوں کی پیروی کرتی ہے۔ کمپنی اپنے ملازمین کے لیے مسلسل تربیتی پروگرام منعقد کرتی ہے تاکہ ان کی صلاحیت کو بڑھایا جاسکے۔

اندرون کمپنی تربیتی پروگرام نہ صرف دوسروں سے سیکھنے کا موقع فراہم کرتا ہے بلکہ ٹیم بنانے میں بھی مدد کرتا ہے۔ تربیت اور ترقی ہمارے کاروبار کی ترقی اور کامیابی میں اہم کردار ادا کرتی ہے۔ تربیت ملازمین کو نئی مہارتیں حاصل کرنے، موجودہ مہارتوں کو تیز کرنے، بہتر

JCR-VIS کریڈٹ ریٹنگ:

مالی سال 2025 کے دوران، VIS کریڈٹ ریٹنگ کمپنی لیمیٹڈ کی طرف سے کمپنی کی کریڈٹ ریٹنگ کا دوبارہ جائزہ لیا گیا، جس نے آپ کی کمپنی کی درجہ بندی کو A-2 / A+ (سنگل اے پلس / اے۔ٹو) کے طور پر دوبارہ تصدیق کی، جبکہ تفویض کردہ ریٹنگ پر آؤٹ لک کو بھی 'مستحکم' کے طور پر برقرار رکھا گیا ہے۔

درمیانی سے طویل مدتی درجہ بندی کے لیے A+ مضبوط تحفظ کے عوامل کے ساتھ اچھے کریڈٹ کوالٹی کی نشاندہی کرتی ہے۔ قلیل مدت کے لیے "A-2" درجہ بندی بہترین لیکویڈیٹی کے ساتھ بروقت ادائیگیوں کے اعلیٰ یقین کی نشاندہی کرتی ہے۔ لیکویڈیٹی عوامل اور کمپنی کے بنیادی اصول درست ہیں۔ کیپٹل مارکیٹ تک رسائی اچھی ہے۔ خطرے کے عوامل چھوٹے ہیں۔ تفویض کردہ درجہ بندی پر آؤٹ لک مستحکم رہتا ہے۔ تازہ درجہ بندی مقامی کلورالکلی مارکیٹ میں کمپنی کی قائم کردہ پوزیشن اور کیمیکلز، اولیو کیمیکلز اور ٹیکسٹائل میں اس کے آپریشنل تنوع سے مضبوطی حاصل کرتی ہے۔

پائیداری سے متعلق خطرات، انتظام، تنوع، مساوات اور شمولیت کو فروغ دینے کے لیے کیے گئے اقدامات کا اندازہ:

کمپنی پائیداری کے خطرات اور مواقع کی گورننس کے لیے اپنی ذمہ داری کو تسلیم کرتی ہے اور اس کے لیے پُر عزم ہے، جس میں ماحولیاتی، سماجی اور گورننس (ESG) کے تحفظات شامل ہیں۔ اپنی پائیداری کی حکمت عملیوں، ترجیحات اور اہداف کو متعین کر کے، کمپنی کا مقصد طویل مدتی کارپوریٹ قدر پیدا کرنا ہے۔ ESG عوامل کے سرمایہ کاروں کے اعتماد، مالی استحکام اور مجموعی کاروباری عملداری پر نمایاں اثرات کے پیش نظر، کمپنی نے ان تحفظات کو اپنی کارروائیوں میں ضم کر دیا ہے۔ اس نقطہ نظر نے پائیداری کے خطرات کو کم کرنے، کمپنی کی ساکھ کو بڑھانے اور پائیدار مصنوعات اور خدمات کی پیشکش کی اجازت دینے میں مدد کی ہے، اور بالآخر تمام اسٹیک ہولڈرز کے لیے طویل مدتی قدر پیدا کی ہے۔

ماحولیات، معیار، توانائی کا تحفظ، صحت اور حفاظت:

ماحولیاتی ذمہ داری کمپنی میں ایک بنیادی اصول ہے۔ ہم اپنے عوامل کو ماحول دوست رکھنے کی کوشش کرتے ہیں۔ اس طرح ہمارے پیداواری عمل کے دوران اخراج کو کم کر کے پائیداری کو فروغ دیتے ہوئے اپنے آپریشنز سے پیدا ہونے والے فضلہ کو کم اور ٹھکانے لگاتے ہیں جو ماحول کو کم سے کم نقصان پہنچاتا ہے اور زمین، ہوا اور پانی کی آلودگی کو روکتا ہے۔ ہم نے استعداد کار لانے اور ضیاع کو کم کرنے کے لیے جدید طریقے استعمال کیے ہیں۔ ہم ویسٹ ہیٹ ریکوری پلانٹس استعمال کرتے ہیں تاکہ ہوا میں خارج ہونے والی فالتو حرارت کو بجلی پیدا کرنے کے لیے استعمال کیا جاسکے۔ ہمارے ماحول دوست وابستگی کو سپورٹ کرنے کے لیے، فضلہ کو کم کرنے، پانی کے تحفظ اور صاف ستھرا ماحول سے متعلق ہمارے اقدامات کی نگرانی اور ان کو نافذ کرنے کے لیے ایک سرشار توانائی کے تحفظ کی ٹیم قائم کی گئی ہے۔

اس کے ساتھ ساتھ، ہم اپنے صارفین کو مصنوعات کی مسلسل فراہمی کو یقینی بنانے کے لیے معیار، آلودگی سے بچاؤ اور حفاظت کے اعلیٰ ترین معیارات کو برقرار رکھتے ہیں۔ ہماری وابستگی کا اظہار متعلقہ قومی اور بین الاقوامی قانون سازی اور معیارات پر عمل پیرا ہونے سے ہوتا ہے

ڈائریکٹر رپورٹ

اللہ تعالیٰ کے بابرکت نام سے جو بڑا مہربان اور نہایت رحم کرنے والا ہے۔ ستارہ کیمیکل انڈسٹریز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے ہم 30 جون 2025 کو ختم ہونے والے مالی سال کے آڈٹ شدہ مالی گوشوارے بمعہ آڈٹ رپورٹ اور بیرونی شرعی آڈیٹرز کی رپورٹ کے ساتھ پیش کرتے ہوئے پُر مسرت ہیں۔

معاشی اور کاروباری جائزہ:

گذشتہ مالی سال (مالی سال 2024) کے دوران شروع ہونے والی بحالی کی بنیاد پر، پاکستان کی معیشت نے مالی سال 2024-25 (مالی سال 2025) میں اپنی مثبت رفتار کو جاری رکھا، جس میں ڈی جی پی کی شرح نمو 2.68 فیصد تھی۔ یہ پیشرفت حکومت کی دانشمندانہ میکرو اکنامک پالیسیوں کا نتیجہ ہے جس نے مالیاتی اور بیرونی توازن کو بہتر کیا ہے اور خاص طور پر افراط زر کو کم کیا ہے۔ ایک اہم کامیابی اوسط افراط زر کی شرح میں تیزی سے کمی تھی، جو مالی سال 2025 کے جولائی تا اپریل کے دوران 4.7 فیصد تک گر گئی، جو گذشتہ سال ریکارڈ کی گئی 26.0 فیصد سے نمایاں بہتری تھی۔ کلیدی اشاریوں میں اس استحکام نے مجموعی GDP نمو کو سہارا دیا۔ صنعتی شعبے نے 4.77 فیصد اضافہ کرتے ہوئے مضبوط کارکردگی دکھائی ہے۔ مینوفیکچرنگ سب سیکٹر کے اندر چھوٹے پیمانے پر مینوفیکچرنگ کی وجہ سے ترقی ہوئی جس نے بڑے پیمانے پر مینوفیکچرنگ (LSM) سیکٹر کی سست بحالی کو پورا کیا۔ قابل ذکر بات یہ ہے کہ ایل ایس ایم سیکٹر کی مجموعی سست کارکردگی کے باوجود ٹیکسٹائل انڈسٹری نے مالی سال 2025 میں 2.2 فیصد کی اعتدال پسند نمو ریکارڈ کی، جو گذشتہ سال کی اسی مدت میں 8.8 فیصد کمی سے نمایاں تبدیلی تھی۔ سال کے دوران، SBP نے پالیسی ریٹ کو 20.5 فیصد سے کم کرنے کی عکاسی کرتا ہے۔ اس مالیاتی نرمی نے کاروبار کے لیے قرض لینے کی لاگت کو کم کرنے میں اہم کردار ادا کیا۔

مالی سال 2025 کے دوران پاکستان میں مثبت اقتصادی تبدیلیوں کے بعد، آپ کی کمپنی نے کاسٹک اور دیگر متعلقہ کیمیکلز کی مقداری فروخت میں اضافہ کے ساتھ منافع کے بہتر مارجن کے لحاظ سے قابل قدر ترقی کی۔ ٹیکسٹائل کے سیکشن میں، یارن ڈویژن میں سسٹمز کے پیش نظر دھاگے کی اوسط قیمتوں اور بلند پیداواری لاگت سے چیلنجوں کا سامنا کرنا پڑا۔ تاہم، یہ ہمارے فیبرک ڈویژن کی موثر کارکردگی سے موثر طریقے سے پورا ہوا، جس نے سیلز کے حجم میں اضافہ اور بہتر مجموعی مارجن دونوں حاصل کیے۔ اس طرح ٹیکسٹائل کے شعبے میں کمپنی کے مجموعی مارجن دونوں حاصل کیے، اس طرح ٹیکسٹائل کے شعبے میں کمپنی کے مجموعی مارجن کو برقرار رکھا۔ اس سال کے لیے کل خالص فروخت 32,530 ملین روپے ریکارڈ کی گئی جو گزشتہ سال 31,112 ملین روپے تھی، جو کہ 4.56 فیصد کی نمو کو ظاہر کرتی ہے۔ سال کے دوران حاصل کردہ مجموعی مارجن 5,619 ملین روپے رہا، جو کہ گزشتہ سال 4,919 ملین روپے تھا۔ جو 700 ملین روپے کے اضافے کو ظاہر کرتا ہے، جس میں فروخت کے لحاظ سے فیصدی مارجن میں معمولی اضافہ ہوا ہے۔ کمپنی کے مالی اخراجات 2,349 ملین

روپے سے کم ہو کر 1,904 ملین روپے ہو گئے، جس سے کمپنی کے منافع کو بہتر بنانے میں مدد ملی۔ آپ کی کمپنی کا ٹیکس کے بعد کمایا گیا منافع 939 ملین روپے ریکارڈ کیا گیا اور فی حصص آمدنی 43.83 روپے رہی۔ جبکہ گزشتہ مالی سال 2024 کے دوران یہ منافع 586 ملین روپے اور فی حصص آمدنی 27.32 روپے تھی۔ یہ اعداد و شمار آپ کی انتظامیہ کی چلک اور مارکیٹ کے حالات کو بہتر بنانے ہمارے شیئر ہولڈرز کو خاطر خواہ قیمت فراہم کرنے سے فائدہ اٹھانے کی صلاحیت کو اجاگر کرتے ہیں۔

SIX YEARS AT A GLANCE

Financial Highlights

Operating Results (Rupees in thousand)	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20
Revenue from contracts with customers - net	32,530,216	31,111,880	27,492,639	21,625,585	14,784,537	11,792,672
Gross profit	5,618,961	4,919,260	4,479,575	2,872,908	2,932,903	2,279,134
Operating profit	3,764,936	3,490,579	3,054,186	1,795,685	2,274,103	1,404,530
Profit before taxation	1,861,306	1,141,881	1,442,506	898,439	1,669,796	409,544
Profit after taxation	939,275	585,508	993,351	655,639	1,347,690	298,763
Total comprehensive income	1,015,924	1,674,143	737,293	370,810	1,403,604	287,225
EBITDA (Earnings Before Finance Cost, Taxes, Depreciation, and Amortization)	5,295,158	4,840,747	4,396,747	3,111,251	3,375,556	2,582,587

Financial Position (Rupees in thousand)	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20
Assets employed						
Property, plant and equipment	29,901,980	22,972,726	18,458,822	17,344,777	16,923,448	14,935,071
Intangible assets	6,371	6,787	7,541	8,379	9,007	10,008
Investment property	3,418,251	3,427,127	3,320,667	3,259,192	3,312,590	3,315,540
Long term investment	20,039	20,039	25,039	25,039	25,039	25,039
Advances and deposits	664,989	350,575	1,429,904	801,853	1,162,720	1,230,254
Current assets	13,496,372	13,733,616	11,697,800	11,115,180	9,107,225	7,080,100
Current liabilities	(16,673,451)	(15,576,690)	(12,637,183)	(11,716,479)	(10,160,187)	(8,057,088)
	30,834,551	24,934,180	22,302,590	20,837,941	20,379,842	18,538,923

Financed by						
Share capital	214,294	214,294	214,294	214,294	214,294	214,294
Reserves	14,972,853	13,956,242	13,274,870	12,298,101	11,684,274	10,240,549
Surplus on revaluation of property, plant and equipment	3,678,570	3,893,550	3,115,074	3,525,985	3,983,297	4,237,712
Total shareholders' equity	18,865,716	18,064,086	16,604,238	16,038,381	15,881,865	14,692,555
Long term financing	8,021,931	2,937,312	2,348,979	1,825,505	1,865,065	1,375,943
Long term deposits and deferred liabilities	3,946,904	3,932,782	3,349,373	2,974,056	2,632,912	2,470,425
	30,834,551	24,934,180	22,302,590	20,837,941	20,379,842	18,538,923

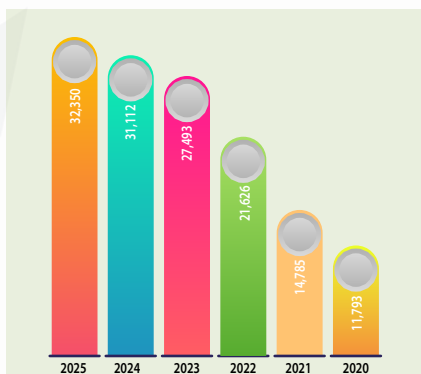
Cash Flow Summary (Rupees in thousand)	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20
Net cash generated from operating activities	3,156,254	327,867	2,233,536	1,480,346	1,223,233	464,389
Net cash used in Investing activities	(7,365,432)	(3,548,551)	(2,938,336)	(1,298,408)	(3,171,135)	(269,873)
Net cash generated from / (used in) financing activities	4,183,567	3,246,841	716,428	(50,350)	2,057,361	(215,383)
(Decrease)/Increase in cash and bank Balance	(25,610)	26,157	11,628	131,588	109,459	(20,867)
Cash and cash equivalent at the beginning of the year	360,476	334,318	322,690	191,102	81,643	102,510
Cash and cash equivalent at the end of the year	334,865	360,476	334,318	322,690	191,102	81,643

SIX YEARS AT A GLANCE

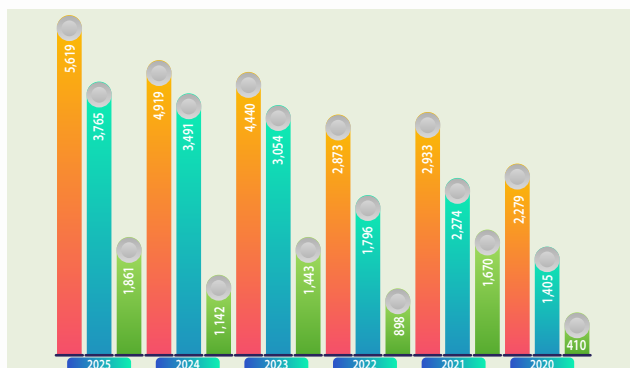
Financial Highlights

Financial Ratios	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20
Profitability Ratios:						
Gross Profit (%)	17.27	15.81	16.29	13.28	19.84	19.33
Operating Profit (%)	11.57	11.22	11.11	8.30	15.38	11.91
Profit before tax (%)	5.72	3.67	5.25	4.15	11.29	3.47
Profit after tax (%)	2.89	1.88	3.61	3.03	9.12	2.53
Per Share Figures:						
Earnings per share (EPS) (Rs.)	43.83	27.32	46.35	30.60	62.89	13.94
Market value per share - (Rs.)	495.81	344.33	225.58	310.00	352.00	277.11
Cash dividend per share - (Rs.)	10.00	10.00	8.00	10.00	10.00	10.00
Activity Ratios:						
Inventory turnover (times)	6.84	7.22	5.82	5.31	4.67	5.21
Debtors turnover (times)	10.70	11.54	15.19	15.73	11.53	9.92
Creditors turnover (times)	17.38	22.74	22.90	21.69	18.29	13.55
Fixed assets turnover (times)	1.23	1.50	1.54	1.26	0.93	0.77
Liquidity Ratio:						
Current ratio	0.81:1	0.88:1	0.93:1	0.95:1	0.90:1	0.88:1
Market & Return Ratios:						
Price-Earnings Ratio (P/E) (times)	11.31	12.60	4.87	10.13	5.60	19.88
Return on capital employed (ROCE) (%)	15.22	16.81	15.89	9.66	12.90	8.22
Return on equity (ROE) (%)	4.98	3.24	5.98	4.09	8.49	2.03
Solvency Ratios:						
Interest coverage ratio (times)	1.98	1.49	1.90	2.00	3.76	1.41
Debt-to-Equity Ratio	32:68	17:83	16:84	14:86	14:86	13:87

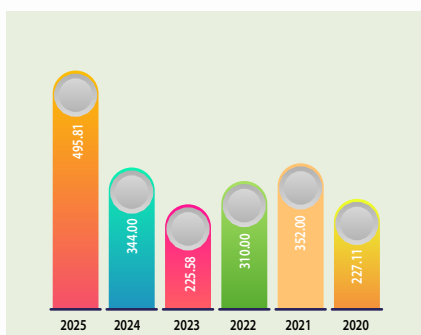
SIX YEARS AT A GLANCE



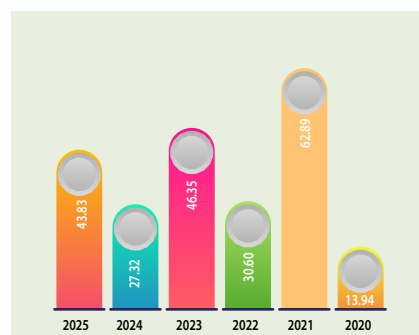
Revenue from contracts with customers - net
(Rs. in million)



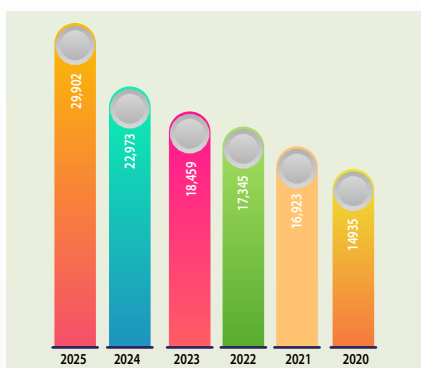
Gross Profit, Operating Profit and Profit before tax
(Rs. in million)



Market value per share
(Rupees)



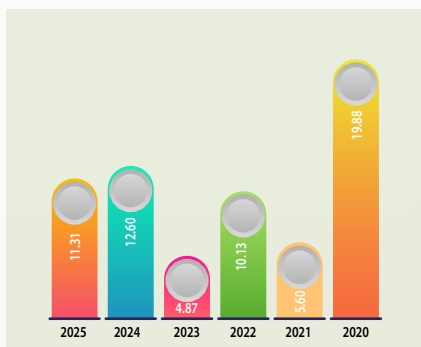
Earnings per share - Basic
(Rupees)



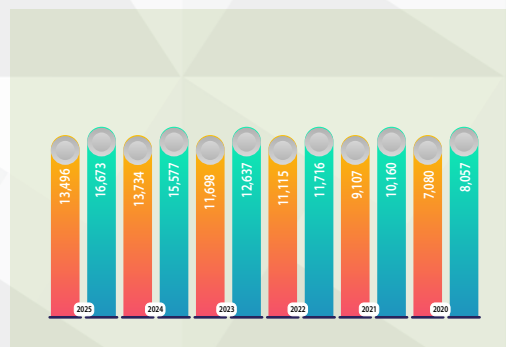
Property, plant and equipment
(Rs. in million)



Shareholders' equity
(Rs. in million)



Price earning ratio
(times)



Current assets vs Current Liabilities
(Rs. in million)

CORPORATE GOVERNANCE

Statement of Director's Responsibility

Board of Directors is mindful of its responsibilities and duties under legal and corporate framework. The Board defines and establishes Company's overall objectives and directions and monitors status thereof. Short term and long term plans and business performance targets are set by Chief Executive Officer under overall policy framework of the Board.

There has been no-material departure from the best practices of the corporate Governance, as detailed in the listing regulation.

Presentation of Financial Statements

The financial statement prepared by the management of the company, fairly present its state of affairs, the result of its operations, cash flows and changes in equity.

Books of Accounts

Company has maintained proper books of account.

Accounting Policies

Appropriate accounting policies have been consistently applied, in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

Application of International Accounting Standards

International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.

Internal Control System

System of Internal Control is sound in design and has been effectively implemented and monitored.

Taxation

Information about taxes and levies is given in the notes to and forming part of financial statements.

Going Concerns

There is no doubt about the Company's ability to continue as a going concern.

Audit Committee

Audit committee was established to assist Board in discharging its responsibilities for Corporate Governance, Financial Reporting and Corporate Control. The Committee consists of three members

Human Resource and Remuneration Committee

Human Resource and Remuneration Committee was formed to monitor the procedure of selection, evaluation, compensation and succession planning of the key management personal along with designing and implementation of Human Resource Policy of the company. This committee comprises of three members.

GENDER PAY GAP STATEMENT

GENDER PAY GAP STATEMENT UNDER SECP CIRCULAR 10 OF 2024

The Board is committed to formulate a gender diversity policy for recruitment, promotion, gender pay gap analysis, retention and development of female employees.

As required under the SECP circular no. 10 of 2024, the following is the Gender Pay Gap calculated for the year ended June 30, 2025:

- Mean Gender pay gap: -5.5%
- Median Gender Pay gap: -14.4%



Muhammad Adrees
Chief Executive Officer
September 20, 2025

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2025

NUMBER OF SHAREHOLDERS	SHAREHOLDINGS		TOTAL NUMBER OF SHARES
	FROM	TO	
957	1	100	24,584
468	101	500	115,517
152	501	1000	108,115
138	1001	5000	312,290
30	5001	10000	214,067
13	10001	15000	168,461
3	15001	20000	53,101
4	20001	25000	98,896
5	25001	30000	130,404
2	30001	35000	61,836
1	35001	40000	36,500
3	40001	45000	128,673
2	45001	50000	100,000
3	50001	55000	153,613
2	55001	60000	116,020
3	65001	70000	196,524
1	80001	85000	82,750
2	85001	90000	175,715
2	95001	100000	194,628
2	105001	110000	216,945
1	110001	115000	112,775
1	115001	120000	120,000
2	120001	125000	246,064
1	130001	135000	132,042
1	265001	270000	266,866
1	310001	315000	313,400
1	370001	375000	373,346
1	475001	480000	480,000
1	860001	865000	863,922
1	2190001	2195000	2,194,950
1	13635001	13640000	13,637,402
1805			21,429,406

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2025

	Number	Share Held	Percentage
NIT & ICP			
National Bank of Pakistan - Trustee Department			
Investment Corporation of Pakistan	2	51,306	0.24
Directors, CEO & their Spouse and Minor Children			
Mr. Muhammad Adrees	1	13,637,402	63.64
Mr. Haseeb Ahmed	1	108,840	0.51
Mr. Ahmad Hassan	1	1	0.00
Mr. Ahmad Nawaz	1	500	0.00
Mr. Haroon Ahmed Zuberi	1	1	0.00
Mrs. Shala Waheed Sher	1	1	0.00
Mr. Najmul Hoda Khan	1	100	0.00
Bank, Development Finance Institutions, Non Banking Finance Institutions.	5	2,196,216	10.25
Insurance Companies	4	207,302	0.97
Mutual Funds	12	635,860	2.97
Modarabas	1	151	0.00
General Public (Local)	1683	2,306,170	10.76
General Public (Foreign)	52	205,193	0.96
Associated Companies, Undertaking and Related Parties	2	962,818	4.49
Joint Stock Companies, others, etc.	25	496,068	2.31
Others	12	621,477	2.90
	1,805	21,429,406	100.00

Detail of purchase/sale of shares by Directors, Company Secretary, Head of Internal Audit Department, Chief Financial Officer and their spouses/minor children during 2024-2025.

Mr. Haseeb Ahmad (Director) Sold 225,000 shares during the year.

Following shareholders have shareholding of 5% and above in the company.

- | | | |
|---|--------------------------------------|------------|
| a | Mr. Muhammad Adrees, Chief Executive | 13,637,402 |
| b | Jahangir Siddiqui & Company Limited | 2,194,950 |

STATEMENT OF COMPLIANCE

WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of Company: **SITARA CHEMICAL INDUSTRIES LIMITED**

Year Ended: **June 30, 2025**

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are six as per the following:

Gender	Number
Male	5
Female	1

2. The composition of the Board of Directors is as follows:

Category	Names
Independent Director	Mr. Ahmad Hasan
Executive Directors	Mr. Muhammad Adrees Mr. Haseeb Ahmad
Non-Executive Directors	Mr. Ahmed Nawaz Mr. Najmul Hoda Khan
Female Director	Mrs. Shala Waheed Sher

During the year ended June 30, 2025, Mr. Haroon Ahmad Zuberi, an independent director, resigned from the Board on May 6, 2025, resulting in a casual vacancy. Subsequent to year-end, the election of the Board was held on August 7, 2025, wherein the four existing directors Mr. Ahmad Hasan, Mr. Muhammad Adrees, Mr. Najmul Hoda Khan, Mrs. Shala Waheed Sher were re-elected along with two new directors Mr. Ijaz Hussain and Mr. Abdul Awwal and one independent director Mr. Haroon Ahmad Zuberi were elected. Accordingly, the Board now comprises seven members, including two independent directors, three non-executive directors, and two executive directors, thereby ensuring compliance with the applicable Regulations.

Moreover, during the tenure of the above independent director, the Company did not increase the number of independent directors beyond two, as it was confident that the appointed independent directors possessed the requisite qualifications, competencies, skills, knowledge, and experience to effectively discharge their responsibilities in line with the applicable laws and regulations.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the board / shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;

9. All directors have completed the directors training program.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:
 - a. **Audit Committee**
 - Mr. Haroon Ahmed Zuberi, Independent Director (Chairman)
 - Mr. Najmul Hoda Khan, Non-Executive Director (Member)
 - Mr. Abdul Awal, Non-Executive Director (Member)
 - b. **Human Resource & Remuneration Committee**
 - Mr. Ahmad Hasan, Independent Director (Chairman)
 - Mr. Muhammad Adrees, Chief Executive Officer (Member)
 - Mrs. Shala Waheed Sher, Non-Executive Director (Member)

With respect to the Audit Committee, Mr. Haroon Ahmed Zuberi resigned from the Board on May 6, 2025, creating a vacancy in the position of Chairman. Following his re-election to the Board on August 7, 2025, he was re-appointed as Chairman of the Audit Committee.
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings (quarterly/half yearly/yearly) of the committee were as per following:
 - a. **Audit Committee:** Four meetings i.e. one in every quarter, during the financial year ended June 30, 2025
 - b. **HR and Remuneration Committee:** Two meetings during the financial year ended June 30, 2025.
15. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or director of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of the regulations 3, 6, 7, 8, 27, 32 and 36 of the Regulations have been complied with.
19. Explanation for non-compliance with requirement, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr. No	Non-Mandatory Requirement	Explanation	Regulation No.
1	Sustainability Committee and Policy The Board is responsible for governance and oversight of sustainability risks and opportunities, which includes the environmental, social and governance considerations, within the Company by setting the Company's sustainability strategies, priorities and targets to create long-term corporate value. In this regard, the Board is also encouraged to adopt the SECP's ESG Disclosure Guidelines. The Board may constitute the Sustainability Committee of such number and class of directors, as it may deem appropriate in its circumstances to carry out a review of effectiveness of sustainability related risk management procedures and present a report to the Board. Moreover, the Company may post about the sustainability policy on its website.	The Company recognizes and is committed to its responsibility for the governance and oversight of sustainability risks and opportunities, which includes environmental, social, and governance (ESG) considerations. By setting its sustainability strategies, priorities, and targets, the Company aims to create long-term corporate value. Given the significant impact of ESG factors on investor confidence, financial stability, and overall business viability, Company has integrated these considerations into its operations. This approach has helped mitigating sustainability risks, enhancing Company's reputation, and allow for the offering of sustainable products and services, and ultimately creating long-term value for all stakeholders. Currently, the Board has not constituted a separate Sustainability Committee and the functions are being performed by the Executive Directors.	10(4)(xiv) & 35(1)(vi)
2	Training for Female Executive and Head of Department Regulation 19(3) encourages training for at least one female executive and one head of department annually under the Directors' Training Program (effective July 2020).	Due to operational priorities during the year, the required training could not be arranged. The Company will consider appropriate nominations in the future.	19(3)
3	Nomination Committee The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors as it may deem appropriate in its circumstances.	Currently, the Board has not constituted a separate Nomination Committee and the functions are being performed by the Human Resource & Remuneration Committee.	29(1)
4	Risk Management Committee The Board may constitute the risk management committee of such number and class of directors as it may deem appropriate in its circumstances to carry out a review of effectiveness of risk management procedures and present a report to the board.	Currently, the Board has not constituted a risk management committee and the company's Internal Audit Function, performs the requisite functions and apprises the board accordingly.	30(1)

On behalf of the Board

Ahmad Hasan

Ahmad Hasan
Chairman

Faisalabad

Dated: September 20, 2025



Shariah Compliance Review Report 2025



ALHAMD SHARIAH ADVISORY SERVICES

(PVT) LIMITED

Annual Shariah Review Report

For the year ended June 30, 2025

We have conducted a Shariah review of Sitara Chemical Industries Limited (SCIL) for the financial year ending on June 30, 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 had invested in Sitara Energy Limited, which was earlier reported as non-compliant in the June 2024 KMI review. However, as per the latest KMI issued on June 2, 2025, covering the review period from July 1, 2024 to December 31, 2024, Sitara Energy Limited has been classified as Shariah-compliant. Accordingly, the company may continue to retain this investment as compliant.

Conclusion:

Based on the Review of the documents provided by the management, 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.

Mufti Muhammad Ibrahim Essa
Chief Executive Officer
Alhamd Shariah Advisory Services (Pvt.) Limited
20th September 2025

Mufti Ubaid Ur Rahman Zubairi
Director
Alhamd Shariah Advisory Services (Pvt.) Limited



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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting ("AGM"/"Meeting") of Sitara Chemical Industries Limited (the "Company") will be held on Thursday, 23rd day of October, 2025 at 3:00 p.m. at ICAP Auditorium, Institute of Chartered Accountant of Pakistan, Chartered Accountants Avenue, Block 8, Clifton, Karachi in person and via video-link, to transact the following business:

A. ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2025 together with the Reports of Directors and Auditors thereon and Chairman's Review Report.

In accordance with Section 223 of the Companies Act, 2017, and pursuant to S.R.O. 389(i)/2023 dated March 21, 2023, the financial statements of the Company have been uploaded on the website of the Company which can be downloaded from the following web link and QR enabled code:

<https://www.sitara.com.pk/wp-content/uploads/2025/09/SCIL-AR-2025.pdf>



2. To approve payment of Cash Dividend at the rate of 110% (Rs.11/- per share) as recommended by the Board of Directors.
3. To appoint Auditors and to fix their remuneration for the year ending June 30, 2026. The shareholders are hereby given notice that the Board of Directors recommend, based on the recommendation of Board Audit Committee, re-appointment of M/s. Yousuf Adil, Chartered Accountants, as auditors of the Company.
4. To transact any other ordinary business with the permission of the Chair.

B. SPECIAL BUSINESS

Since the sale of Company's freehold land (Investment Property) could not be materialized during the year 2024-25, the following resolution is required to be revalidated, considered and approved by the shareholders of the Company.

5. To consider and, if deemed fit, pass the Ordinary Resolution, provided in the statement of material facts annexed to this notice and circulated to the shareholders under Section 183(3)(a) of the Companies Act, 2017, for sale of Company's Freehold Agriculture Land (Investment Property).

Attached to this notice circulated to the shareholders is a statement of material facts under Section 134 (3) of the Companies Act, 2017 along with draft Ordinary Resolution proposed to be passed.

By Order of the Board

KARACHI
September 20, 2025

Mazhar Ali Khan
Company Secretary

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

A. CLOSURE OF SHARE TRANSFER BOOKS

The Members' Register and Share Transfer Books of the Company will remain closed from October 16, 2025 to October 23, 2025 (both days inclusive). Transfers received in order at the office of Share Registrar M/s. THK Associates (Pvt.) Limited, Plot no. 32-C, Jami Commercial Street 2, D.H.A Phase VII, Karachi by the close of business on October 15, 2025 will be considered in time for entitlement of the dividend.

B. PARTICIPATION IN THE ANNUAL GENERAL MEETING.

A member entitled to attend and vote at this meeting is entitled to appoint another person as his/her proxy to attend and vote. Proxies in order to be effective must be received at Company's Share Registrar's Office M/s. THK Associates (Pvt.) Limited, Plot no. 32-C, Jami Commercial Street 2, D.H.A Phase VII, Karachi duly stamped and signed not less than 48 hours before the time of meeting.

C. CDC ACCOUNT HOLDERS WILL HAVE TO FOLLOW FURTHER UNDER MENTIONED GUIDELINES AS LAID DOWN BY THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN.

a) *For attending the meeting:*

- i) In case of individuals, the account holders or sub-account holders and their registration details are uploaded as per the regulations, shall authenticate their identity by showing their original Computerized National Identity Card (CNIC), or Original Passport at the time of attending the meeting.
- ii) In case of Corporate Entities, the Board of Directors' Resolution/Power of Attorney with specimen signature of the nominees shall be produced (unless it has been provided earlier) at the time of the meeting.

b) *For appointing proxies:*

- i) In case of individuals, the account holders or sub account holders and their registration details are uploaded as per the regulations, shall submit the proxy form as per the above requirements. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- ii) In case of corporate entities, the Board of Directors' resolution/power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity, shall be submitted (unless it has been provided earlier) along with proxy form to the company's registrar.
- iii) Form of proxy is attached to the notice of meeting being sent to the members. Proxy Form may also be downloaded from the Company's website i.e. www.sitara.com.pk

D. PAYMENT OF CASH DIVIDEND THROUGH ELECTRONIC MODE:

The provisions of Section 242 of the Companies Act, 2017 and Regulation 4 of the Companies (Distribution of Dividend) Regulations, 2017 require the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the designated bank account by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the Company's Share Registrar at the address given herein above, electronic dividend mandate on E-Dividend form available on website of the company and also attached with the notice of meeting being sent to the shareholders. In case of shares held in CDC, the same information should be provided to the CDS participants for updating and forwarding to the Company.

NOTICE OF ANNUAL GENERAL MEETING

E. WITHHOLDING TAX ON DIVIDEND INCOME

Deduction of Income Tax from dividend payments shall be made on the basis of filers and non-filers as follows:

Filer of Income Tax Returns	15.00%
Non-Filer of Income Tax Returns	30.00%

Income Tax will be deducted on the basis of Active Tax Payers list posted on the Federal Board of Revenue website.

Members seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate, are requested to submit a valid tax exemption certificate or necessary documentary evidence as the case may be. Members desiring non-deduction of zakat are also requested to submit a valid declaration for non-deduction of zakat.

The shareholders who have joint shareholdings held by Filers and Non-Filers shall be dealt with separately and in such particular situation, each account holder is to be treated as either a Filer or a Non-Filer and tax will be deducted according to his shareholding. If the share is not ascertainable then each account holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly. Therefore, in order to avoid deduction of tax at a higher rate, the joint account holders are requested to provide the below details of their shareholding to the Share Registrar of the Company.

Folio/ CDC A/c No.	Name of Shareholders	No. of Shares or percentage (Proportion)	CNIC No.	(Principal/Joint Shareholders)

F. UNCLAIMED DIVIDEND / SHARES

Shareholders, who by any reason, could not claim their dividend or did not collect their physical shares, are advised to contact our Share Registrar, M/s. THK Associates (Private) Limited to collect/ enquire about their unclaimed dividend or pending shares, if any. Please note that in compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all dividends unclaimed for a period of three years from the date due and payable shall be deposited to the credit of the Federal Government /SECP and in case of shares, shall be delivered to the Securities & Exchange Commission of Pakistan (SECP).

G. SUBMISSION OF COPIES OF CNIC NOT PROVIDED EARLIER

Individual Shareholders are once again reminded to submit a copy of their valid CNIC, if not provided earlier to the Company's Share Registrar, M/s. THK Associates (Private) Limited. In case of non-availability of a valid copy of the shareholders' CNIC in the records of the Company, the company shall withhold the dividend under the provisions of Section 243 of the Companies Act, 2017 and Regulation 6 of The Companies (Distribution of Dividend) Regulations 2017.

H. CONVERSION OF PHYSICAL SHARES INTO BOOK ENTRY FORM

The Securities and Exchange Commission of Pakistan (SECP) through its letter No.CSD/ED/Misc/2016-639-640 dated March 26, 2021 has advised the Listed Companies to adhere with the provision of the Section 72 of the Companies Act, 2017 (the Act) by replacing shares issued by them in Physical Form with the shares to be issued in the Book-Entry Form. Sitara Chemical Industries Limited (the "Company"), being a listed company is also required to comply with aforesaid provision of Act.

NOTICE OF ANNUAL GENERAL MEETING

The shareholders of Sitara Chemical Industries Limited having physical folios/share certificates are requested to convert their shares from Physical Form into Book Entry Form as soon as possible. The shareholders of Company may contact the Share Registrar and Transfer Agent of the Company, namely M/s. THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A Phase VII, Karachi for the conversion of Physical Shares into Book-Entry Form.

I. ELECTRONIC CIRCULATION OF ANNUAL REPORTS VIA EMAIL:

Pursuant to the provision of Companies Act, 2017, annual reports are being sent to the shareholders electronically via Email. However, shareholders who wish to receive hardcopy of Financial Statements shall have to fill the attached standard request form (also available on the company's website www.sitara.com.pk) and send at the Company's address.

J. PARTICIPATION IN THE AGM

The Company has made arrangements for participation of shareholders in the AGM via video link. Those members who are willing to attend and participate in the AGM via video link are requested to register themselves by sending an email along with following particulars and valid copy of both sides of Computerized National Identity Card (CNIC) at reg.agm@sitara.com.pk with subject of 'Registration for AGM' not less than 48 hours before the time of the meeting:

Name of Shareholder	CNIC Number	CDC Account No./Folio No.	Cell Number	Email Address

Members who will be registered, after necessary verification as per the above requirement, will be provided a password protected video link by the Company via email.

K. AVAILABILITY OF ANNUAL AUDITED FINANCIAL STATEMENTS

The audited financial statements of the Company for the year ended June 30, 2025 have been placed at the Company's website: www.sitara.com.pk.

Whereas, in compliance with section 223(6) of the Companies Act, 2017, pursuant to the SECP's S.R.O. 389(I)/2023 dated March 21, 2023 and the shareholders' approval in the Annual General Meeting held on October 21, 2023 to circulate the annual audited financial statements to its members through QR enabled code and weblink. Thus, the audited financial statements of the Company for the year ended June 30, 2025 can be accessed through the QR enabled code and the weblink. The Company will, however, provide hard copy of the Annual Audited Financial Statements to the shareholders at their registered addresses, within seven days, on request, free of cost. The request form is available on Company's website.

L. CHANGE OF ADDRESS

Members are requested to promptly notify any change in their addresses. Shareholders maintaining their shares in book entry form should have their address updated with their participant / CDC Investor Account Service.

M. DECLARATION AS PER ZAKAT & USHER ORDINANCE 1980

Members are requested to submit declaration as per Zakat & Ushr Ordinance, 1980 for zakat exemption and to advise change in address, if any.

N. POSTAL BALLOT / E- VOTING

Pursuant to the Companies (Postal Ballot) Regulations 2018 and with Section 143 and 144 of the Companies Act, 2017, members will be allowed to exercise their right of vote through Postal

NOTICE OF ANNUAL GENERAL MEETING

Ballot that is voting by post or through any electronic mode (e- voting), in accordance with the requirements and procedures contained in the aforesaid Regulations.

O. ELECTRONIC VOTING

Detail of E-Voting facility will be shared through e-mail with those members of the company who have valid cell numbers / e-mail addresses available in the Register of Members of the Company by the end of business on October 15, 2025. Identity of the members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login. Members shall cast vote online from October 20, 2025 from 9.00 a.m. until October 22, 2025 until 5:00 p.m. Voting shall close on October 22, 2025, at 5:00 p.m. Once the vote on the resolution has been casted by a Member, he/she shall not be allowed to change it subsequently

P. Voting Rights of Members at the AGM Under S.R.O. 451(I)/2025

Pursuant to S.R.O. 451(I)/2025 dated March 13, 2025 issued by the Securities and Exchange Commission of Pakistan (SECP), members / shareholders who did not cast their vote through electronic voting or postal ballot prior to the date of the AGM and attend the meeting in person shall be allowed to cast their vote at the AGM through ballot paper.

Q. CONSENT FOR VIDEO CONFERENCE FACILITY

In accordance with Section 132 and 134 of the Companies Act, 2017, members can also avail video conference facility.

If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location other than the city of the Meeting, to participate in the meeting through video conference at least 7 days prior to the date of the Annual General Meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. In this regard, please fill the following form and submit the same to the registered address of the Company 7 days before holding of the Annual General Meeting.

The Company will intimate to members regarding the venue of video conference facility at least days before the date of the Annual General Meeting along with complete information necessary to enable them to access such facility.

I/We, _____ of _____, being a member of Sitara Chemical Industries Limited, holder of _____ ordinary share (s) as per Registered Folio/CDC Account No. _____ hereby opt for video conference facility at _____.

R. PROHIBITION OF DISTRIBUTION OF GIFTS

The Securities and Exchange Commission of Pakistan (the "SECP"), vide S.R.O.452(1)/2025 has strictly prohibited companies from providing gifts or incentives, in lieu of gifts tokens/coupons /lunches/takeaway/packages) in any form or manner, to shareholders at or in connection with general meetings. Under Section 185 of the Act, any violation of this directive is considered an offense, and companies failing to comply may face penalties.

S. APPOINTMENT OF SCRUTINIZER

In accordance with the Regulation 11 of the Companies (Postal Ballot) Regulations, 2018 (the "Regulations"), the Board of the Company has appointed M/s. Yousuf Adil, Chartered Accountants, a QCR rated audit firm, to act as scrutinizer of the Company for the Special Business and to undertake other responsibilities as defined in Regulation 11A of the Regulations.

NOTICE OF ANNUAL GENERAL MEETING

STATEMENT OF MATERIAL FACTS

This statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of Sitara Chemical industries Limited to be held on October 23, 2025.

The information required under Section 134 (3) of the Companies Act, 2017 read with S.R.O. 423 (I)/2018 dated 03 April, 2018 is as under:

Agenda item No. 5

a) Description/Name of asset;	Agricultural Land (Investment property)
b) Acquisition date of the asset;	Land was acquired on different dates over the period from year 2003-2004 to 2021-2022. The details are available in Fixed Asset Register, which will be available for inspection of members during office working hours.
c) Cost;	Rs.2,851,114,523/-
d) Revalued amount and date of revaluation (if applicable);	Not Applicable - No revaluation surplus/deficit is recognized in books of accounts.
e) Book value;	Rs.2,845,580,067/-
f) Approximate current market price/fair value;	Rs.3,591,123,000/- as of June 30, 2025 as per valuation conducted by M/s. Hamid Mukhtar & Co. (Pvt.) Limited.
g) In case of sale, if the expected sale price is lower than book value or fair value, then the reasons thereof;	The sale price would depend on the actual sale. The management believes that the sale price would be higher than the book value/fair value.
h) In case of lease of assets, tenure, lease rentals, increment rate; mode/basis of determination of lease rentals; and other important terms and conditions of the lease;	Not Applicable
i)	Additional information in case of disposal of land:
(i)	Location;
(ii)	Nature of land (e.g. commercial, agriculture, etc); and
(iii)	Area proposed to be sold.
	Chak 193 RB, Chak 194 RB, Chak 200 RB, and Chak 266 RB, Off Sheikhpura Road, Faisalabad.
	Agricultural Land
	Total Area to be sold: 3,302 Kanal

NOTICE OF ANNUAL GENERAL MEETING

(iv)	The proposed manner of disposal of the said assets.	a) The land would be sold by obtaining quotations from prospective buyer(s) directly and through newspaper advertisement. b) That the land may be sold on payment terms in cash or partly in cash and partly in the shape of files of commercial and/or residential plots (In case the buyer intend to develop the land as a residential society) on terms & conditions as may be agreed with the buyer. c) That the land may also be sold to any prospective buyer(s) on joint venture basis for carrying out development and sale of land/ plots etc. on terms and conditions as may be agreed between the parties. The terms and conditions shall be approved by the Board of Directors.
v)	In case the company has identified a buyer, who is a related party the fact shall be disclosed in the statement of material facts.	The Company shall exercise all reasonable diligence in identifying buyer(s) prepared to offer fair market value for the land and will endeavor to complete the transaction(s) in a manner that serves the best interests of the Company and its shareholders. Accordingly, there is no related party involved in the transaction that would necessitate disclosure under the statement of material facts.
iv)	Purpose of the sale, lease or disposal of assets along with following details: a) Utilization of the proceeds received from the transaction. b) Effect on operational capacity of the company, if any; and c) Quantitative and qualitative benefits expected to accrue to the members.	a) Proceeds will be used towards the establishment of alternate energy resources to save energy cost and / or for repayment of company loans to save financial cost. The sale proceeds may be fully in cash or partly in cash and partly in kind in the form of plot files, if prospective buyer would develop land/society on this land. b) The sale of land has no effect on the operational capacity of the company. c) The establishment of cheaper energy resources or repayment of loans is expected to bring more operational efficiency and profit available for distribution by saving energy & markup costs. It will ultimately add value in net worth of the company and add value to the shareholders. d) In case of consideration received partly in the form of plot files, the same will be held till society/land is developed, which would be beneficial for the Company and the shareholders.

NOTICE OF ANNUAL GENERAL MEETING

Therefore, in view of aforesaid, the shareholders are hereby requested to pass the following resolutions as Ordinary Resolutions:

“RESOLVED THAT the consent of shareholders of Sitara Chemical Industries Limited (the “Company”) be and is hereby accorded to the disposal and sale of Company’s Freehold Agriculture Land (investment property) located in the vicinity of Faisalabad, comprising of 3302 Kanal, subject to requisite approval(s) for cash consideration and /or partly in cash and partly in the form of plot files and as per details given in statement of material facts.”

“RESOLVED FURTHER THAT approval be and is hereby accorded for utilization of the proceeds from the disposal of Freehold Agricultural Land to pay loan and /or establishment of alternate energy source as may be approved and recommended by the Board of Directors of the Company.”

“RESOLVED FURTHER THAT as part and parcel of the foregoing consent, the Board of Directors be and is hereby authorized and empowered for sale of Company’s Freehold Agriculture Land on behalf of the Company.”

“RESOLVED FURTHER that the Board of Directors be and are hereby authorized to sell the agriculture land and may delegate all or any of its powers in this regard to the Chief Executive or any other Officer of the Company on such terms and conditions as deemed fit, to act on behalf of the Company in doing and performing all acts, matters, things and deeds to implement sale of Freehold Agriculture Land (investment property) and the transaction contemplated by it, which shall include, but not be limited to:-

- a) conducting negotiations, obtaining quotations etc. with interested parties in such manner and on such terms and conditions as are in the best interests of the Company and its shareholders and which secure the best available market price for the sale of land;
- b) selling the assets to any individual, firm / partnership, bank or private / public limited company or organization or to any other person and, for that purpose, entering into an agreement to sell, sale deed or any other agreement with the buyer(s) or any other person, receiving the sale consideration, executing, preparing and signing any sale deed, conveyance deed and / or transfer documents in favor of the buyer(s) or another person to effect the asset sale in favor of the buyer(s) or any other person by representing the same before all parties & authorities concerned and admitting execution thereof;
- c) representing before the Sub-Registrar or any other competent authority and getting any sale deed or other documents registered and collecting consideration amount in respect of the sale, and;
- d) generally performing and executing in respect of the sale of Freehold Agriculture Land (investment property) all lawful deeds, agreements, acts and things as they may think fit and proper in order to implement and complete the land sale.”

“FURTHER RESOLVED that the Board of Directors be and is hereby authorized to take all actions incidental or ancillary thereto with regard to the sale of Freehold Agriculture Land.”

“FURTHER RESOLVED that the Chief Executive Officer of the Company and/or the Company Secretary be and are hereby severally authorized to sign and submit required statutory returns, announcements, e-filings with the Registrar of Companies, CRO, SECP, Pakistan Stock Exchange and or any other authorities / regulators and to do all such acts, deeds and things as may be necessary to do in this regard.”

AVAILABILITY OF RELEVANT DOCUMENTS

Copies of the documents pertaining to foregoing Special Business are available for inspection at the Registered / Head Office of the Company during normal office working hours from the date of publication of the Notice till the date of the AGM.

NATURE & EXTENT OF INTEREST OF DIRECTORS, DIRECTLY OR INDIRECTLY

The Directors of the Company have no personal interests, directly or indirectly, in the resolutions except to the extent of their respective shareholding as mentioned in the pattern of shareholding attached to the Directors report for the year ended June 30, 2025.

UNDERTAKING BY THE DIRECTORS

The Board of Directors have carried out necessary due diligence for the proposed transactions.

EXPECTED TIME OF COMPLETION OF THE TRANSACTION

It is expected that transaction will be completed within one year from the date of passing of Special Business at the AGM.

Auditor's Reports & Financial Statements 2025



INDEPENDENT AUDITOR'S REPORT

To the Members of Sitara Chemical Industries Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Sitara Chemical Industries Limited (the Company), which comprise the statement of financial position as at June 30, 2025, and the statement of profit or loss, statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements including a material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2025 and of the profit, its comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key audit matter	How the matter was addressed in our audit
1. Revenue Recognition	
The Company's sales comprise of revenue from the sale of chemicals and textile products as disclosed in note 29 to the financial statements. Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods and at transaction price net of trade discounts (note 4.19). We identified revenue recognition as key audit matter as it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not have been recognized based on transfer of control to the customers in line with the accounting policy adopted and may not have been recognized in the appropriate period.	Our audit procedures to address the Key Audit Matter included the following: - Obtained an understanding of controls over recognition of revenue from contracts with customers; - Assessed the appropriateness of the Company's accounting policies for revenue recognition at a point in time and compliance of those policies with the IFRS 15 Revenue from contracts with customers; - Checked on sample basis whether the recorded sales transactions are based on transfer of control of goods to the customer, satisfying the performance obligation at a point time.

2. Valuation of stock in trade	
Refer to note 13 to the financial statements and note 4.6 for the policy of stock in trade. Stock in trade forms a significant part of the Company's assets. As at June 30, 2025, the carrying amount of the Company's stock in trade amounts to Rs 4,190.27 million. We identified valuation of stock in trade as a key audit matter as it involves significant management judgement with respect to standard costs and determination of net realizable value.	In this respect, we performed the following audit procedures: • Obtained an understanding of procedures followed by the Company with respect to valuation of stock in trade; • Assessed appropriateness of the Company's accounting policies for valuation of stock in trade and compliance of those policies with the relevant applicable accounting and reporting standards in Pakistan; • On a sample basis, verified supporting documents for purchases of raw materials and the production costs as per accounting policy to ascertain valuation of stock in trade; • Obtained working of variances recorded by management, including changes made in the current year and tested the amounts, which were incurred and retained to actualize the standard cost of stock in trade at year end; • Obtained an understanding and assessed reasonableness of the management's process for determination of net realizable value (NRV) and the key estimates adopted, including future selling prices, future costs to complete and costs necessary to make the sales and their basis to ascertain valuation of stock in trade; • Compared the NRV, on a sample basis, to the carrying value of stock in trade to ascertain the valuation of stock in trade and assess whether any adjustments were required to the carrying value of inventories in accordance with the policy; • Assessed the adequacy of disclosures related to valuation of stock in trade in the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance opinion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered

material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Sufyan.



Chartered Accountants

Place: Lahore

Date: September 27, 2025

UDIN: AR20251018002BomSUIL

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF SITARA CHEMICAL INDUSTRIES LIMITED

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies Code of Corporate Governance Regulations, 2019 (the Regulations) prepared by the Board of Directors of Sitara Chemical Industries Limited (the Company) for the year ended June 30, 2025, in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Company's Board of Directors. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2025.

Yousuf Adil
Chartered Accountants

Engagement Partner:
Muhammad Sufyan

Place: Lahore
Date: September 27, 2025
UDIN: CR202510180wecS0gym8

INDEPENDENT ASSURANCE REPORT ON COMPLIANCE WITH THE SHARIAH GOVERNANCE REGULATIONS, 2023

To the Board of Directors of Sitara Chemical Industries Limited

1. Introduction

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (the Commission) has required in terms of its Shariah Governance Regulations, 2023 (the Regulations) for assessing compliance of the Sitara Chemical Industries Limited (the Company) financial arrangements, contracts and transactions having Shariah implications with the Shariah principles (criteria specified in paragraph 2 below) for the period from July 01, 2024 to June 30, 2025.

2. Applicable Criteria

The criteria for the assurance engagement as per the Regulations, against which the underlying subject matter (financial arrangements, contracts and transactions having Shariah implications for the period from July 01, 2024 to June 30, 2025) is assessed, comprise the following:

- (a) rules, regulations and directives issued by the Commission from time to time;
- (b) pronouncements of Shariah Advisory Board;
- (c) Shariah Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions, as adopted by the Commission, if any;
- (d) requirements of the applicable Islamic Financial Accounting Standards as notified by the Commission, if any; and
- (e) approvals and rulings given by the Shariah Advisor of the Company in line with the Regulations and in accordance with the rulings of Shariah Advisory Board.

The above criteria were evaluated for the implications on the financial statements of the Company for the year ended June 30, 2025.

3. Management's Responsibility for Shariah Compliance

The Company's management is responsible to ensure that the financial arrangements, contracts and transactions having Shariah implications, entered into by the Company and related policies and procedures are in compliance with Shariah principles (criteria specified in paragraph 2 above). The management is also responsible for design, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records.

4. Our Independence and Quality Control

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities

in accordance with the Code. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance opinion thereon.

The firm applies System of Quality Management ("SOQM"), as required by The Institute of Chartered Accountants of Pakistan's ("ICAP") and in accordance with the International Standard on Quality Management ISQM 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" (ISQM 1) issued by the International Auditing and Assurance Standards Board (IAASB) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

5. Our responsibility and summary of the work performed

Our responsibility in connection with this engagement is to express an opinion on compliance of the Company's financial arrangements, contracts and transactions having Shariah implications with Shariah principles, in all material respects, for the period from July 01, 2024 to June 30, 2025 based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements other than audits or reviews of historical financial information', issued by the International Auditing and Assurance Standards Board. That standard required that we plan and perform this engagement to obtain reasonable assurance about the compliance of the Company's financial arrangements, contracts and transactions having Shariah implications with Shariah principles (criteria specified in paragraph 2 above). In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The procedures selected by us for the engagement depend on our judgement, including the assessment of the risks of material non-compliance with the Shariah principles. In making those risk assessments, we considered and tested the internal control relevant to the Company's compliance with the Shariah principles in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. We have designed and performed necessary verification procedures on various financial arrangements, contracts and transactions having Shariah implications and related policies and procedures based on judgmental and systematic samples with regard to the compliance with Shariah principles (criteria specified in paragraph 2 above).

We believe that the evidence we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our opinion.

6. Conclusion

Based on our reasonable assurance engagement, we report that in our opinion, the Company's financial arrangements, contracts and transactions having Shariah implications for the year ended period from July 01, 2024 to June 30, 2025 are in compliance with the Shariah principles (criteria specified in paragraph 2 above), in all material respects.



Chartered Accountants

Engagement Partner:
Muhammad Sufyan

Place: Lahore
Date: September 27, 2025

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
ASSETS			
<i>Non-current assets</i>			
Property, plant and equipment	5	29,901,979,692	22,972,725,937
Intangible assets	7	6,371,408	6,787,155
Investment property	8	3,418,251,172	3,427,127,458
Long term investments	9	20,038,687	20,038,687
Long term loans and advances	10	539,654,841	225,440,500
Long term deposits	11	125,334,279	125,134,179
		34,011,630,079	26,777,253,916
<i>Current assets</i>			
Stores, spare parts and loose tools	12	1,710,214,125	1,590,505,516
Stock in trade	13	4,190,277,216	3,674,746,751
Trade debts	14	2,919,787,832	3,158,902,678
Loans, advances and receivables	15	956,327,156	1,556,334,613
Trade deposits, prepayments and other receivables	16	60,867,513	59,620,692
Prepaid levies		-	14,368,016
Advance income tax		1,006,477,793	1,010,338,685
Income tax refundable		1,543,614,808	1,443,864,352
Other financial assets	17	773,940,332	864,458,541
Cash and bank balances	18	334,865,371	360,475,765
		13,496,372,146	13,733,615,609
<i>Total assets</i>		47,508,002,225	40,510,869,525

The annexed notes from 1 to 52 form an integral part of these financial statements.



Muhammad Adrees
Chief Executive Officer



Zakir Hussain
Chief Financial Officer



Ijaz Hussain
Director

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
EQUITY AND LIABILITIES			
<i>Share capital and reserves</i>			
Share capital	19	214,294,070	214,294,070
Reserves	20	1,568,514,450	1,491,865,246
Unappropriated profit		13,404,338,197	12,464,377,427
Surplus on revaluation of property, plant and equipment	21	3,678,569,739	3,893,550,016
Total equity		18,865,716,456	18,064,086,759
LIABILITIES			
<i>Non-current liabilities</i>			
Long term financing	22	8,021,930,747	2,937,311,929
Deferred taxation	23	3,770,611,487	3,692,635,660
Deferred liabilities	24	176,292,219	240,145,871
		11,968,834,453	6,870,093,460
<i>Current liabilities</i>			
Trade and other payables	25	4,463,873,807	3,210,244,848
Profit / financial charges payable	26	1,194,155,240	966,092,698
Short term borrowings	27	9,340,377,001	9,980,651,390
Provision for taxation		839,711,715	614,033,982
Unclaimed dividend		29,912,322	28,135,772
Current portion of long term financing	22	805,421,231	777,530,616
		16,673,451,316	15,576,689,306
Total equity and liabilities		47,508,002,225	40,510,869,525
<i>Contingencies and commitments</i>			
	28		

The annexed notes from 1 to 52 form an integral part of these financial statements.



Muhammad Adrees
Chief Executive Officer



Zakir Hussain
Chief Financial Officer



Ijaz Hussain
Director

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
Revenue from contracts with customers - net	29	32,530,215,524	31,111,879,733
Cost of sales	30	(26,911,254,339)	(26,192,619,872)
Gross profit		5,618,961,185	4,919,259,861
Distribution cost	31	(520,923,571)	(573,592,640)
Administrative expenses	32	(1,259,270,477)	(1,131,694,578)
Impairment loss on financial assets	14.2	(170,681,422)	(10,114,622)
Other expenses	33	(193,769,295)	(68,572,999)
Finance cost	34	(1,903,629,448)	(2,348,697,881)
		(4,048,274,213)	(4,132,672,720)
		1,570,686,972	786,587,141
Other income	35	290,619,451	355,293,508
Profit before income tax and final tax		1,861,306,423	1,141,880,649
Final tax		(1,758,000)	(57,806,602)
Profit before tax		1,859,548,423	1,084,074,047
Provision for taxation	36	(920,273,870)	(498,566,401)
Profit for the year		939,274,553	585,507,646
Earnings per share - basic and diluted	37	43.83	27.32

The annexed notes from 1 to 52 form an integral part of these financial statements.



Muhammad Adrees
Chief Executive Officer



Zakir Hussain
Chief Financial Officer



Ijaz Hussain
Director

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
Profit for the year		939,274,553	585,507,646
<i>Items that may be reclassified subsequently to profit or loss</i>		-	-
<i>Items that will not be reclassified to profit or loss</i>			
Loss on re-measurement of post retirement benefits obligation	24.2	(6,311,143)	(5,641,595)
Related tax impact		2,461,346	2,200,222
Gain on sale of investments measured at FVTOCI		1,597,640	2,628,534
Related tax impact		(399,410)	-
Gain on re-measurement of equity instruments as at FVTOCI		86,814,159	170,716,205
Related tax impact		(7,513,388)	(25,607,431)
Surplus on revaluation of property, plant and equipment		-	1,401,243,688
Deferred tax impact of surplus on revaluation		-	(456,904,573)
Impact of change in tax rate on revaluation surplus		-	-
Total items that will not be reclassified to profit or (loss)		76,649,204	1,088,635,050
Total comprehensive income for the year		1,015,923,757	1,674,142,696

The annexed notes from 1 to 52 form an integral part of these financial statements.



Muhammad Adrees
Chief Executive Officer



Zakir Hussain
Chief Financial Officer



Ijaz Hussain
Director

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2025

	Capital reserves					Revenue reserves		Total
	Share capital	Share premium	Reserve on re-measurement of equity instruments as at FVTOCI	Remeasurement on post retirement benefits obligation - net of tax	Surplus on revaluation of property, plant and equipment	General reserve	Unappropriated profit	
Balance as at July 01, 2023	214,294,070	97,490,410	30,091,545	(5,012,644)	3,115,074,247	1,225,000,000	11,927,300,495	16,604,238,123
Profit for the year	-	-	-	-	-	-	585,507,646	585,507,646
Other comprehensive income	-	-	147,737,308	(3,441,373)	944,339,115	-	-	1,088,635,050
Total comprehensive income	-	-	147,737,308	(3,441,373)	944,339,115	-	585,507,646	1,674,142,696
Transfer to unappropriated profit on account of incremental depreciation - net of tax	-	-	-	-	(165,863,346)	-	165,863,346	-
Transactions with owners								
Final dividend for the year ended June 30, 2023 @ Rest. 10 per share	-	-	-	-	-	-	(214,294,060)	(214,294,060)
Balance as at June 30, 2024	214,294,070	97,490,410	177,828,853	(8,454,017)	3,893,550,016	1,225,000,000	12,464,377,427	18,064,086,759
Profit for the year	-	-	-	-	-	-	939,274,553	939,274,553
Other comprehensive income	-	-	80,499,001	(3,849,797)	-	-	-	76,649,204
Total comprehensive income	-	-	80,499,001	(3,849,797)	-	-	939,274,553	1,015,923,757
Transfer to unappropriated profit on account of incremental depreciation - net of tax	-	-	-	-	(214,980,277)	-	214,980,277	-
Transactions with owners								
Final dividend for the year ended June 30, 2024 @ Rs. 10 per share	-	-	-	-	-	-	(214,294,060)	(214,294,060)
Balance as at June 30, 2025	214,294,070	97,490,410	258,327,854	(12,303,814)	3,678,569,739	1,225,000,000	13,404,338,197	18,865,716,456

The annexed notes from 1 to 52 form an integral part of these financial statements.



Muhammad Adrees
Chief Executive Officer



Zakir Hussain
Chief Financial Officer



Ijaz Hussain
Director

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2025

A. CASH FLOWS FROM OPERATING ACTIVITIES	Note	2025 Rupees	2024 Rupees
Profit before income tax and final tax		1,861,306,423	1,141,880,649
Adjustments for:			
Depreciation on property, plant and equipment		1,520,653,377	1,339,821,434
Depreciation on investment property		8,876,285	9,593,285
Amortization on intangible assets		692,556	754,128
Finance cost		1,903,629,448	2,348,697,881
Amortization of deferred grant		(76,150,124)	(75,086,332)
Remeasurement gain on short term investments measured at FVTPL		-	(10,402)
Loss on disposal of property, plant and equipment		27,450,230	(1,433,507)
Loss on disposal of stores		16,940,847	-
Gain on disposal of investment property		-	(12,526,000)
Gain on sale of investments measured at FVTPL		(12,289,347)	(1,995,315)
Loss on disposal of long term investment measured at FVTPL		-	1,000,000
Exchange loss/(gain)		(60,492)	77,677
Provision for employees benefits		35,101,293	45,601,450
Impairment loss on financial assets		170,681,422	10,114,622
Unwinding of deferred consideration		(17,666,930)	(47,207,878)
Profit on bank deposits		(35,937,426)	(47,955,085)
Dividend income		(70,684,039)	(98,438,249)
Operating cash flows before changes in working capital		5,332,543,523	4,612,888,358
Working capital changes	44	905,752,373	(1,934,409,916)
Cash generated from operations		6,238,295,896	2,678,478,442
Finance cost paid		(2,374,970,445)	(1,772,179,156)
Employee benefits paid		(29,115,963)	(20,663,135)
Levies paid		-	(62,780,246)
Taxes paid - net		(677,955,309)	(494,989,264)
		(3,082,041,717)	(2,350,611,801)
Net cash generated from operating activities		3,156,254,179	327,866,641



Muhammad Adrees
Chief Executive Officer



Zakir Hussain
Chief Financial Officer



Ijaz Hussain
Director

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2025

B. CASH FLOWS FROM INVESTING ACTIVITIES	Note	2025 Rupees	2024 Rupees
Additions to property, plant and equipment including capital work in progress		(7,763,004,577)	(4,214,882,362)
Proceeds from disposal of property, plant and equipment		61,200,878	71,274,192
Purchase of investment property		-	(3,840,000)
Proceeds from disposal of investment property		-	52,500,000
Proceeds from disposal of long term investment		-	4,000,000
Purchase of other financial assets		(1,288,550,926)	(1,716,978,345)
Proceeds from disposal of other financial assets		1,522,609,318	1,812,007,150
Purchase of Intangible Assets		(276,809)	-
Realization of long term loans and advances - net		39,007,803	373,717,426
Long term deposits received / (paid)		(200,100)	400,000
Dividend received		27,845,002	25,295,461
Profit received on bank deposits		35,937,426	47,955,085
Net cash used in investing activities		(7,365,431,985)	(3,548,551,393)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		5,823,869,904	1,215,064,870
Repayment of long term financing		(787,510,595)	(701,196,518)
Proceeds from short term borrowings		24,468,725,739	22,211,258,402
Repayment of short term borrowings		(25,109,000,127)	(19,265,736,389)
Dividend paid		(212,517,509)	(212,548,802)
Net cash generated from financing activities		4,183,567,412	3,246,841,563
Net decrease in cash and cash equivalents (A+B+C)		(25,610,394)	26,156,811
Cash and cash equivalents at beginning of the year		360,475,765	334,318,954
Cash and cash equivalents at end of the year	18	334,865,371	360,475,765

The annexed notes from 1 to 52 form an integral part of these financial statements.



Muhammad Adrees
Chief Executive Officer



Zakir Hussain
Chief Financial Officer



Ijaz Hussain
Director

1. GENERAL INFORMATION

1.1 Sitara Chemical Industries Limited ("the Company") was incorporated in Pakistan on September 08, 1981 as a public limited Company under Companies Act, 1913 (now Companies Act, 2017). The Company is listed on Pakistan Stock Exchange Limited. 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 operation of Chlor Alkali 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 and allied products

Textile Division Manufacturing of yarn and trading of fabric

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

2. BASIS OF PREPARATION

2.1 *Statement of compliance*

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) 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 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 from the IFRS Standards and IFAS, the provisions of and directives issued under the Act have been followed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

2.2 *Accounting convention*

These financial statements have been prepared under the “historical cost convention”, modified by:

- revaluation of certain property, plant and equipment;
- financial instruments at fair value;
- recognition of certain employee retirement benefits at present value.

2.3 *New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025*

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Company’s operations or are not expected to have significant impact on the Company’s financial statements other than certain additional disclosures.

2.3.1 *Standards or Interpretations with no significant impact*

Standards or Interpretations

Effective from annual period beginning on or after:

Amendments to IFRS 16 ‘Leases’ -Clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 ‘Presentation of Financial Statements’ - Classification of liabilities as current or non-current along with Non-current liabilities with Covenants	January 01, 2024
Amendments to IAS 7 ‘Statement of Cash Flows’ and ‘IFRS 7 ‘Financial instruments disclosures’ - Supplier Finance Arrangements	January 01, 2024

2.3.2 *New accounting standards / amendments and IFRS interpretations that are not yet effective*

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company’s operations or are not expected to have significant impact on the Company’s financial statements other than certain additional disclosures.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Standards or Interpretations

Effective from annual period beginning on or after:

Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability	January 01, 2025
IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2026
Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments	January 01, 2026
IFRS 7 - Financial Instruments: Disclosures	July 01, 2025 /January 01, 2026
Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Contracts Referencing Nature-dependent Electricity	January 01, 2026

Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 18 - Presentation and Disclosures in Financial Statements
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures

3. SIGNIFICANT ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS's requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, incomes and expenses. The estimates, associate assumptions and judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Significant areas requiring the use of management estimates in these financial statements relate to the useful life of property, plant and equipment and intangibles, revaluation of land, building and plant and machinery, provision for expected credit losses, provision for taxation, slow moving inventory, measurement of defined benefit obligations and

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

assumptions used in discounted cash flow projections for deferred sale receivable. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These have been consistently applied to all the years presented, unless otherwise stated.

4.1 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for free hold land, building on freehold land (factory), plant & machinery and capital work in progress. Building on freehold land (factory) and plant and machinery are stated at revalued amount less accumulated depreciation and accumulated impairment losses, if any. Freehold land is stated at revalued amount. Capital work-in-progress is stated at cost less impairment in value, if any. Cost includes borrowing cost as referred in accounting policy of borrowing cost. Store items that are of capital nature are classified in capital stores under property, plant and equipment.

Assets' residual values, if significant, and their useful lives are reviewed and adjusted, if appropriate, at each statement of financial position date.

When significant parts of an item of property, plant and equipment have different useful lives, they are recognized as separate items of property, plant and equipment. Repair and maintenance costs are charged to income during the year in which they are incurred.

Depreciation is charged to statement of profit or loss applying the reducing balance method at the rates specified in note 5 to these financial statements. Depreciation on additions and disposals during the year is charged on the basis of proportionate period of use.

Surplus arising on revaluation of property, plant and equipment is recognized, net of tax, in statement of comprehensive income and accumulated in reserves in shareholders' equity and is shown in equity. Revaluation is carried out with sufficient regularity to ensure that the carrying amounts of the assets does not differ materially from the fair value. Accumulated depreciation at the date of revaluation is eliminated against the cost of the asset and net amount is restated to the revalued amount of the asset. The surplus on revaluation of property, plant and equipment to the extent of incremental depreciation charged on the related property, plant and equipment during the year is transferred by the Company to its unappropriated profit and is presented in statement of changes in equity.

Gains or losses on disposal of assets, if any, are recognized as and when incurred in statement of profit or loss and the related asset is derecognized.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Capital work-in-progress

All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when these assets are available for use.

4.2 *Intangible Assets*

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are recognized when it is probable that the expected future economic benefits will flow to the entity and the cost of the asset can be measured reliably. Cost of the intangible asset (i.e. Computer software) includes purchase price and directly attributable expenses incidental to bring the asset for its intended use. Cost associated with maintaining computer software are recognized as an expense as and when incurred.

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged over estimated useful life of the asset on a systematic basis applying the reducing balance method. Useful life of intangible operating assets are reviewed, at each reporting date and adjusted if the impact of amortization is material.

4.3 *Investment property*

Investment property, which is property held to earn rentals and / or for capital appreciation, is valued using the cost method i.e. at cost less any accumulated depreciation and any identified impairment loss.

Depreciation on buildings is charged to statement of profit or loss on reducing balance method at the rate of 10% per annum. Depreciation on additions to investment property is charged from the month in which a property is acquired or capitalized while no depreciation is charged for the month in which the property is disposed off. Any gain or loss on disposal of investment property, calculated as difference between present value of the proceeds from disposal and the carrying amount is recognized in statement of profit or loss.

4.4 *Investments*

Regular way purchase or sale of investments

All purchases and sales of investments are recognized using trade date accounting. Trade date is the date that the Company commits to purchase or sell the investment.

Investments designated as at fair value through other comprehensive income (FVTOCI)

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in statement of comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss is not reclassified to statement of profit or loss but may be transferred from one component of equity to another on the disposal of equity investments in accordance with the guidance of IFRS 9.

Dividends on these investments in equity instruments are recognized in statement of profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment.

The Company has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of IFRS 9.

Investments measured at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

Investments measured at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in statement of profit or loss.

De-recognition

All investments are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

4.5 *Stores, spare parts and loose tools*

Stores and spares are valued principally at weighted average cost. Impairment provision is recognized against items determined to be obsolete and / or not expected to be used up future. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

4.6 *Stock-in-trade*

These are valued at lower of cost and net realizable value. Cost is determined as follows:-

Raw and packing materials	Average cost except for those in transit which are stated at other charges paid thereon up to the reporting date.
Work-in-process	Average manufacturing cost
Finished goods	Average manufacturing cost
Waste	Net realizable value

Net realizable value represents estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

4.7 *Trade debts, other receivables and loans and advances*

Trade debts, other receivables and loans and advances are initially recognized at fair value, which is usually the original invoiced amount and subsequently carried at amortized cost using the effective profit method. Trade debts and other receivables are subsequently assessed for impairment and recognized at fair value less allowance for expected credit loss.

4.8 *Cash and cash equivalents*

Cash and cash equivalents are carried in the statement of financial position at amortized cost. For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand, balances with banks and highly liquid short-term investments that are convertible to known amount of cash and are subject to insignificant risk of change in value.

4.9 *Impairment*

Non Financial Assets (other than stock in trade and stores, spares and loose tools)

The Company assesses at each statement of financial position date whether there is any indication that assets except deferred tax assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in statement of profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the amount that would have been determined (net of depreciation and amortization) had no impairment loss been recognized. A reversal of an impairment loss is recognized immediately in statement of profit or loss to the extent that it eliminates the impairment loss which has been recognized for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Financial Assets

The Company recognizes a loss allowance for expected credit losses on trade and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognizes lifetime ECL for trade receivables and other receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

4.10 *Borrowings*

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of profit or loss over the period of the borrowings using the effective profit method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of liability for at least 12 months after the statement of financial position date.

4.11 *Employee retirement benefits*

Defined contribution plan - Chemical division

The Company operates an approved funded contributory provident fund scheme for all its employees eligible for benefit. Equal monthly contributions are made by the Company and employees at the rate from 6.5% to 8.33% of basic salary depending upon the length of service of an employee. The Company's contribution to the fund is charged to statement of profit or loss account for the year.

Defined benefit plan - Textile division

The Company operates an unfunded gratuity scheme for all those permanent employees who have completed minimum qualifying period of service as defined under the respective scheme. Provision is made to cover the obligation under scheme on the basis of actuarial valuation and is charged to statement of profit or loss and statement of comprehensive income. The most recent Actuarial Valuation was carried out at June 30, 2025 using "Projected Unit Credit

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Method". The amount recognized in the statement of financial position represents the present value of defined benefit obligation as adjusted for unrecognized actuarial gains and losses.

4.12 *Deferred grant*

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. Government grants are recognized in statement of profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognized as deferred income in the statement of financial position and transferred to statement of profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in statement of profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of profit is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market profit rates.

4.13 *Trade and other payables*

Liabilities for trade and other amounts payable are measured at cost which is the fair value of the consideration to be paid in future for goods and services received whether billed to the Company or not.

4.14 *Provisions*

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.15 *Levy*

A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation (i.e. laws and/or regulations), other than:

- (a) those outflows of resources that are within the scope of other standards.
- (b) fines or other penalties that are imposed for breaches of the legislation.

In these financial statements, levy includes revenue taxes, if any, final taxes and super taxes which are based on other than taxable profits. The corresponding advance tax paid, except for minimum taxes under section 113, which are treated as levy are recognised in prepaid assets as 'prepaid assets'

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Revenue taxes

Revenue taxes includes amount representing :

a) minimum tax paid under section 113 over income tax determined on income streams taxable at general rate of taxation and;

b) minimum tax withheld / collected / paid or computed over tax liability computed on (related income tax streams taxable at general rate of tax), is not adjustable against tax liability of subsequent tax years.

Amount over revenue taxes shall be treated as current income tax expense falling under the scope of IAS 12.

Final Taxes

Final taxes includes tax charged / withheld / paid on certain income streams under various provisions of Income Tax Ordinance, 2001 (Ordinance). Final tax is charged / computed under the Ordinance, without reference to income chargeable to tax at the general rate of tax and final tax computed / withheld or paid for a tax year is construed as final tax liability for the related stream of Income under the Ordinance.

Final tax paid is considered to be full and final discharge of the tax liability for the Company for a tax year related to that income stream.

4.16 Taxation

Current

The company has adopted 'Approach B' to incorporate and account for income taxes as per The Institute of Chartered Accountants of Pakistan (ICAP) guide 'IAS 12 Application Guidance on Accounting for Minimum taxes and Final taxes' (the Guide). The Company first designates the amount calculated on taxable income using the notified tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognise it as current income tax expense. Any excess over the amount designated as income tax, is then recognised as a levy falling under the scope of IFRIC 21 "Levies"/IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credits, rebates and exemptions available, if any. The charge for tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessment made during the year. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime.

Deferred

Deferred income tax is provided using the liability method for all temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In this regard, the effects on deferred taxation of the portion of income subject to final tax regime is considered in accordance with the requirements of applicable guidance on IAS 12 by the Institute of Chartered Accountants of Pakistan.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Deferred tax liabilities are generally recognized for taxable temporary differences. Deferred tax asset is recognized for all deductible temporary differences, unused tax credits and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

4.17 *Dividend and other appropriations*

Dividend is recognized as a liability in the year in which it is approved. Appropriations of profits are reflected in the statement of changes in equity in the year in which such appropriations are made.

4.18 *Financial instruments*

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument and derecognized when the Company loses control of the contractual rights that comprise the financial asset and in case of financial liability when the obligation specified in the contract is discharged, cancelled or expired.

Other particular recognition methods adopted by the Company are disclosed in the individual policy statements associated with each item of financial instruments.

4.19 *Revenue recognition*

Revenue is measured based on consideration to which company expects to be entitled in a contract with customer and excludes amounts collected on behalf of third parties.

- Sales of goods are recognized when control of goods has been transferred to customers and performance obligation is satisfied.
- Export rebate is recognized on accrual basis at the time of making the export sale.
- Profit income is accrued on a time proportionate basis, by reference to the principal outstanding and at the effective profit rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.
- Dividend income from investments is recognized when the Company's right to receive payment has been established.

4.20 *Borrowing costs*

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in statement of profit or loss in the period in which they are incurred.

4.21 *Foreign currencies*

Transactions in currencies other than Pakistani Rupee are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date except where forward exchange contracts have been entered into for repayment of liabilities, in that case, the rates contracted for are used. Gains and losses arising on retranslation and settlement are included in statement of profit or loss for the period.

4.22 *Segment Reporting*

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are reviewed regularly by the Company's CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly administrative and other operating expenses, and income tax assets and liabilities. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

4.23 *Off setting of financial assets and financial liabilities*

A financial asset and financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legal enforceable right to set off the transaction and also intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.24 *Earnings per share*

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit after tax attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

5. PROPERTY, PLANT AND EQUIPMENT

	Note	2025 Rupees	2024 Rupees
Operating assets	5.1	19,178,514,550	19,760,226,259
Capital work-in-progress	6	10,534,361,496	3,125,953,254
Capital stores		189,103,646	86,546,424
		<u>29,901,979,692</u>	<u>22,972,725,937</u>

5.1 Operating assets - as at June 30, 2025

Description	Cost / revalued amount			Accumulated depreciation				Book value as at June 30, 2025	Dep. Rate (%)	
	At July 01, 2024	Revaluation Adjustments	Additions / (disposals) / (write off)	At June 30, 2025	At July 01, 2024	Charge for the year / (on disposals)	Revaluation Adjustments			At June 30, 2025
Freehold land	1,525,068,000	-	-	1,525,068,000	-	-	-	-	1,525,068,000	-
Building on freehold land: Mill	2,275,401,000	-	21,601,333 (1,887,222)	2,295,115,111	-	227,970,377 (1,760,961)	-	226,209,416	2,068,905,695	10
Head office	12,238,041	-	-	12,238,041	11,404,411	77,876	-	11,482,287	755,754	10
Plant and machinery	14,307,196,976	-	907,190,633 (230,944,552)	14,983,443,057	-	1,104,835,006 (148,682,125)	-	956,152,881	14,027,290,176	7.5
Grid station and electric installation	271,760,703	-	(705,000)	271,055,703	199,147,304	7,135,426 (623,404)	-	205,659,326	65,396,377	10
Containers and cylinders	93,980,675	-	- (646,588)	93,334,087	55,294,409	3,829,361 (598,742)	-	58,525,028	34,809,059	10
Factory equipment	295,125,508	-	20,615,583 (2,429,700)	313,311,391	132,842,614	17,289,618 (1,553,825)	-	148,578,407	164,732,984	10
Electric equipment	1,882,248,460	-	39,000,400 (2,625,916)	1,918,622,944	773,972,128	112,671,506 (1,356,920)	-	885,286,714	1,033,336,230	10
Office equipment	103,389,460	-	8,220,158 (2,141,194)	109,468,424	52,528,009	5,434,251 (1,542,192)	-	56,420,068	53,048,356	10
Furniture and fittings	85,685,743	-	6,337,651 (338,900)	91,684,494	37,111,944	5,159,230 (243,971)	-	42,027,203	49,657,291	10
Vehicles	365,539,756	-	24,627,018 (7,548,704)	382,618,070	195,107,244	36,250,726 (4,254,528)	-	227,103,442	155,514,628	20
	21,217,634,322	-	1,027,592,776 (249,267,776)	21,995,959,322	1,457,408,063	1,520,653,377 (160,616,668)	-	2,817,444,772	19,178,514,550	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Operating assets - as at June 30, 2024

Description	Cost / revalued amount			Accumulated depreciation			Book value as at June 30, 2024	Dep. Rate (%)
	At July 01, 2023	Revaluation Adjustments	Additions / (disposals) / (write off)	At June 30, 2024	At July 01, 2023	Charge for the year / (on disposals)	Revaluation Adjustments	At June 30, 2024
Rupees								
Freehold land	1,300,874,500	229,693,500	(5,500,000)	1,525,068,000	-	-	-	1,525,068,000
Building on freehold land:								
Mill	2,486,388,426	(334,709,682)	127,353,603 (3,631,347)	2,275,401,000	696,423,317	182,279,526 (2,329,680)	(876,373,163)	2,275,401,000
Head office	12,238,041	-	-	12,238,041	11,317,882	86,529	-	11,404,411
Plant and machinery	15,693,152,305	(3,745,701,598)	2,459,329,927 (99,583,658)	14,307,196,976	3,474,802,265	959,100,055 (58,314,015)	(4,375,588,305)	14,307,196,976
Grid station and electric installation	262,225,181	-	13,020,622 (3,485,100)	271,760,703	196,179,224	6,274,884 (3,306,804)	-	72,613,399
Containers and cylinders	94,873,326	-	- (892,651)	93,980,675	51,830,732	4,304,312 (840,635)	-	38,686,266
Factory equipment	286,191,503	-	9,807,302 (873,297)	295,125,508	116,209,085	17,340,756 (707,227)	-	162,282,894
Electric equipment	1,767,241,942	-	118,695,394 (3,688,876)	1,882,248,460	659,629,006	116,426,596 (2,083,474)	-	1,108,276,332
Office equipment	100,710,823	-	5,955,403 (3,276,766)	103,389,460	49,499,961	5,420,089 (2,392,041)	-	50,861,451
Furniture and fittings	83,752,289	-	2,093,913 (160,459)	85,685,743	32,047,433	5,213,834 (149,323)	-	48,573,799
Vehicles	370,716,478	-	33,747,311 (38,924,033)	365,539,756	171,784,694	43,374,853 (20,052,303)	-	170,432,512
	22,458,364,814	(3,850,717,780)	2,770,003,475 (160,016,187)	21,217,634,322	5,459,723,599	1,339,821,434 (90,175,502)	(5,251,961,468)	19,760,226,259

5.2 Depreciation for the year has been allocated as under:

	2025 Rupees	2024 Rupees
Cost of sales	1,439,810,480	1,250,202,013
Administrative expenses	80,842,897	89,619,421
	<u>1,520,653,377</u>	<u>1,339,821,434</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

6 Capital work-in-progress

2025

Description	At July 01, 2024	Additions	Transfers	At June 30, 2025
Rupees				
Civil	631,988,963	718,519,087	(34,055,898)	1,316,452,152
Mechanical	2,493,964,291	7,038,077,019	(314,131,966)	9,217,909,344
	3,125,953,254	7,756,596,106	(348,187,864)	10,534,361,496

2024

Description	At July 01, 2023	Additions	Transfers	At June 30, 2024
Rupees				
Civil	338,749,042	375,847,849	(82,607,928)	631,988,963
Mechanical	976,578,718	3,494,293,496	(1,976,907,923)	2,493,964,291
	1,315,327,760	3,870,141,345	(2,059,515,851)	3,125,953,254

- 6.1 The amount of borrowing costs capitalized during the year ended June 30, 2025 was Rs. 775.5 million (2024: Rs. 380.44 million). The rate used to determine the amount of borrowing costs eligible for capitalization was 3 months KIBOR + 1% (2024: 3 months KIBOR + 1%).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

6.2 Disposal of property, plant and equipment of book value exceeding Rs. 500,000

2025

Particulars of assets	Sold to	Cost / Revalued amount	Accumulated depreciation	Book value	Sales proceeds	Gain / (loss)	Relationship with the purchaser	Mode of disposal
Rupees								
Compressor D - 75 for Area-I R	Talha Hassan	5,704,578	(2,039,717)	3,664,861	491,803	(3,173,058)	Third party	Negotiation
1 Screw Air Compressor (10Bar) 400/Hr D-50(R	Talha Hassan	7,260,708	(3,564,061)	3,696,647	409,836	(3,286,811)		
Caustic Solidification Plant-11	Talha Hassan	8,055,000	(7,386,326)	668,674	867,486	198,812	Third party	Negotiation
98Faa062 1 Salt Heater Dispose	Talha Hassan	8,055,000	(6,232,589)	1,822,411	867,486	(954,925)	Third party	Negotiation
Flakes Unit-Ili (07Faa122 Salt Heater Dispose 1)	Abdul Hameed Trading Co	42,309,392	(28,683,153)	13,626,239	14,500,000	873,761	Third party	Negotiation
Auto Cone Machine	Umer Wirk	6,066,401	(3,046,351)	3,020,050	3,200,000	179,950	Third party	Negotiation
Schalafhorst Rm-338		77,451,079	(50,952,197)	26,498,882	20,336,611	(6,162,271)		
Kia Sportage All Wheel Drive Axx-077								

2024

Particulars of assets	Sold to	Cost / Revalued amount	Accumulated depreciation	Book value	Sales proceeds	Gain / (loss)	Relationship with the purchaser	Mode of disposal
Rupees								
Residence House (Building) - Haseeb Shaheed Colony (16m-04s)	Muhammad Saeed Abid and Fayz Ahmed	3,023,289	(1,792,710)	1,230,579	12,850,000	6,119,421	Third party	Negotiation
Land -Haseeb Shaheed Colony (16m-04s)		5,500,000	-	5,500,000				
Toyota Yaris Ativ	Aziz Fatima Medical and Dental College	3,433,750	(838,585)	2,595,165	4,500,000	1,904,835	Third party	Negotiation
Car Kia Carnival GLS	Muhammad Tahir	9,973,000	(4,304,555)	5,668,445	6,500,000	831,555	Third party	Negotiation
Toyota Carolla Altis	Pracha Construction Company	2,320,380	(1,679,019)	641,361	3,800,000	3,158,639	Third party	Negotiation
Suzuki cultus VXL 1000 cc	Muhammad Imran	1,569,390	(1,019,420)	549,970	2,125,000	1,575,030	Third party	Negotiation
Proton X70 Awd Executive								
CBU Black	Shoukat Hayat	5,102,100	(2,054,445)	3,047,655	6,500,000	3,452,345	Third party	Negotiation
Toyota Yaris	Tariq Ata Ullah	2,702,190	(1,047,249)	1,654,941	3,500,000	1,845,059	Third party	Negotiation
Toyota Yaris	Aziz Fatima Medical and Dental College	2,702,190	(1,047,249)	1,654,941	3,400,000	1,745,059	Third party	Negotiation
Toyota Vitz 1000 cc	Claimed from Adamjee insurance	2,770,000	(1,026,747)	1,743,253	2,800,000	1,056,747	Third party	Negotiation
		39,086,289	(14,809,979)	24,286,310	45,975,000	21,688,690		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

6.3 Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:

Location	Usage of immovable property	Total area (Square feet)		Covered area (Square feet)	
		2025	2024	2025	2024
Chak# 61 - RB, Faisalabad	Manufacturing unit	7,438,142	7,359,642	562,555	506,877
Chak# 97 - RB, Faisalabad	Power generation unit	3,950,620	3,915,772	602,711	328,259
Chak# 204 - RB, Faisalabad	Guest house	9,720	9,720	16,851	16,851
Chak# 193 - RB, Faisalabad	Land for appreciation	239,904	239,904	-	-
Chak# 194 - RB, Faisalabad	Land for appreciation	36,546	36,546	-	-
Chak# 61 - RB, Faisalabad	Land for appreciation	13,600	13,600	-	-
Sitara Tower, Civil Line, Faisalabad	Site office	9,210	9,210	9,210	9,210
Flat No.7, Malik Complex, Blue Area, Islamabad	Site office	1,344	1,344	1,344	1,344
Vehari Road, Multan	Site office	5,436	5,436	2,700	2,700
110-A Siddique Trade Center, Lahore	Site office	1,194	1,194	1,194	1,194
Business Center, Mumtaz Hassan Road, Karachi	Site office	1,640	1,640	1,640	1,640
Plot No. B-IV 266 Muslim Town, Rawalpindi	Commercial plaza	3,788	3,788	11,695	11,695

6.4 The Company revalued its freehold land, building and plant & machinery at June 30, 2024. The revaluation was carried out by Hamid Mukhtar & Company (Private) Limited, an independent valuer not connected to the Company and was on the panel of approved valuers of Pakistan Banks Association. It was also on the panel of State Bank of Pakistan and possessed appropriate qualification and recent experience in the fair value measurements in the relevant locations. The basis used for the revaluation of freehold land, buildings and machinery were as follows:

Land

Fair market rate of the land was assessed through inquiries in the vicinity of land and information obtained through property dealers of the area.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Buildings

New construction value (new replacement value of each item of the buildings) was arrived at by looking at the condition of the buildings. Valuer applied 3% per annum depreciation on "Written Down Value" basis to arrive at fair depreciated market value on "Going Concern" basis.

Machinery (Textile)

Inquiries were made from market to obtain prevalent fair market values of similar local and imported machinery items.

Machinery (Chemical)

For the purpose of valuation, the original cost was divided into two parts i.e. 70% of the value is basic foreign amount of the plant & machinery and 30 % was local component of plant and machinery.

Foreign Values:

The impact of inflation, exchange rate fluctuation and functional obsolescence for the imported content i.e., 70% of the total Reinstatement Value of each asset was considered during valuation. Regarding inflation, an inflation factor at the rate of 55% was developed by using inflation figures from the World Bank published data for the following countries: Japan, Italy and China. For exchange rate, average exchange rate derived from USD(\$) and Euro(€) against Pakistani Rupee (PKR). A composite factor of inflation and currency devaluation was evaluated which was multiplied by the APC of each asset item in order to evaluate the New Replacement Value of machinery equipment and Utilities. Functional obsolescence at the rate of 1% per annum was applied on NRV to arrive at Reinstatement Value (RIV) from the year 2024.

Local components:

The impact of inflation and functional obsolescence for the local content i.e., 30% of the total Reinstatement Value of each asset was considered during valuation. Regarding inflation, an inflation factor at the rate of 30% was applied to the local cost of each item. Functional obsolescence at the rate of 1% per annum was applied on NRV to arrive at RIV from the year 2024

Thus, after summing the foreign and local amounts, the valuer arrived to New Replacement Value of Plant & machinery.

Depreciation due to usage was applied on all assets of machinery at 7.5% to 10% per annum on written down value basis to arrive at a fair present / depreciated market value of the assets.

- 6.5 Forced Sales Value (FSV) of land, buildings and machinery was Rs. 1,143.80 million, Rs. 1,706.55 million and Rs. 10,730.40 million respectively as at June 30, 2024.
- 6.6 The fair valuation of revalued assets has been determined using level 2 inputs of fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

- 6.7. Had there been no revaluation the cost, accumulated depreciation and book value of revalued assets as at June 30, 2025 would have been as follows:

	Cost	Accumulated depreciation Rupees	Book Value
Land	351,531,037	-	351,531,037
Buildings on free hold land	2,857,860,949	1,437,609,992	1,420,250,957
Plant and machinery	17,371,851,180	6,802,517,368	10,569,333,812
2025	20,581,243,166	8,240,127,360	12,341,115,806
Land	351,531,037	-	357,031,037
Buildings on free hold land	2,838,146,838	1,283,256,535	1,554,890,303
Plant and machinery	16,695,605,099	6,126,935,218	10,568,669,881
2024	19,885,282,974	7,410,191,753	12,475,091,221

	Note	2025 Rupees	2024 Rupees
7. INTANGIBLE ASSETS			
Cost			
Cost at the beginning of the year		21,716,682	21,716,682
Addition		276,809	-
Cost at the end of the year		21,993,491	21,716,682
Accumulated amortization			
Balance at the beginning of the year		(14,929,527)	14,175,399
Amortization during the year	30	(692,556)	754,128
Balance at the end of the year		(15,622,083)	(14,929,527)
	7.1	6,371,408	6,787,155

- 7.1 Computer software is being amortized at 10% using reducing balance method.

8. INVESTMENT PROPERTY

Land	8.1	3,340,787,896	3,340,787,896
Buildings	8.2	77,463,276	86,339,561
	8.3	3,418,251,172	3,427,127,457
8.1 Land			
Balance at the beginning of the year		3,340,787,896	3,188,600,260
Addition / adjustment during the year		-	153,787,636
Disposal / adjustment during the year		-	(1,600,000)
Balance at the end of the year		3,340,787,896	3,340,787,896

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
8.2 Buildings			
Cost			
Balance at end of the year		151,878,635	151,878,635
Accumulated depreciation			
At the beginning of the year		65,539,074	55,945,789
Charge for the year	32	8,876,285	9,593,285
At the end of the year		74,415,359	65,539,074
Written down value at year end		77,463,276	86,339,561
8.3	The Company has invested in the freehold, residential plots, land and building covering area of 3,358 kanal and 6 marlas (2024: 3,358 kanal and 6 marlas) for the purpose of capital appreciation and earning rental income. These properties are situated within the districts of Faisalabad 3,344 kanal & 12 marlas, Lahore 13 kanal and Rawalpindi 14 marlas.		
8.4	The rental income earned by the Company from its investment property amounted to Rs. 53.27 million (2024: Rs. 52.9 million).		
	The Company has carried out the valuation of investment property as at June 30, 2025. Fair value of the investment property is of Rs. 4,581 million (2024: Rs 4,513 million).		
9. LONG TERM INVESTMENTS			
	Note	2025 Rupees	2024 Rupees
Salaam Takaful Pakistan Limited - 2,999,500 shares (2024: 2,999,500 shares)	9.1	20,038,687	20,038,687
9.1	This represents investment in Salaam Takaful Pakistan Limited. The Company elected to designate the investments in equity instruments at FVTPL.		
10. LONG TERM LOANS AND ADVANCES			
	Note	2025 Rupees	2024 Rupees
Loans and advances to staff	10.1	2,734,878	1,982,562
Advances to suppliers and contractors		505,446,304	99,843,034
Letters of credit, fee and margin		31,473,659	123,614,904
		539,654,841	225,440,500

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

10.1	Loans and advances	Note	2025 Rupees	2024 Rupees
	<i>Considered good</i>			
	<i>Secured</i>			
	Staff		3,928,784	4,414,699
	<i>Unsecured</i>			
	Staff		4,437,719	4,196,633
		10.1.1	8,366,503	8,611,332
	Current portion shown in current assets	15	(5,631,625)	(6,628,770)
			2,734,878	1,982,562

10.1.1 This represents the maximum aggregate amount due at the end of any month during the year.

		Note	2025 Rupees	2024 Rupees
11.	LONG TERM DEPOSITS			
	Security deposits for:			
	Electricity		39,744,270	39,744,270
	Gas		84,476,255	84,276,155
	Water and sanitation		155,354	155,354
	Others		958,400	958,400
			125,334,279	125,134,179
12.	STORES, SPARE PARTS AND LOOSE TOOLS			
	Stores		1,610,153,328	1,503,971,157
	Spare parts		92,658,991	77,665,832
	Loose tools		7,401,806	8,868,527
			1,710,214,125	1,590,505,516
13.	STOCK IN TRADE			
	Raw material		2,360,291,404	1,167,379,981
	Packing material		54,999,318	86,625,682
	Work in process		54,650,717	57,219,277
	Finished goods			
	- In hand		1,709,775,360	2,294,476,687
	- In transit		7,098,007	65,247,204
	Waste		3,462,410	3,797,920
			4,190,277,216	3,674,746,751
14.	TRADE DEBTS			
	Local - unsecured	14.1	3,456,448,395	3,524,881,819
	Allowance for expected credit losses	14.2	(536,660,563)	(365,979,141)
			2,919,787,832	3,158,902,678

14.1 Trade receivables are non-profit bearing and relate to different products being sold on credit to customers. The credit period allowed on these products is generally from five days term for dealers to thirty days term for institutional customers.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

			2025 Rupees	2024 Rupees
14.2	<i>Movement in allowance for expected credit losses</i>	Note		
	At beginning of the year		365,979,141	355,864,519
	Charge for the year		170,681,422	10,114,622
	At end of the year	39.1.3	536,660,563	365,979,141
15.	LOANS, ADVANCES AND RECEIVABLES			
	Deferred consideration against sale of land	15.1	-	334,558,069
	Current portion of long term loans and advances- staff	10.1	5,631,625	6,628,770
			5,631,625	341,186,839
	Sales tax adjustable		138,583,585	322,292,375
	Advances			
	For office expenses		6,318,766	10,641,002
	Letters of credit fee, margin and expenses		273,960,933	113,455,089
	Suppliers and contractors	28.1	531,832,247	768,759,308
			812,111,946	892,855,399
			956,327,156	1,556,334,613
15.1	<i>Deferred consideration against sale of land</i>			
	At beginning of the year		334,558,069	748,350,191
	Unwinding of deferred consideration receivable against sale of land	35	17,666,930	47,207,878
	Receipts against sale of land		(352,224,999)	(461,000,000)
	At end of the year		-	334,558,069
15.1.1	During March 2018, the Company entered into an agreement for sale of land measuring 1,510 kanals situated at 199 RB Faisalabad to M/s Sitara Developers (Private) Limited, at an aggregate sale price of Rs. 2,190 million. Twenty percent of total sale price aggregating to Rs. 438 million was received as an advance and amount of Rs. 1,752 million was to be received over a period of 6 years (5 installments). During March 2020, both parties agreed to defer the consideration then outstanding by one year. During the year, the Company has received full and final outstanding amount of Rs. 352.2 million (2024: Rs. 461 million) in this regard.			
16.	TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
		Note	2025 Rupees	2024 Rupees
	Trade deposits		15,096,342	7,130,358
	Prepayments		5,021,543	3,693,407
	Others receivables		40,749,628	48,796,927
			60,867,513	59,620,692

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

17.	OTHER FINANCIAL ASSETS	Note	2025 Rupees	2024 Rupees
	<i>Investments measured at fair value through profit or loss (FVTPL)</i>			
	Mutual funds	17.1	409,155,048	515,244,384
	Ordinary shares of listed companies	17.2	5,120,808	-
	<i>Investments designated as at fair value through other comprehensive income (FVTOCI)</i>			
	Ordinary shares of listed companies	17.6	359,664,476	349,214,157
			<u>773,940,332</u>	<u>864,458,541</u>
17.1	Mutual funds			

Units having face value of Rs. 50 each.

2025 No. of units	2024 No. of units		2025 Rupees	2024 Rupees
999,909	4,290,666	Meezan Rozana Amdani Fund	49,995,456	214,533,319
8,031	6,006,895	Meezan Daily Income Fund	401,570	300,344,773
		Meezan Daily income Fund -		
3,719,311	-	Meezan Munafa Plan I	187,371,032	-
5,997	5,461	Meezan Sovereign Fund	313,491	285,876
3,325,099	-	Meezan Cash Fund	171,001,839	-
555	360	Meezan Islamic Fund	71,556	29,348
2	984	Meezan Islamic Income Fund	104	51,067
		17.3	<u>409,155,048</u>	<u>515,244,383</u>

17.2 Ordinary shares of listed companies

2025 No. of shares	2024 No. of shares		2025 Rupees	2024 Rupees
28,050	-	Engro Holding Limited	5,120,808	-

17.3 The above portfolio of investments acquired principally for sale in the near term and accordingly measured at FVTPL.

17.4	Amounts recognized in statement of profit or loss	Note	2025 Rupees	2024 Rupees
	During the year, the following gains were recognized in statement of profit or loss:			
	(Loss) / gain on remeasurement of investments	33	(1,608,666)	10,402
	Gain on sale of investments	35	<u>12,289,347</u>	<u>1,995,315</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

17.5 Disposals of investments measured at FVTPL

During the year, the Company sold its investments in mutual funds and equity shares having fair values of Rs. 2,392 million (2024: Rs. 2,153 million) and Rs. 69 million (2024: 12.979 million) respectively at the time of sale and realized a gain of Rs.10.616 million (2024:Rs. 1.679 million) on disposal of mutual funds and Rs. 1.67 million gain (2024: 0.32 million) on equity shares which is recognized in the statement of profit or loss.

17.6 Ordinary shares of listed companies

Fully paid ordinary shares of Rs. 10 each.

2025	2024		2025	2024
No. of shares			Rupees	Rupees
-	40,000	D.G Khan Cement Company Limited	-	3,610,800
-	27,500	Engro Corporation Limited	-	9,149,525
55,000	110,000	Engro Fertilizers Limited	10,207,450	18,284,200
76,750	153,500	Engro Polymer & Chemical Limited	2,421,463	6,895,220
-	45,000	Fauji Cement Company Limited	-	1,030,950
-	16,500	Ghani Global Holdings Limited	-	157,080
-	58,000	Hub Power Company Limited	-	9,458,640
-	4,000	International Industries Limited	-	782,840
-	45,000	Maple Leaf Cement Factory Limited	-	1,710,000
878,338	972,428	Meezan Bank Limited	291,652,133	232,789,539
-	43,750	National Foods Limited	-	7,643,563
-	1,600	National Refinery Limited	-	424,765
-	10,000	Netsol Technologies Limited	-	1,357,600
-	20,000	Pak Elektron Limited	-	494,200
-	15,000	Pakistan Refinery Limited	-	348,000
-	9,000	Pakistan State Oil Company Limited	-	1,552,860
670,661	670,661	Sitara Energy Limited	7,437,630	7,310,205
3,220,000	3,220,000	Sitara Peroxide Limited	47,945,800	42,665,000
-	15,000	The Searle Company Limited	-	856,800
-	52,000	Treet Corporation Limited	-	809,120
-	45,000	Unity Foods Limited	-	1,356,750
-	75,000	Waves Corporation Limited	-	526,500
			359,666,501	349,216,181

17.6.1 Movement in investments measured at FVTOCI

Balance at the beginning of the year	349,214,157	186,671,859
Acquired during the year	-	38,243,160
Disposed off / transferred during the year	(77,981,551)	(46,417,067)
Fair value gain	88,431,870	170,716,205
Balance at the end of the year	359,664,476	349,214,157

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

17.6.2 These investments in equity instruments are not held for trading and are instead, held for medium to long-term strategic purposes. Accordingly, the Company has elected to designate these investments in equity instruments as at FVTOCI as the Company believes that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes and realizing their performance potential in the long run.

17.6.3 Amounts recognized in statement of profit or loss and statement of comprehensive income

	Note	2025 Rupees	2024 Rupees
Gain on re-measurement of equity instruments recognized in statement of comprehensive income		86,814,159	170,716,205
Gain on disposal of equity instruments recognized in statement of comprehensive income		1,597,640	2,628,534

17.6.4 The investments carried at FVTOCI earned dividend during the year amounting to Rs. 27.8 million (2024:Rs. 25.3 million). Dividend income on investments carried at FVTOCI comprises of dividend earned on disposed of investments and held at year end amounting to Rs. 0.8 million (2024:Rs. 25.3 million) and Rs. 27 million (2024:Rs. nil) respectively.

17.6.5 The investments at FVTOCI have been sold to arrange the working capital requirements.

18. CASH AND BANK BALANCES

Cash in hand		24,191,146	20,629,579
Cash at banks			
In current accounts		265,266,364	172,556,729
In saving accounts	18.1	45,407,861	167,289,457
		310,674,225	339,846,186
	18.2	334,865,371	360,475,765

18.1 These are shariah compliant bank balances and carry profits at rates ranging from 7.45% to 9.92% (2024:10.75% to 11.54%) per annum.

18.2 The Company has banking relationships majorly with the banks having Islamic banking system.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

19. SHARE CAPITAL

2025 No. of shares	2024 No. of shares		2025 Rupees	2024 Rupees
		<i>Authorized</i>		
		Ordinary shares of Rs. 10 each		
40,000,000	40,000,000	Class "A"	400,000,000	400,000,000
20,000,000	20,000,000	Class "B"	200,000,000	200,000,000
60,000,000	60,000,000		600,000,000	600,000,000
2025 No. of shares	2024 No. of shares		2025 Rupees	2024 Rupees
		<i>Issued, subscribed and paid up</i>		
		Class "A" ordinary shares of Rs.10/- each		
8,640,000	8,640,000	- fully paid in cash	86,400,000	86,400,000
10,804,398	10,804,398	- issued as fully paid bonus shares	108,043,980	108,043,980
		- issued as fully paid under scheme of arrangement for amalgamation		
1,985,009	1,985,009		19,850,090	19,850,090
21,429,407	21,429,407		214,294,070	214,294,070

- 19.1 Class "B" ordinary shares do not carry any voting rights.
- 19.2 Number of shares held by associated companies or related parties are 962,818 (2024: 763,922)
- 19.3 The Company has no reserved shares under options and sales contracts.
- 19.4 *Rights and privileges of Board of Directors*

The Board of Directors of the Company are elected by majority vote. The membership of the Board of Directors reflects as closely as possible the proportion in which the shares of the Company are held.

20. RESERVES	Note	2025 Rupees	2024 Rupees
<i>Capital</i>			
Share premium	20.1	97,490,410	97,490,410
<i>Revenue</i>			
General reserve	20.2	1,225,000,000	1,225,000,000
<i>Other</i>			
Reserve on re-measurement of equity instruments at FVTOCI	20.3	258,327,854	177,828,853
Reserve on re-measurement of post retirement benefits net of tax	20.4	(12,303,814)	(8,454,017)
		1,568,514,450	1,491,865,246

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

- 20.1** This represents premium realized on issue of right shares of Rs. 34.55 million during 1991-92, 1993-94 and 1994-95 at the rate of 10%, 10% and 12.50% respectively and of Rs. 62.94 million on issue of 1,985,009 fully paid ordinary shares to the shareholders of Sitara Spinning Mills Limited under scheme of amalgamation of Sitara Chemical Industries Limited and Sitara Spinning Mills Limited, sanctioned by Honorable Sindh High Court in 1999. Share premium account can not be used for profit distribution.
- 20.2** The general reserve is used from time to time to transfer profits from un-appropriated profit. There is no policy of regular transfer. General reserves are not usable for profit distribution.
- 20.3** This reserve represents the unrealized surplus on remeasurement of equity instruments as at FVTOCI.
- 20.4** This reserve represents the surplus on remeasurement of post retirement benefits.

	2025 Rupees	2024 Rupees
21. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		
Opening balance	5,632,574,755	4,503,238,192
Addition during the year	-	1,401,243,688
Transferred to unappropriated profit on account of		
Incremental depreciation - net of deferred tax	(214,980,281)	(165,863,346)
Related deferred tax liability due to incremental depreciation	(137,446,409)	(106,043,779)
	(352,426,690)	(271,907,125)
Closing balance	5,280,148,065	5,632,574,755
<i>Related deferred tax liability</i>		
Opening balance	(1,739,024,739)	(1,388,163,945)
Addition during the year	-	(456,904,573)
Deferred tax on incremental depreciation	137,446,409	106,043,779
	(1,601,578,330)	(1,739,024,739)
Closing balance	3,678,569,739	3,893,550,016

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

22.	LONG TERM FINANCING	Note	2025 Rupees	2024 Rupees
	<i>From banking companies and other financial institutions - secured</i>			
	Diminishing Musharka (from financial institutions - secured)	22.1	5,721,930,747	2,937,311,929
	Sukuk (Listed, privately placed, secured and rated)	22.2	2,300,000,000	-
			<u>8,021,930,747</u>	<u>2,937,311,929</u>

Description	Profit	Security	Repayment	2025	2024
Habib Bank Limited-Soap Noodle Plant	SBP Rate plus 1.00% per annum payable on quarterly basis.	First joint pari passu charge of Rs. 574 million over all present and future fixed assets (land, building, plant and machinery) of Soap Noodles Project of the Company, inclusive of 25% margin.	This SBP Islamic Temporary Economic Refinance Facility (ITERF) was sanctioned for the amount of Rs. 500 million. Availed total amount of Rs. 426.55 million. The total tenure of the facility is 6 years commencing from October 01, 2020 and ending on September 30, 2026 including 1 year grace period. The facility is repayable in 20 equal quarterly installments.	127,582,861	197,280,929
Askari Bank Limited - Soap Noodle Plant Rs.1,000 M	SBP Rate plus 1.00% per annum payable on quarterly basis.	First joint pari passu charge of Rs. 1,250 million over all present and future fixed assets (land, building, plant and machinery) of Soap Noodles Project of the Company, inclusive of 25% margin.	This SBP ITERF was sanctioned for amount of Rs. 1,000 million. Availed total amount of Rs. 937.28 million. The total tenure of the facility is 5 years commencing from November 26, 2020 and ending on November 26, 2025 including 1.5 year grace period. Facility is repayable in 14 equal quarterly installments.	122,225,594	355,005,653
Dubai Islamic Bank- Soap Noodle Plant Rs.500 M	SBP Rate plus 1.1% per annum payable on quarterly basis.	First joint pari passu charge of Rs. 534 million over all present and future fixed assets (land, building, plant and machinery) of Soap Noodles Project of the Company, inclusive of 25% margin.	This SBP ITERF was sanctioned for amount of Rs. 400 million. Facility is repayable in 10 equal half yearly installments including 01 year grace period commencing from March 09, 2020 and ending on October 21 2028.	151,430,222	211,562,516
Meezan Bank Limited - CFPP	Three months KIBOR plus 1.00% per annum payable on quarterly basis.	First joint pari passu charge of Rs. 1,333 million over present and future Plant and Machinery of the Coal Fired Power Plant with 25% margin.	This Diminishing Musharka finance facility was sanctioned for an amount of Rs. 1,000 million. availed total amount of Rs. 997.3 million till June 30, 2025. The tenor for the facility is 7 years including 1.5 years of grace period. Facility is repayable in 22 equal quarterly installments.	997,205,870	261,809,500

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Description	Profit	Security	Repayment	2025	2024
The Bank of Punjab - CFPP	Three months KIBOR plus 1.00% per annum payable on quarterly basis.	Joint Pari Passu Charge over present and future plant and machinery of the Coal Fired Power Plant with 25% margin.	This Diminishing Musharka finance facility was sanctioned for an amount of Rs. 1,750 million. Availed total amount of Rs. 1652.22 million till June 30, 2025. Facility is repayable in 22 equal quarterly installments after COD of coalfired power plant.	1,652,220,980	959,597,985
The Bank of Khyber - CFPP	Three months KIBOR plus 1.00% per annum payable on quarterly basis.	Joint pari passu charge over present and future plant and machinery of the Coal Fired Power Plant with 25% margin.	This Diminishing Musharka finance facility was sanctioned for an amount of Rs. 500 million. Availed total amount of Rs. 78.79 million till June 30, 2025. The tenor for the facility is 7 years including 1.5 years of grace period. Facility is repayable in 22 equal quarterly installments.	78,789,401	78,789,401
Askari Bank Limited - CFPP	Three months KIBOR plus 1.10% per annum payable on quarterly basis.	First joint pari passu charge of Rs. 1,333.334 million over present and future plant and machinery of the Coal Fired Power Plant with 25% margin.	This Diminishing Musharka finance facility was sanctioned for an amount of Rs. 1,000 million. Availed total amount of Rs. 1,000 million till June 30, 2025. The tenure for the facility is 7 years commencing from November 30, 2022 and ending on November 30, 2029 including 1.5 years of grace period. Facility is repayable in 22 equal quarterly installments.	999,972,679	642,546,597
Bank Alfalah Limited - CFPP	Three months KIBOR plus 1.00% per annum payable on quarterly basis.	First joint pari passu charge of Rs. 1,333.334 million over present and future plant and machinery of the Coal Fired Power Plant with 25% margin.	This Diminishing Musharka finance facility was sanctioned for an amount of Rs. 1,000 million. Availed total amount of Rs. 983 million till June 30, 2025. The tenure for the facility is 6.5 years including 1.5 years of grace period. Facility is repayable in 20 equal quarterly installments.	982,900,083	135,437,414
Soneri Bank Limited - CFPP	Three months KIBOR plus 1.00% per annum payable on quarterly basis.	First joint pari passu charge over present and future plant and machinery of the Coal Fired Power Plant with 25% margin.	This Diminishing Musharka facility was sanctioned for amount of Rs. 1,000 million. Availed total amount of Rs. 891 million till June 30, 2025. Facility is repayable in 22 equal quarterly installments with grace period of 18 months.	890,961,788	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Description	Profit	Security	Repayment	2025	2024
Soneri Bank limited - Electrolyzer	Three months KIBOR plus 1.00% per annum payable on quarterly basis.	First exclusive specific charge of Rs. 467 million over plant and machinery to complete electrolyzer with all standard accessories and essential attachments either in transit or installed or to be installed at unit-M3 of the Company.	This Diminishing Musharka finance facility was sanctioned for an amount of Rs. 247.50 million. Availed total amount of Rs. 247.50 million till June 30, 2025. The tenure for the facility is 3 years. Facility is repayable in 12 equal quarterly statements.	92,812,500	216,562,500
Meezan Bank Limited - Soap Noodle Plant	Three months KIBOR plus 1.00% per annum payable on quarterly basis.	Joint pari passu charge over plant and machinery of Soap Noodles Plant including Land and Building with 25% Margin.	This Diminishing Musharka finance facility was sanctioned for an amount of Rs. 900 million. Availed total amount of Rs. 600 million till June 30, 2022. The total tenure of the facility is 5 years commencing from March 13, 2023 and ending on December 13, 2026 including 1 year grace period. Facility is repayable in 16 equal quarterly installments. Moreover, remaining Rs. 300 Million was availed on January 18, 2023 which is repayable in 16 equal quarterly installments. The total tenure of the facility is 5 years commencing from April 19, 2023 and ending on January 19, 2028 including 1 year grace period.	431,250,000	656,250,050
				6,527,351,978	3,714,842,545
Less: Current portion				(805,421,231)	(777,530,616)
				5,721,930,747	2,937,311,929
22.1.1 Effective rate of profit for the year is ranging from 12.90% to 22.9% (2024: 21.24% to 25%) per annum.					
22.2 Sukuks					
Listed, privately placed, secured and rated	Three months KIBOR plus 1.75% per annum payable on quarterly basis.	Exclusive hypothecation charge over the fixed assets. The collective unpledged of encumbrance value of these assets is approximately PKR 3,129 million as at May 2, 2024 valued by AJ valuers.	The Sukuks will be mature after seven years on February 13, 2032. The mark up on these sukuk will be repaid quarterly in 28 installments starting from May 13, 2025 to February 13, 2032. The sukuk shall be redeemed through 22 equal payments with the initial payment becoming due 21 months subsequent to draw down date, and thereafter at the commencement of each successive quarter.	2,300,000,000	-
				2,300,000,000	-

22.2.1 During the year, the Company has issued sukuk certificates of Rs 2,300 million to eligible institutional and other investors by way of private placement. The BankIslami Pakistan Limited and Alhamd Shariah Advisory Services Private Limited were engaged as investment agent and shariah advisor respectively for the issue of the sukuk.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

- 22.3 The exposure of the Company's borrowings to profit rate changes and the contractual repricing dates at the reporting date are as follows:

	2025 Rupees	2024 Rupees
<i>Maturity</i>		
6 months or less	506,409,152	388,765,308
6 - 12 months	341,574,930	388,765,308
1-5 years	7,143,004,260	2,937,311,929
5 years above	836,363,636	-
	<u>8,827,351,978</u>	<u>3,714,842,545</u>

- 22.4 The fair value under long term financing is same as carrying amount.

- 22.5 Markup paid on these Islamic mode facilities amounted to Rs. 440.81 million (2024: Rs. 270.4 million)

	Note	2025 Rupees	2024 Rupees
23. DEFERRED TAXATION			
Deferred taxation	23.1	3,770,611,487	3,692,635,660
23.1 Deferred taxation			
<i>This comprises the following:</i>			
Deferred tax liability on taxable temporary differences arising in respect of:			
Tax depreciation allowance		2,531,914,792	2,455,810,238
Surplus on revaluation of property, plant and equipment		1,601,578,330	1,739,024,739
Intangible assets		2,484,849	2,646,990
Other financial asset		38,098,070	30,917,704
		<u>4,174,076,041</u>	<u>4,228,399,671</u>
Deferred tax asset on deductible temporary differences arising in respect of:			
Provision for employee benefits		(41,749,075)	(36,953,451)
Allowance for expected credit losses		(209,297,620)	(142,731,865)
Investment property		(29,021,990)	(25,560,241)
Deferred receivables		-	(6,890,103)
Unused tax credits		(123,395,869)	(323,628,351)
		<u>(403,464,554)</u>	<u>(535,764,011)</u>
		<u>3,770,611,487</u>	<u>3,692,635,660</u>

- 23.1.1 Movement in temporary differences for the year

	Balance as at July 1, 2024	Recognized in profit or loss	Recognized in other comprehensive income	Balance as at June 30, 2025
<i>Taxable temporary difference</i>				
Tax depreciation allowance	2,455,810,238	76,104,554	-	2,531,914,792
Surplus on revaluation of property, plant and equipment	1,739,024,739	(137,446,409)	-	1,601,578,330
Intangible assets	2,646,990	(162,141)	-	2,484,849
Investment in financial assets	30,917,704	-	7,180,366	38,098,070
<i>Deductible temporary difference</i>				
Provision for employee benefits	(36,953,451)	(2,334,278)	(2,461,346)	(41,749,075)
Allowance for expected credit losses	(142,731,865)	(66,565,755)	-	(209,297,620)
Investment property	(25,560,241)	(3,461,749)	-	(29,021,990)
Deferred receivables	(6,890,103)	6,890,103	-	-
Unused tax credits	(323,628,351)	199,308,700	-	(123,395,869)
	<u>3,692,635,660</u>	<u>73,256,807</u>	<u>5,451,452</u>	<u>3,770,611,487</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

	Balance as at July 1, 2023	Recognized in profit or loss	Recognized in other comprehensive income	Balance as at June 30, 2024
<i>Taxable temporary difference</i>			Rupees	
Tax depreciation allowance	2,016,427,950	439,382,288	-	2,455,810,238
Surplus on revaluation of property, plant and equipment	1,388,163,945	(106,043,779)	456,904,573	1,739,024,739
Intangible	2,684,062	(37,072)	-	2,646,990
Investment in financial assets	5,310,273	-	25,607,431	30,917,704
<i>Deductible temporary difference</i>				
Provision for employee benefits	(24,147,294)	(10,605,935)	(2,200,222)	(36,953,451)
Allowance for expected credit losses	(138,787,162)	(3,944,703)	-	(142,731,865)
Investment property	(21,818,858)	(3,741,383)	-	(25,560,241)
Deferred receivables	(25,301,175)	18,411,072	-	(6,890,103)
Unused tax credits	(115,379,791)	(208,248,560)	-	(323,628,351)
	3,087,151,950	125,171,928	480,311,782	3,692,635,660

	Notes	2025 Rupees	2024 Rupees
24. DEFERRED LIABILITIES			
Deferred grant	24.1	69,243,308	145,393,432
Gratuity payable	24.2	107,048,911	94,752,439
		176,292,219	240,145,871
24.1 Deferred grant			
At beginning of the year		145,393,432	198,048,081
Deferred grant recognized on subsidized rate long term loan		-	22,431,683
Amortization of deferred grant	34.1	(76,150,124)	(75,086,332)
At the end of the year		69,243,308	145,393,432
24.2 Staff retirement benefits - gratuity			
Movement in liability			
At beginning of the year		94,752,439	64,172,529
Charge for the year		35,101,293	45,601,450
Remeasurement loss recognized in other comprehensive income		6,311,142	5,641,595
Benefits paid during the year		(29,115,963)	(20,663,135)
At the end of the year		107,048,911	94,752,439
24.2.1 Movement in the present value of defined benefit obligation is as follows:			
Present value of defined benefit obligation at beginning of the year		94,752,439	64,172,529
Current service cost		33,848,533	23,704,693
Past service cost (due to change in salary definition)		-	13,424,075
Curtailment / settlement gain		(3,957,550)	
Profit		5,210,310	8,472,682
Benefits paid		(29,115,963)	(20,663,135)
Remeasurement loss from changes in financial assumptions		6,311,142	5,641,595
Present value of defined benefit obligation at end of the year		107,048,911	94,752,439

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

	2025 Rupees	2024 Rupees
24.2.2 Expense recognized in profit and loss account is as follows		
Current service cost	33,848,533	23,704,693
Past service cost (due to change in salary definition)	-	13,424,075
Profit	5,210,310	8,472,682
Curtailment / settlement gain	(3,957,550)	-
	<u>35,101,293</u>	<u>45,601,450</u>
24.2.3 Charge for the year has been allocated as follows:		
Cost of sales	24,570,904	31,921,013
Administrative expenses	10,530,389	13,680,437
	<u>35,101,293</u>	<u>45,601,450</u>
24.2.4 Total remeasurement chargeable to statement of other comprehensive income:		
Actuarial loss on remeasurement of defined benefit obligation		
Financial adjustment	659,105	911,594
Experience adjustment	5,652,037	4,730,001
	<u>6,311,142</u>	<u>5,641,595</u>
	<u>6,311,142</u>	<u>5,641,595</u>
24.2.5 Projected unit credit method, based on the following significant assumptions, is used for valuation of gratuity:		
	2025 Rupees	2024 Rupees
Discount rate	11.75%	14.75%
Expected rate of salary increase	13.77%	34.80%
Average retirement age of employee	60 years	60 years

24.2.6 The sensitivity of defined benefit obligation to changes in weighted principal assumptions is:

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	(702,266)	645,474
Salary growth	1%	738,113	788,621

The aforementioned sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability recognized within the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
24.2.7 Maturity profile of the defined benefit obligation		
24.2.7.1 Weighted average duration of the benefit (Years)	3.54	4.29
24.2.7.2 Distribution of timing of benefit payments (time in years)	2025 Rupees	2024 Rupees
1	91,493,149	23,254,860
2	7,753,457	15,522,292
3	2,005,630	17,010,136
4	1,722,956	13,037,413
5	1,652,984	12,060,480
6 to 10	8,103,883	54,698,459
11 and above	9,982,191	136,764,710

24.2.8 Risk associated with defined benefit plans

Longevity risks

This risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

Salary increase risks

The risk arises when the actual increases are higher than expectation and impacts the liability accordingly.

Withdrawal risks

The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

24.2.9 Estimated Expenses to be Charged in Next Year

The estimated expense to be recognized for the year ended June 30, 2026 amounts to Rs. 16,381,051.

		2025 Rupees	2024 Rupees
25. TRADE AND OTHER PAYABLES	Note		
Creditors	25.1	1,782,317,118	1,314,639,757
Accrued liabilities	25.2	1,448,082,192	756,082,653
Advances from customers	25.3	109,843,961	143,482,134
Provision for gas infrastructure development cess	25.4	678,595,472	678,595,472
Payable to Provident fund- related party	25.5	3,883,020	3,035,150
Retentions / security deposits	25.6	242,238,405	284,134,088
Withholding tax		30,683,755	3,287,752
Workers' profit participation fund	25.7	103,856,330	2,942,158
Workers' welfare fund		61,682,877	21,332,956
Others		2,690,677	2,712,728
		4,463,873,807	3,210,244,848

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

- 25.1** This includes a balance due to Aziz Fatima Trust Hospital, a related party, amounting to Rs. 17.8 million. (2024: Rs. 15.7 million). The maximum amount of Rs. 26.20 million is due to Aziz Fatima Trust Hospital at the end of any month during the year.
- 25.2** This includes an amount payable to Sui Northern Gas Pipelines Limited in respect of cost of supply relating to the RLNG supplies in the billing month of January 2018 based on interim order passed by Oil and Gas Regulatory Authority. The Company along with other industrial units in Punjab filed writ petition for deferment of said order. The Honorable Lahore High Court issued stay order with reference to the petition filed. The matter is pending adjudication. However, the Company has been recording a provision amounting Rs. 569 million (2024: Rs.465 million) on prudence basis since January, 2018.
- 25.3** During the year, the Company has made sales against Rs. 102 million (2024: Rs.143.5 million) prior year advances from customers.
- 25.4** Under the Gas Infrastructure Development Cess (GIDC) Act, 2011, the Government of Pakistan levied GIDC on all industrial gas consumers at the rate of Rs. 13 per MMBTU. Subsequently, the GIDC rates were enhanced through notifications under OGRA Ordinance 2002, Finance Act, 2014 and GIDC Ordinance 2014 against which the Company had obtained ad-interim stay orders from Sindh High Court.

On May 22, 2015, the Gas Infrastructure Development Cess (GIDC) Act, 2015 was promulgated whereby cess rate of Rs. 100 per MMBTU and Rs. 200 per MMBTU were fixed for industrial and captive power consumption respectively. The GIDC Act, 2015 was made applicable with immediate effect superseding the GIDC Act, 2011 and GIDC Ordinance, 2014.

Further, the Honorable Sindh High Court granted the Company ad-interim stay order against the GIDC Act, 2015. This stay order had restrained Sui Northern Gas Pipelines Limited (SNGPL) from charging and / or recovering the cess under the GIDC Act, 2015 till the final decision on the writ petition. However, on prudence basis, the Company had recognized an aggregate provision of Rs. 945.84 million relating to industrial as well as captive power consumption consumed until December 31, 2019. Further, the Company started to receive gas on the rates of RLNG from January 01, 2020 and no GIDC was applicable / charged on gas received as RLNG, therefore no provision was required / made since January 01, 2020.

On August 13, 2020, the Supreme Court of Pakistan (SCP) announced its decision pertaining to GIDC, directing recovery of Rs. 417 billion GIDC payables from the industries. According to the court decision, the amount is payable in twenty-four equal monthly instalments starting from August 01, 2020 without the component of late payment surcharge.

In accordance with the SCP's decision, the Company reversed the late payment surcharge amounting to Rs. 72.40 million in the financial year 2021 leaving a net provision of Rs. 873.33 million.

Furthermore, during 2021 as per the guidance of IFRS 9 "Financial Instruments", the liability for GIDC that was referred to in the decision of SCP amounting to Rs. 467.38 million was re-measured at fair value and present value of future cash outflows discounted at market rate of profit was recognized at an amount of Rs. 429.80 million. The difference amounting to Rs. 37.49 million between the fair value of GIDC liability (i.e. present value of amount required to be paid to settle the GIDC liability) and transaction price of GIDC liability (i.e. undiscounted amount of GIDC liability) was recognized as a gain on discounting of liability for GIDC in statement of profit or loss. In this regard, the Company paid 10 out of 24 instalments against above referred GIDC liability till May 31, 2021 and stopped making subsequent payments as a result of stay order from SCP. In this regard, till the previous year ended June 30, 2023, all remaining unwinding was recorded in profit or loss account and the GIDC liability was classified under current liabilities in the financial statements till the further decision of SCP.

Further, the Company has also filed a writ petition in SHC dated August 16, 2021 to suspend the recovery of arrears of cess calculated at enhanced captive rates. SHC has granted a stay for recovery of arrears and matter is pending for adjudication. The remaining provision of Rs. 406.06 million (out of Rs. 873.44 million recognized in previous years) will also be transferred depending on the decision of SHC.

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FOR THE YEAR ENDED JUNE 30, 2025

25.5 This represents contribution of the Company and employees in respect of provident fund. The maximum aggregate amount payable to related party at the end of any month during the year was Rs. 3.8 million (2024: Rs. 3.14 million).

25.6 As per the requirements of section 217 of the Companies Act, 2017 deposits of Rs. 186.99 million (2024: Rs. 154.79 million) are utilized for the purpose of business as per the written agreements and deposits of Rs. 1.17 million (2024: Rs. 1.17 million) are kept in separate bank account.

25.7	Movement in workers' profit participation fund	Note	2025 Rupees	2024 Rupees
	At beginning of the year		2,942,158	16,679,610
	Amount paid/adjusted to workers on behalf of the fund		485,373	(64,232,503)
			3,427,531	(47,552,893)
	Allocation for the year	33	100,428,799	50,495,051
	At end of the year		103,856,330	2,942,158
26.	PROFIT / FINANCIAL CHARGES PAYABLE			
	Long term financing		937,068,177	510,721,164
	Sukuks		40,665,030	-
	Murabaha financing / short term borrowings		216,422,033	455,371,534
			1,194,155,240	966,092,698
27.	SHORT TERM BORROWINGS			
	Secured			
	From banking companies - Islamic financing facilities	27.1	9,340,377,001	9,980,651,390
27.1	Break up of the short term borrowings			
	Al Baraka Bank (Pakistan) Limited		750,000,000	750,000,000
	Askari Bank Limited		900,000,000	1,000,000,000
	Bank Alfalah Limited		500,000,000	500,000,000
	BankIslami Pakistan Limited		250,000,000	250,000,000
	Dubai Islamic Bank Pakistan Limited		1,150,000,000	950,000,000
	Faysal Bank Limited		600,000,000	500,000,000
	Habib Bank Limited		649,985,850	999,936,670
	Habib Metropolitan Bank Limited		700,000,000	350,000,000
	MCB Islamic Bank Limited		90,000,000	190,000,000
	Meezan Bank Limited		1,106,436,332	1,288,963,360
	National Bank of Pakistan		100,000,000	50,000,000
	Soneri Bank Limited		400,000,000	500,000,000
	Standard Chartered Bank (Pakistan) Limited		700,000,000	1,000,000,000
	The Bank of Khyber		415,000,000	651,756,680
	The Bank of Punjab		849,980,820	699,994,680
	United Bank Limited		178,973,999	300,000,000
			9,340,377,001	9,980,651,390

27.2 The unavailed facilities from banking companies aggregate to Rs. 3,200 million (2024: Rs. 2,019 million). These facilities carry markup ranging from 11.66% to 22.67% (2024: 17.65% to 25.41%) per annum and are secured against joint pari-passu charge over present and future current assets of the Company.

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FOR THE YEAR ENDED JUNE 30, 2025

28. CONTINGENCIES AND COMMITMENTS

28.1 Contingencies

An amount of Rs. 125.6 million has been paid by the Company to the Punjab Revenue Authority ("PRA") in June 2023, under protest, and is accordingly reflected under "Advances". The brief facts are that the Commissioner, PRA Faisalabad Zone, vide Order dated March 10, 2020 (received by the Company on June 10, 2020), raised a demand of Rs. 168.9 million against the Company on account of alleged non-deduction of withholding taxes for the tax years 2015 to 2018, under the provisions of the Punjab Sales Tax on Services Act, 2012.

The Company, being aggrieved, preferred an appeal before the Appellate Tribunal, PRA on July 07, 2020. The Appellate Tribunal, vide its Order dated February 13, 2023, decided the matter against the Company. Consequently, the Company filed a Reference Petition before the Honorable Lahore High Court on March 15, 2023 against the Order of the Appellate Tribunal, which is currently pending adjudication. The Company, on legal advice, is confident that the matter will ultimately be adjudicated in its favor.

		2025 Rupees	2024 Rupees
28.2	Commitments		
	Guarantees issued by banks on behalf of the Company	391,045,400	259,890,810
	Outstanding letters of credit for plant and machinery	124,928,260	2,348,262,866
	Outstanding letters of credit for stores, spare parts and raw material	2,691,461,024	1,211,259,492
29.	REVENUE FROM CONTRACTS WITH CUSTOMERS - NET		
	Chemical	33,378,099,293	31,133,746,986
	Textile	6,120,345,060	5,795,489,133
		39,498,444,353	36,929,236,119
	Less:		
	Commission and discount	(940,612,823)	(782,568,732)
	Sales tax	(6,027,616,006)	(5,034,787,654)
	Revenue from contracts with customers - net	32,530,215,524	31,111,879,733
29.1	All revenue earned by the Company is shariah compliant.		
30.	COST OF SALES		
	Raw and packing material consumed	8,997,017,360	8,864,938,010
	Fuel and power	13,500,573,633	14,557,540,637
	Salaries, wages and benefits	1,173,094,260	1,102,413,049
	Stores and spares	924,583,185	878,837,206
	Repair and maintenance	108,091,221	95,377,265
	Vehicle running and maintenance	5,975,094	6,261,058
	Travelling and conveyance	54,628,586	57,502,011
	Insurance	59,182,846	51,083,357
	Depreciation	1,439,810,480	1,250,202,013
	Amortization	692,556	754,128
	Others	1,850,523	2,154,476
		26,265,499,744	26,867,063,210
	Work in process		
	Opening stock	57,219,277	45,649,954
	Closing stock	(54,650,718)	(57,219,277)
		2,568,559	(11,569,323)
	Cost of goods manufactured	26,268,068,303	26,855,493,887
	Finished stocks		
	Opening stock - including waste	2,363,521,811	1,700,647,796
	Closing stock - including waste	(1,720,335,775)	(2,363,521,811)
		643,186,036	(662,874,015)
		26,911,254,339	26,192,619,872

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		2025 Rupees	2024 Rupees
30.1	Raw and packing material consumed		
	Opening stock	1,254,005,663	1,835,347,984
	Purchases	10,158,302,419	8,283,595,689
		11,412,308,082	10,118,943,673
	Closing stock	(2,415,290,722)	(1,254,005,663)
		8,997,017,360	8,864,938,010
30.2	Salaries, wages and benefits include Rs. 24.5 million (2024: Rs. 31.92 million) in respect of gratuity and Rs. 12.5 million (2024: Rs. 9.55 million) in respect of provident fund.		
31.	DISTRIBUTION COST	2025 Rupees	2024 Rupees
	Salaries, wages and benefits	45,363,254	38,340,486
	Freight, octroi and insurance	451,386,015	513,925,007
	Advertisement	2,500,837	2,131,132
	Vehicles running and maintenance	7,021,201	6,997,521
	Travelling and conveyance	9,777,102	8,482,931
	Postage and telephone	1,868,839	1,585,164
	Printing and stationery	676,423	726,526
	Others	2,329,900	1,403,873
		520,923,571	573,592,640
31.1	Salaries, wages and benefits include Rs. 1.01 million (2024: Rs. 1.19 million) in respect of provident fund.		
32.	ADMINISTRATIVE EXPENSES	2025 Rupees	2024 Rupees
	Directors' remuneration	95,130,918	75,261,785
	Salaries, wages and benefits	600,109,124	554,176,596
	Postage and telephone	6,360,778	6,009,063
	Vehicles running and maintenance	62,986,216	56,158,577
	Printing and stationery	4,828,591	5,438,306
	Electricity	36,896,724	23,280,723
	Rent, rates and taxes	14,332,750	6,007,028
	Travelling and conveyance	65,132,970	64,507,568
	Advertisement	20,837,329	24,191,262
	Books and periodicals	100,306	494,935
	Fees and subscription	42,689,422	21,297,157
	Legal and professional	5,851,250	8,846,898
	Repairs and maintenance	29,964,362	19,677,557
	Auditors' remuneration	3,500,000	3,500,000
	Entertainment	37,675,502	24,485,515
	Donations	128,121,476	111,641,674
	Insurance	5,615,032	6,134,454
	Depreciation	80,842,897	89,619,421
	Depreciation on investment property	8,876,285	9,593,285
	Others	9,418,545	21,372,774
		1,259,270,477	1,131,694,578

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32.1 Salaries, wages and benefits include Rs. 10.53 million (2024: Rs. 13.68 million) in respect of gratuity and Rs. 6.7 million (2024: Rs. 6.46 million) in respect of provident fund.

32.2 Legal and professional includes Rs. 0.55 million (2024: Rs. 0.60 million) paid to Shariah Advisor.

32.3	Auditors' remuneration	2025 Rupees	2024 Rupees
	Annual statutory audit	1,970,000	1,970,000
	Half yearly, Code of Corporate Governance and Shariah compliance reviews	880,000	880,000
	Out of pocket expenses	150,000	150,000
	Tax advisory services	500,000	500,000
		3,500,000	3,500,000

32.4 It includes Rs. 19.17 million (2024: Rs. 7.16 million) to Sheikh Foundation, Rs. 10.54 million (2024: 11.11 million) Iqra Rozatul Atfal Trust, Rs. 1.81 million (2024: 1.79 million) System Foundation Educational Organization, Rs. 89.25 million (2024: Rs. 80.22 million) Aziz Fatima Trust (AFT) and Rs. 6.6 million (2024: 11.32 million) to other charitable and welfare organizations. AFT is primarily running a charitable hospital for needy and poor people. Mr. Muhammad Adrees, the CEO and director of the Company is also Trustee of the AFT.

33.	OTHER EXPENSES	Note	2025 Rupees	2024 Rupees
	Workers' profit participation fund	25.7	100,428,799	50,495,051
	Workers' welfare fund		47,340,753	17,000,271
	Loss on disposal of long term investment measured at FVTPL		-	1,000,000
	Remeasurement loss on short term investments measured at FVTPL		1,608,666	-
	Loss on disposal of property, plant and equipment		27,450,230	-
	Loss on disposal of stores		16,940,847	-
	Exchange loss		-	77,677
			193,769,295	68,572,999

34.	FINANCE COST			
	Long term financing - net	34.1.	208,471,480	336,454,607
	Murabaha financing / short term borrowings		1,687,337,342	2,004,935,069
	Bank charges and commission		7,820,626	7,308,205
			1,903,629,448	2,348,697,881

34.1. Markup/profit capitalized during the year amounting to Rs. 775.5 million (2024: Rs. 380.44 million).

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35.	OTHER INCOME	Note	2025 Rupees	2024 Rupees
	<i>Income from financial assets</i>			
	Profit on bank deposits	35.1	35,937,426	47,955,085
	Dividend income	35.2	70,684,039	98,438,249
	Exchange gain	35.3	60,492	-
	Gain on sale of investments measured at FVTPL		12,289,347	1,995,315
	Remeasurement gain on short term investments measured at FVTPL		-	10,402
	Unwinding of deferred consideration receivable against sale of land	15.1	17,666,930	47,207,878
			136,638,234	195,606,929
	<i>Income from other than financial assets</i>			
	Gain on disposal of property, plant and equipment		-	1,433,507
	Gain on disposal of investment property		-	12,526,000
	Sale of scrap and waste		21,096,072	12,270,379
	Rent income		53,270,110	52,898,722
	Amortization of deferred grant	24.1	76,150,124	75,086,332
	Others		3,464,911	5,471,639
			153,981,217	159,686,579
			290,619,451	355,293,508

35.1 This represents profit earned from shariah compliant bank deposits and bank balances.

35.2 This represents dividend income from mutual funds measured at FVTPL of Rs. 42.83 million (2024: Rs. 73.14 million) and from equity shariah compliant investments measured at FVTOCI of Rs. 27.84 million (2024: Rs. 25.30 million).

35.3 This represents exchange gain earned from actual currency and is shariah compliant.

36.	PROVISION FOR TAXATION		2025 Rupees	2024 Rupees
	Current			
	for the year		654,307,062	373,394,473
	for prior periods		192,710,001	-
			847,017,063	373,394,473
	Deferred		73,256,807	125,171,928
			920,273,870	498,566,401

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36.1 Numerical reconciliation between the applicable and effective tax rate

	2025 %	2024 %
Applicable tax rate	29.00	29.00
Super tax	10.00	10.00
Prior year adjustments	10.36	-
Effect of FTR income	-	1.74
Effect of tax credits	0.69	1.16
Effect of change in tax base	-	11.37
Effect of exempt/inadmissible incomes as per tax laws	-	(3.75)
Income taxed at different rates	(0.68)	(2.18)
Others	0.07	1.35
Effective tax rate	49.44	45.99

37. EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on basic earnings per share of the Company, basic is computed as follows:

		2025	2024
Profit for the year	Rupees	939,274,553	585,507,646
Weighted average number of ordinary shares outstanding during the year	Number	21,429,407	21,429,407
Earnings per share	Rupees	43.83	27.32

38. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

38.1 Long term finance

	2025 Rupees	2024 Rupees
Balance at the beginning of the period	3,714,842,545	3,148,319,543
Availed during the year	5,823,869,904	1,215,064,870
Repaid during the year	(787,510,595)	(701,196,518)
Present value adjustment against subsidized rate long term loan	76,150,124	52,654,650
Balance at the end of the period	8,827,351,978	3,714,842,545

38.2 Short term finance

Balance at the beginning of the period	9,980,651,389	7,035,129,376
Availed during the year	24,468,725,739	22,211,258,402
Repaid during the year	(25,109,000,127)	(19,265,736,389)
Balance at the end of the period	9,340,377,001	9,980,651,389

38.3 Unclaimed dividend

Balance at the beginning of the period	28,135,772	26,390,514
Announced during the year	183,693,979	184,274,870
Paid during the year	(181,917,430)	(182,529,612)
Balance at the end of the period	29,912,321	28,135,772

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FOR THE YEAR ENDED JUNE 30, 2025

39. FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from its use of financial instruments:

Credit risk

Liquidity risk

Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training, management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes shall be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

39.1 Credit risk and concentration of credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. To manage credit risk the Company maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed.

The Company is exposed to credit risk from its operating activities primarily for local trade debts, sundry receivables and other financial assets.

The Company's credit risk exposures are categorized under the following headings:

39.1.1 Counterparties

The Company conducts transactions with the following major types of counterparties for its financial assets at amortized cost:

Trade debts

Trade debts are essentially due from local customers against sale of yarn, fabric caustic soda, hydrochloric acid and other allied products and from foreign customers against supply of caustic soda (liquid and flakes) and calcium chloride. The Company does not expect these counterparties to fail to meet their obligations. The majority of sales to the Company's customers are made on specific terms. Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and controls relating to customer credit risk management. Credit limits are established for all customers based

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on internal rating criteria. Credit quality of the customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored and any shipments to foreign customers are generally covered by letters of credit or other form of credit insurance.

Bank and investments

The Company limits its exposure to credit risk by only investing in highly liquid securities and only with counterparties that have a credit rating of at least A1 and A. Given these high credit ratings, management does not expect any counterparty to fail to meet its obligations.

39.1.2 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2025 Rupees	2024 Rupees
<i>Financial assets at amortized cost:</i>		
Trade debts	2,919,787,832	3,158,902,678
Long term deposits	125,334,279	125,134,179
Loans and advances	536,919,963	558,016,007
Trade deposits and other receivables	55,845,970	55,927,285
Bank balances	310,674,225	339,846,186
	<u>3,948,562,269</u>	<u>4,237,826,335</u>
<i>Financial assets at fair value:</i>		

The maximum exposure to credit risk for trade debts at the reporting date by type of customer is as follows:

Chemical	2,041,027,451	2,210,367,530
Textile	878,760,381	948,535,148
	<u>2,919,787,832</u>	<u>3,158,902,678</u>

There is no single significant customer in the trade debts of the Company.

39.1.3 Impairment losses

The aging of trade receivables at the reporting date is:

	2025 Percentage	2024 Percentage	Gross 2025	Impairment 2025	Gross 2024	Impairment 2024
			Rupees			
Not past due	0%	0%	2,045,406,603	-	2,395,283,986	-
Past due 0-180 days	10%	9%	905,781,592	83,683,007	852,216,439	88,597,747
Past due 181-360 days	100%	74%	199,736,329	147,453,686	50,886,211	50,886,211
Over 360 days	100%	100%	305,523,871	305,523,870	226,495,183	226,495,183
			<u>3,456,448,395</u>	<u>536,660,563</u>	<u>3,524,881,819</u>	<u>365,979,141</u>

NOTES TO THE FINANCIAL STATEMENTS

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The movement in the allowance for impairment in respect of trade receivables during the year is as follows:

	2025 Rupees	2024 Rupees
Balance at beginning of the year	365,979,141	355,864,519
Charge for the year	170,681,422	10,114,622
Balance at end of the year	536,660,563	365,979,141

The allowance in respect of trade receivables and loans and advances are used to record impairment losses unless the Company is satisfied that no recovery of the amount owing is possible; at that point the amount considered irrecoverable is written off against the financial asset directly.

39.2 Liquidity risk management

Liquidity risk reflects the Company's inability in raising funds to meet commitments. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of statement of financial position liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customer.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements.

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in note 27.2 to these financial statements is the amount of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

39.2.1 Liquidity and profit risk table

The following table details the Company's remaining contractual maturity for its financial liabilities at amortized cost. The table has been drawn up based on the undiscounted cash flows of financial liabilities under long term financing agreements based on the earliest date on which the Company can be required to pay. For effective markup rate please see relevant notes to these financial statements.

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Carrying amount and contractual cash flows of trade and other financial liabilities are approximately same.

	Carrying amount	
	2025 Rupees	2024 Rupees
<i>Trade and other payables</i>		
Maturity up to one year	3,475,328,392	2,357,569,226
<i>Short term borrowings</i>		
Maturity up to one year	9,340,377,001	9,980,651,390
<i>Unclaimed dividend</i>		
Maturity up to one year	29,912,322	28,135,772
<i>Profit / financial charges payable</i>		
Maturity up to one year	1,194,155,240	966,092,698
<i>Long term financing</i>		
Maturity up to one year	1,013,892,711	1,113,985,223
Maturity after one year and up to five years	8,021,930,747	2,937,311,929
Maturity after five years	-	-
	<u>10,229,978,698</u>	<u>5,017,389,850</u>

39.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, profit rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

39.3.1 Foreign currency risk management

Pak Rupee (PKR) is the functional currency of the Company and as a result currency exposure arises from transactions and balances in currencies other than PKR. The Company's potential currency exposure comprise;

- Transactional exposure in respect of non functional currency monetary items.
- Transactional exposure in respect of non functional currency expenditure and revenues.

The potential currency exposures are discussed below;

Transactional exposure in respect of non functional currency monetary items

Monetary items, including financial assets and liabilities, denominated in currencies other than the functional currency of the Company are periodically restated to PKR equivalent, and the associated gain or loss is taken to the profit and loss account. The foreign currency risk related to monetary items is managed as part of the risk management strategy.

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FOR THE YEAR ENDED JUNE 30, 2025

Transactional exposure in respect of non functional currency expenditure and revenues

Certain operating and capital expenditure is incurred by the Company in currencies other than the functional currency. Certain sales revenue is earned in currencies other than the functional currency of the Company. These currency risks are managed as a part of overall risk management strategy.

Exposure to foreign currency risk

The Company's exposure to foreign currency risk was as follows based on notional amounts:

	2025 CNY	2024 CNY
Retentions / security deposits	7,044,272	1,922,613

Commitments outstanding at year end amounted to Rs. 2,691 million (2024: Rs. 3560 million) relating to letter of credits for import of plant and machinery, stores spare parts and raw material.

The following significant exchange rates applied during the year:

<i>Rupees per CNY</i>	2025	2024
Average rate	39.06	39.26
Reporting date rate	39.59	38.53

Sensitivity analysis

A 10 percent weakening of the Pak Rupee against the CNY at June 30, 2025 would have decreased profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular profit rates, remain constant. The analysis is performed on the same basis for June 30, 2024.

	2025 Rupees	2024 Rupees
Decrease in profit and loss account	27,888,273	7,407,828

A 10 percent strengthening of the Pak Rupee against the CNY at June 30, 2025 would have had the equal but opposite effect on the amounts shown above, on the basis that all other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

39.3.2 Other price risk

Other price risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from profit rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all similar financial instruments traded in the market. The effects of changes in fair value of such investments made by the Company, on the future profits are considered to be material in the overall context of these financial statements.

39.3.3 Equity Price Risk Management

The Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities at fair value was Rs. 20.04 million (2024: Rs. 20.04 million).

At the reporting date, the exposure to listed equity securities at fair value was Rs. 364.785 million (2024: Rs. 349.21 million). An increase of 25% on the PSX market index would have an impact of approximately Rs. 91.196 million (2024: Rs. 87.30 million) on the income or equity attributable to the Company, depending on whether or not the increase is significant and prolonged. A decrease of 25% in the value of the listed securities would impact income or equity in a similar amount but will not have an effect on income unless there is an impairment charge associated with it.

39.3.4 Profit rate risk

The profit rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market profit rates. Sensitivity to profit rate risk arises from mismatches of financial assets and liabilities that mature in a given period.

Profile of financial instruments at amortized cost

At the reporting date, the Company have following profit bearing financial instruments.

	2025 %	2024 %	2025 Rupees	2024 Rupees
<i>Floating rate instruments</i>				
<i>Financial assets</i>				
Bank balances	7.45% to 9.92%	10.75% to 11.54%	45,407,861	167,289,457
<i>Floating rate instruments</i>				
<i>Financial liabilities</i>				
Short term borrowings	11.66% to 22.67%	17.65% to 25.41%	(9,340,377,001)	(9,980,651,390)
Long term financing	12.09% to 22.92%	21.24% to 25%	(9,035,823,458)	(4,051,297,152)
			<u>(18,330,792,598)</u>	<u>(13,864,659,085)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in profit rate at the reporting date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for floating rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in floating profit rates, with all other variables held constant, of the Company's profit before tax.

	Increase / (decrease) in basis points	Effect on profit before tax
2025	%	Rupees
Bank balances		454,079
Short term borrowings	1%	(93,403,770)
Long term financing		(90,358,235)
		<u>(183,762,005)</u>
2024		
Bank balances		1,672,895
Short term borrowings	1%	(99,806,514)
Long term financing		(40,512,972)
		<u>(140,319,486)</u>

39.4 *Fair value hierarchy*

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 individual 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 assets or liabilities that are not based on observable market data (unobservable inputs)

	Level 1	Level 2	Level 3	Total
	Rupees			
<i>Equity instruments at fair value as at June 30, 2025</i>				
Quoted equity securities	773,940,332	-	-	773,940,332
Un-quoted equity securities - FVTPL	-	20,038,687	-	20,038,687
Total	<u>773,940,332</u>	<u>20,038,687</u>	<u>-</u>	<u>793,979,019</u>
Equity instruments at fair value as at June 30, 2024				
Quoted equity securities	864,458,541	-	-	864,458,541
Un-quoted equity securities - FVTPL	-	20,038,687	-	20,038,687
Total	<u>864,458,541</u>	<u>20,038,687</u>	<u>-</u>	<u>884,497,228</u>

There were no transfers between the levels during the year.

The levels and hierarchy of fixed assets at fair values are disclosed in note 5.6 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

39.5 Determination of fair values

Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Equity instruments at FVTOCI as disclosed in other financial assets in listed entities, are presented at fair value by using quoted prices at Pakistan Stock Exchange as at June 30, 2025 and investment in other than listed entities are presented at purchase cost. The carrying values of all other financial assets and liabilities reflected in the financial statements approximate their fair values.

39.6 Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its businesses. The Company manages its capital structure which comprises capital and reserves by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, appropriation of amounts to capital reserves or/and issue new shares.

	2025 Rupees	2024 Rupees
Total borrowings	18,167,728,979	13,695,493,935
Less: Cash and bank balances	334,865,371	360,475,765
Net debt	17,832,863,608	13,335,018,170
Total equity including revaluation surplus	18,865,716,456	18,064,086,759
Total capital	36,698,580,064	31,399,104,929
Gearing ratio	48.59%	42.47%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

40. FINANCIAL INSTRUMENTS BY CATEGORIES

Financial assets as per statement of financial position	2025			2024		
	Amortised cost	Fair value through P&L	Fair value through OCI	Amortised cost	Fair value through P&L	Fair value through OCI
Rupees						
Long term loans and advances	2,734,878	-	-	1,982,562	-	-
Long term deposits	125,334,279	-	-	125,134,179	-	-
Trade debts	2,919,787,832	-	-	3,158,902,678	-	-
Loans and receivables	5,631,625	-	-	341,186,839	-	-
Trade deposits and other receivables	55,845,970	-	-	55,927,285	-	-
Other financial assets	-	414,275,856	359,664,476	-	515,244,384	349,214,157
Cash and bank balances	334,865,371	-	-	360,475,765	-	-
	3,444,199,955	414,275,856	359,664,476	4,043,609,308	515,244,384	349,214,157

Financial liabilities as per statement of financial position - at amortised cost

	2025 Rupees	2024 Rupees
Long term financing	8,827,351,978	3,714,842,545
Short term borrowings	9,340,377,001	9,980,651,390
Unclaimed dividend	29,912,322	28,135,771
Trade and other payables	4,157,806,884	3,210,244,848
Profit / financial charges payable	1,194,155,240	966,092,698
	23,549,603,425	17,899,967,252

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

41. REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the accounts for remuneration including all benefits to Chief Executive, Directors and Executives of the Company are as follows:

	2025			2024		
	Chief Executive	Executive Directors	Executives	Chief Executive	Executive Directors	Executive
	Rupees					
Remuneration	30,000,000	12,000,000	127,824,744	24,000,000	7,200,000	102,348,231
Perquisites						
House rent	9,000,000	3,600,000	38,347,437	9,600,000	2,880,000	28,650,413
Utilities	3,000,000	1,200,000	12,782,474	2,400,000	720,000	10,188,864
Medical allowance	3,526,425	1,200,000	12,782,472	489,009	-	10,189,219
Provident fund	-	-	6,289,349	-	-	5,100,477
Special allowance	-	-	776,525	-	-	472,109
Fuel allowance	4,654,493	-	-	4,910,135	-	-
Income tax	21,425,406	5,524,594	-	18,013,380	5,049,261	-
	71,606,324	23,524,594	198,803,001	59,412,524	15,849,261	156,949,313
Number of persons	1	1	66	1	1	55

41.1 The Chief Executive, certain Directors and Executives are provided with free use of Company maintained cars and telephone etc. having value amounting to Rs. 6.034 million (2024: Rs.5.86 million).

41.2 The Company has five (5) non-executive directors who have been paid meeting fee amounting to Rs. 960,000 (2024: Rs. 960,000) during the year.

42. TRANSACTIONS WITH RELATED PARTIES

The related parties comprises of holding company, subsidiary and 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. Amounts due from related parties are shown under receivables. Details of transactions with related parties for the year are as follows:

		2025 Rupees	2024 Rupees
42.1	Transactions with related parties		
	Relationship with the Company	Nature of transactions	
	Associated undertakings	Sale of goods	2,082,950
		Donation	203,410
			61,716,073
	Key management personnel	Remuneration to Executives	198,803,001
	Payable to Provident fund		156,949,313
	- related party	Employers Contribution	3,883,020
			3,035,150

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

42.1.1 The maximum amount of sale to related party during the year was Rs. 2.082 million (2024: 0.17 million).

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

<i>Company name</i>	<i>Basis of association</i>
Sitara Developers (Private) Limited	Common directorship
Aziz Fatima Trust Hospital	Common directorship
SCIL- Employees Provident Fund Trust	Common directorship/Trustees

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

42.3 *Key management personnel*

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The salaries and other benefits of directors, who are also key management personnel, are disclosed in note 40 to the financial statements. The Company considers all members of their management team, including Chief Executive Officer and Directors to be its key management personnel and these are disclosed below:

<i>Name</i>	<i>Shares held</i>	<i>% of shareholding in the Company</i>
Mr. Muhammad Adrees	13,637,402	63.639
Mr. Haseeb Ahmed	108,840	0.508
Mr. Ahmad Nawaz	500	0.002
Mr. Haroon Ahmad Zuberi	1	0.000
Mrs. Shala Waheed Sher	1	0.000
Mr. Ahmad Hassan	1	0.000
Mr. Najmul Hoda Khan	100	0.000
Mr. Mazhar Ali Khan	N/A	N/A
Mr. Zakir Hussain	N/A	N/A

43. *PLANT CAPACITY AND PRODUCTION*

<i>Chemical Division</i>	<i>Designed capacity</i>		<i>Actual production</i>		<i>Reason of variation</i>
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	
	<i>Tons</i>				
Caustic soda	207,900	207,900	118,085	124,513	Demand based production
Sodium hypochlorite	66,000	66,000	55,967	46,960	Demand based production
Liquid chlorine	14,850	14,850	9,595	7,300	Demand based production
Bleaching powder	7,920	7,920	6,569	6,255	Demand based production
Hydrochloric acid	363,000	363,000	108,214	148,332	Demand based production
Calcium Chloride prills	13,200	13,200	5,684	6,322	Demand based production
Oleo Chemicals	34,000	34,000	9,157	8,788	Demand based production

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

		2025 Rupees	2024 Rupees
<i>Textile Division</i>			
Ring Spinning			
Number of spindles installed		28,512	28,512
Number of spindles worked		28,512	28,512
Number of shifts per day		3	3
Installed capacity after conversion into 20/s count (Kgs)		11,063,814	11,063,814
Actual production of yarn after conversion into 20/s count (Kgs)		8,038,487	10,022,597
44. WORKING CAPITAL CHANGES			
<i>(Increase) / decrease in current assets</i>			
Stores, spare parts and loose tools		(136,649,456)	(7,417,659)
Stock in trade		(515,530,465)	(93,101,017)
Trade debts		68,493,916	(935,957,926)
Sales tax refundable		183,708,790	(294,309,088)
Loans and advances		80,743,453	103,545,731
Trade deposits and short-term prepayments		(1,246,821)	(28,059,575)
		(320,480,583)	(1,255,299,534)
<i>Increase in current liabilities</i>			
Trade and other payables		1,226,232,956	(679,110,382)
		905,752,273	(1,934,409,916)
45. DISCLOSURE REQUIREMENT FOR COMPANIES NOT ENGAGED IN SHARIAH NON-PERMISSIBLE BUSINESS ACTIVITIES			

Following information has been disclosed as required under amended part I clause VII of Fourth Schedule to the Companies Act, 2017 as amended via S.R.O.1278 (I) / 2024 dated August 15, 2024:

		2025 Rupees	2024 Rupees
STATEMENT OF FINANCIAL POSITION			
<i>Liabilities</i>			
Long term Financing as per Islamic mode	22	8,827,351,978	3,714,842,545
Short term borrowing as per islamic mode	27	9,340,377,001	9,980,651,390
Profit / Financial Charges Payables on islamic Loans	26	1,194,155,240	966,092,698
<i>Assets</i>			
Sharia Compliant Bank Balances	18	278,262,482	319,515,665
Non-Sharia Compliant Bank Balances		32,411,743	20,330,521

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

STATEMENT OF PROFIT OR LOSS	Note	2025 Rupees	2024 Rupees
<i>Sales</i>	29	32,530,215,524	31,111,879,733
Finance cost on islamic mode of financing	34	1,903,629,448	2,348,697,881
Finance cost paid on islamic mode of financing		2,374,970,445	1,772,179,156
<i>Profit on Deposits</i>			
Shariah Compliant Bank Deposits	35	35,937,426	47,955,085
Conventional bank deposits		-	-
<i>Exchange difference</i>			
Shariah compliant	35	60,492	-
Shariah non-compliant		-	-
<i>Scrap Sales</i>			
Shariah compliant	35	21,096,072	12,270,379
Shariah non-compliant		-	-
<i>Rental income</i>			
Shariah compliant	35	53,270,110	52,898,722
Shariah non-compliant		-	-
<i>Gain on sale of investments</i>			
Shariah compliant	17	13,886,987	4,623,849
Shariah non-compliant		-	-
<i>Dividend Income</i>			
Shariah compliant	35	70,684,039	98,438,249
Shariah non-compliant		-	-

Relationship with Shariah-compliant financial institutions:

46. PROVIDENT FUND RELATED DISCLOSURE

The investments by the provident fund in collective investment schemes, listed equity and debts securities have been made in accordance with the conditions specified in section 218 of the Companies Act, 2017 and rules specified thereunder.

47. The average and total number of employees during the year are as follows:

	2025	2024
Total number of employees as at June 30	2,736	2,728
Average number of employees during the year	2,691	2,740

48. CORRESPONDING FIGURES

Corresponding figures have been reclassified, wherever necessary for the purpose of comparison and better presentation. Significant reclassification made during the year is:

Reclassified from	Reclassified to	Rupees	Reason
Advance income tax	Income tax refundable	1,543,614,808	For better presentation

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

49. OPERATING RESULTS

	Chemical		Textile		Total	
	2025	2024	2025	2024	2025	2024
Revenue from contracts with customers: ----- Rupees -----						
<i>Local</i>						
Caustic soda	23,498,707,848	22,199,018,971	-	-	23,498,707,848	22,199,018,971
Sodium hypochlorite	2,462,425,099	2,020,994,723	-	-	2,462,425,099	2,020,994,723
Oleochemical	3,900,352,812	3,562,684,141	-	-	3,900,352,812	3,562,684,141
Bleaching powder	508,413,917	471,738,252	-	-	508,413,917	471,738,252
Liquid chlorine	549,276,018	416,126,070	-	-	549,276,018	416,126,070
Hydrochloric acid	978,206,123	1,027,649,574	-	-	978,206,123	1,027,649,574
Magnesium chloride and others	1,180,972,364	1,001,857,732	-	-	1,180,972,364	1,001,857,732
Yarn	-	-	4,999,185,013	4,815,600,066	4,999,185,013	4,815,600,066
Fabrics	-	-	810,244,825	487,900,042	810,244,825	487,900,042
Waste	-	-	29,389,861	50,304,985	29,389,861	50,304,985
<i>Export</i>						
Caustic soda flakes	64,090,516	32,922,743	-	-	64,090,516	32,922,743
Others	235,654,597	357,381,515	-	-	235,654,597	357,381,515
<i>Trading</i>						
Cotton	-	-	237,535,276	396,144,862	237,535,275	396,144,862
Others	-	43,373,265	43,990,085	45,539,178	43,990,085	88,912,443
	33,378,099,294	31,133,746,986	6,120,345,060	5,795,489,133	39,498,444,353	36,929,236,119
Less:						
Commission and discount	912,180,616	755,980,519	28,432,207	26,588,213	940,612,823	782,568,732
Sales tax	5,079,125,416	4,492,128,442	948,490,590	542,659,212	6,027,616,006	5,034,787,654
Revenue from contracts with customers - net	27,386,793,262	25,885,638,025	5,143,422,263	5,226,241,708	32,530,215,524	31,111,879,733
Cost of sales	(22,192,013,597)	(21,293,373,493)	(4,719,240,742)	(4,899,246,379)	(26,911,254,339)	(26,192,619,872)
Gross profit	5,194,779,665	4,592,264,532	424,181,521	326,995,329	5,618,961,185	4,919,259,861
Other income	229,978,641	241,528,765	60,640,810	113,764,743	290,619,451	355,293,508
Distribution cost	(502,902,679)	(563,762,270)	(18,020,892)	(9,830,370)	(520,923,571)	(573,592,640)
Impairment loss on financial assets	(161,903,891)	7,421,278	(8,777,531)	(17,535,900)	(170,681,422)	(10,114,622)
Administrative expenses	(1,035,220,078)	(922,560,458)	(224,050,399)	(205,634,120)	(1,255,770,477)	(1,128,194,578)
Finance cost	(1,895,428,149)	(2,346,389,124)	(8,201,299)	(2,308,758)	(1,903,629,448)	(2,348,697,882)
	(3,365,476,156)	(3,583,761,809)	(198,409,311)	(121,544,405)	(3,560,385,467)	(3,705,306,214)
Reportable segments profit before tax	1,829,303,509	1,008,502,723	225,772,210	205,450,924	2,058,575,718	1,213,953,647
Unallocated income / (expenses)						
Administrative expenses					(3,500,000)	(3,500,000)
Other operating income / (expenses)					(193,769,295)	(94,572,380)
Profit before income tax, minimum tax differential and final taxes					1,861,306,423	1,115,881,267
Minimum tax and final taxes differential					(1,758,000)	(57,806,602)
Profit before tax					1,859,548,423	1,058,074,665
Provision for taxation					(920,273,870)	(498,566,401)
Profit for the year					939,274,553	559,508,264
Other information						
Segment assets	40,101,080,535	33,674,638,247	4,718,245,527	4,045,367,859	44,819,326,062	37,720,006,106
Unallocated corporate assets					2,688,676,163	2,790,863,418
					47,508,002,225	40,510,869,524
Segment liabilities	23,364,950,517	17,857,656,612	637,099,753	254,320,758	24,002,050,270	18,111,977,370
Unallocated corporate liabilities					4,640,235,499	4,334,805,395
					28,642,285,769	22,446,782,765
Capital expenditure	8,361,649,947	4,441,649,956	422,538,935	138,979,013	8,784,188,882	4,580,628,969
Depreciation	1,374,968,687	1,236,935,036	145,684,690	102,886,398	1,520,653,377	1,339,821,434

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

49.1 *Inter-segment pricing / sales*

There is no purchase and sale between the segments.

49.2 *Products and services from which reportable segments derive their revenues*

For management purposes, the Company is organized into business units based on their products and services and has the following two reportable operating segments. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Company's CEO reviews internal management reports on at least a quarterly basis:

The Chemical segment produces and supplies various chemicals used in textile and fertilizer industry.

The textile segment is a spinning unit which produces yarn and also trading of fabric.

The Company does not have any geographical segment.

49.3 *For the purposes of monitoring segment performance and allocating resources between segments, all assets are allocated to reportable segments other than tax assets. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments and all liabilities are allocated to reportable segments other than current and deferred tax liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.*

50. *EVENTS AFTER THE STATEMENT OF FINANCIAL DATE*

In respect of current year, the directors have proposed to pay final cash dividend of Rs. 235.72 million (2024: Rs. 214.29 million) at Rs. 11 (2024: Rs. 10.00) per ordinary share of Rs.10 each for approval of the shareholders at the forthcoming Annual General Meeting. Financial effect of the proposed dividend has not been taken in these financial statements and will be accounted for subsequently in the year when such dividend is approved.

51. *DATE OF AUTHORIZATION FOR ISSUE*

These financial statements were authorized for issue on September 20, 2025 by the Board of Directors of the Company.

52. *GENERAL*

Figures have been rounded off to the nearest Rupee.



Muhammad Adrees
Chief Executive Officer



Zakir Hussain
Chief Financial Officer



Ijaz Hussain
Director

SITARA CHEMICAL INDUSTRIES LIMITED

Ballot paper for voting through post for the Special Business at the Annual General Meeting to be held on October 23, 2025 at 03:00 P.M. at the ICAP Auditorium, Institute of Chartered Accountants of Pakistan Chartered Accountants Avenue, Block 8, Clifton, Karachi.

Website : www.sitara.com.pk

Folio / CDS Account Number	
Name of Shareholder / Proxy Holder	
Registered Address	
Number of shares Held	
CNIC/Passport No. (in case of foreigner) (copy to be attached)	
Additional information and enclosures (in case of representative of body corporate, corporation, and federal Government)	
Name of Authorized Signatory	
CNIC/Passport No. (in case of foreigner) of Authorized Signatory (copy to be attached)	

Instructions For Poll

1. Please indicate your vote by ticking (✓) the relevant box.
 2. In case if both the boxes are marked as (✓), you poll shall be treated as **“Rejected”**.
- I/we hereby exercise my/our vote in respect of the above resolution through ballot by conveying my/our assent or dissent to the resolution by placing tick (✓) mark in the appropriate box below;

Resolution	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
<u>Agenda item No. V</u>		
a) Description/Name of asset;		
b) Acquisition date of the asset;		
c) Cost;		
d) Revalued amount and date of revaluation (if applicable);		
e) Book value;		
f) Approximate current market price/fair value;		
g) In case of sale, if the expected sale price is lower than book value or fair value, then the reasons thereof;		
h) In case of lease of assets, tenure, lease rentals, increment rate; mode/basis of determination of lease rentals; and other important terms and conditions of the lease;		
i) Additional information in case of disposal of land:		
(i) Location;		
(ii) Nature of land (e.g. commercial, agriculture, etc); and		
(iii) Area proposed to be sold.		

(iv) The proposed manner of disposal of the said assets.	a) The land would be sold by calling quotations from prospective buyer(s) directly and through newspaper advertisement. b) That the land may be sold on payment terms in cash or partly in cash and partly in the shape of files of commercial and/or residential plots (In case the buyer intend to develop the land as a residential society) on terms & conditions as may be agreed with the buyer. c) That the land may also be sold to any prospective buyer(s) on joint venture basis for carrying out development and sale of land/plots etc. on terms and conditions as may be agreed between the parties. The terms and conditions would be got approved by the Board of Directors.		
iii) In case the company has identified a buyer, who is a related party the fact shall be disclosed in the statement of material facts.	No such buyer is identified by company		
iv) Purpose of the sale, lease or disposal of assets along with following details: a) Utilization of the proceeds received from the transaction. b) Effect on operational capacity of the company, if any; and c) Quantitative and qualitative benefits expected to accrue to the members.	a) Proceeds will be used towards the establishment of alternate energy resources to save energy cost and / or for repayment of company loans to save financial cost The sale proceeds may be full in cash or partly in cash and partly in kind in the form of plot files if prospective buyer would develop land/society on this land. b) The sale of land has no effect on the operational capacity of the company. c) The establishment of cheaper energy resources or repayment of loans is expected to bring more operational efficiency and profit available for distribution by saving energy & markup costs. It will ultimately add value in net worth of the company and add value to the shareholders. d) In case of consideration received partly in the form of plot files, the same will be held till society/land is developed which would be beneficial for the company and the shareholders.		
The directors of the company have no personal interests, directly or indirectly, in the resolutions except to the extent of their respective shareholding as mentioned in the pattern of shareholding attached to the directors report for the year ended June 30, 2025.			
The following resolution is proposed to be passed as ordinary resolution:			
RESOLVED THAT the consent of shareholders of Sitara Chemical Industries Limited (the "Company") be and is hereby accorded to the disposal and sale of Company's freehold agriculture land (investment property) located in the vicinity of Faisalabad, comprising of 3302 Kanal subject to requisite approval(s) for cash consideration and /or partly in cash and partly in the form of plot files and as per details given in statement of material facts.			
RESOLVED FURTHER THAT approval be and is hereby accorded for utilization of the proceeds from the disposal of Freehold Agricultural Land to pay loan and /or establishment of alternate energy source as may be approved and recommended by the Board of Directors of the Company.			
RESOLVED FURTHER that, as part and parcel of the foregoing consent, Board of Directors be and is hereby authorized and empowered for sale of company's freehold agriculture land on behalf of the Company.			
RESOLVED FURTHER that the Board of Directors be and are hereby authorized to sell the agriculture land and may delegate all or any of its			

powers in this regard to the chief executive or any other officer of the Company on such term and condition as deem fit, to act on behalf of the Company in doing and performing all acts, matters, things and deeds to implement sale of freehold agriculture land (investment property) and the transaction contemplated by it, which shall include, but not be limited to:-

- a) conducting negotiations, obtaining quotations etc, with interested parties in such manner and on such terms and conditions as are in the best interests of the Company and its shareholders and which secure the best available market price for the sale of land;
- b) selling the assets to any individual, firm / partnership, bank or private / public limited company or organization or to any other person and, for that purpose, entering into an agreement to sell, sale deed or any other agreement with the buyer(s) or any other person, receiving the sale consideration, executing, preparing and signing any sale deed, conveyance deed and / or transfer documents in favor of the buyer(s) or another person to effect the asset sale in favor of the buyer(s) or any other person by representing the same before all parties & authorities concerned and admitting execution thereof;
- c) representing before the Sub-Registrar or any other competent authority and getting any sale deed or other documents registered and collecting consideration amount in respect of the sale, and;
- d) generally performing and executing in respect of the sale of freehold land (investment property) all lawful deeds, agreements, acts and things as they may think fit and proper in order to implement and complete the land sale.

FURTHER RESOLVED that the Board of Directors be and is hereby authorized to take all actions incidental or ancillary thereto with regard to the sale of freehold land.

NOTES:

1. Dully filled ballot paper should be sent to the Chairman of **Sitara Chemical Industries Limited** registered office at **601-602, Business Centre, Mumtaz Hassan Road, Off: I.I. Chundrigar Road, Karachi-74000** attention to the Company Secretary or email at corporate@sitara.com.pk
2. Copy of CNIC/ Passport (in case of foreigner) should be enclosed with the postal ballot form.
3. Ballot paper should reach the Chairman within business hours by or before **October 22, 2025**. Any postal ballot received after this date, will not be considered for voting.
4. Signature on ballot paper should match with signature on CNIC/ Passport (in case of foreigner).
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written poll paper will be rejected.
6. In case of a representative of a body corporate, corporation or Federal Government, the Ballot Paper Form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution, / Power of Attorney, / Authorization Letter etc., in accordance with Section(s) 138 or 139 of the Companies Act, 2017 as applicable. In the case of foreign body corporate etc., all documents must be attested by the Counsel General of Pakistan having jurisdiction over the member.
7. Ballot Paper form has also been placed on the website of the company at: www.sitara.com.pk
Members may download the ballot paper from the website or use an original/photocopy published in newspapers.

Shareholder / Proxy holder Signature/Authorized Signatory

(In case of corporate entity, please affix company stamp)

Place _____

Date _____

NOTES

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and extend across the width of the page. At the bottom of the page, there is a decorative geometric pattern consisting of various shades of gray triangles and polygons. The pattern is more dense and complex on the left side and fades towards the right. The overall appearance is that of a clean, unused document or notebook page.

SITARA CHEMICAL INDUSTRIES LIMITED

FORM OF PROXY ANNUAL GENERAL MEETING

I/We _____ S/o/D/o/W/o _____
of _____ being a member of
SITARA CHEMICAL INDUSTRIES LIMITED and holder of _____ Ordinary Shares as per Share
Register Folio No. _____ and/or CDC Participant ID No. _____ and Account / Sub-account
No. _____ do hereby appoint Mr./Mrs./Miss _____
_____ of _____ failing him/her, Mr./Mrs./Miss _____
_____ of _____ as my/our proxy to attend, act and vote for me/us on my/our
behalf at Annual General Meeting of the Company to be held on Thursday, October 23, 2025 at 3:00 pm at
ICAP Auditorium, Institute of Chartered Accountant of Pakistan, Chartered Accountants Avenue, Block 8 Clifton,
Karachi in person and via Zoom video link and at any adjournment thereof in the same manner as I/we
myself/ourselves would vote if personally present at such meeting.

Signature of Shareholder
Folio / CDC A/C No.

Signature of Proxy

Fifty Rupees
Revenue Stamp

Dated this _____ day of _____ 2025

Witness:

Witness:

1. Signature _____
Name _____
Address _____

CNIC or _____
Passport No. _____

2. Signature _____
Name _____
Address _____

CNIC or _____
Passport _____

Notes:

1. A member entitled to attend and vote at the meeting may appoint a proxy in writing to attend the meeting and vote on member's behalf.
2. If a member is unable to attend the meeting. He/She may complete and sign this form and send it to the Company's Share Registrar M/s. THK Associates (Pvt) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi so as to reach not less than 48 hours before the time appointed for holding the Meeting.
3. For CDC Account Holders / Corporate Entities; in addition to the above, the following requirements have to be met:
 - (a) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers be stated on the form.
 - (b) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.
 - (c) The proxy shall produce his original CNIC or original passport at the time of the meeting. In case of a corporate entity, the Board of Directors resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.



THK Associates (Pvt) Limited
Plot No. 32-C, Jami Commercial
Street 2, D.H.A. Phase VII,
Karachi-75500

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ستاره کیمیکل انڈسٹریز لمیٹڈ

پراکسی فارم

اجلاس عام

میں رہم _____ ستاره کیمیکل انڈسٹریز لمیٹڈ کے ممبر ممبران رجسٹرڈ فلیو نمبر / شرکاء کی آئی ڈی سی ڈی سب اکاؤنٹ نمبر _____ کے مطابق _____ عمومی شیئرز رکھتے ہیں۔ بذریعہ ہذا _____ یا ان کی عدم موجودگی کی صورت میں _____ پراکسی 23 اکتوبر 2025 بروز جمعرات کو سہ پہر 3:00 بجے ICAP آڈیٹوریم، انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹ آف پاکستان، چارٹرڈ اکاؤنٹنٹس ایونیو، بلاک 8، کراچی ذاتی طور پر اور زوم ویڈیولنک کے ذریعے منعقد ہونے والے اجلاس عام اور اس کے کسی التواء تک میری / ہماری جانب سے ووٹ دینا اور اجلاس میں شرکت کرنے کا حق دیتا ہوں / دیتے ہیں۔

ریونیو اسٹامپ
50 روپے

دستخط پراکسی _____ دستخط شیئر ہولڈر _____

بتاریخ _____ سہ ماہی 2025

گواہان:

دستخط	دستخط
نام	نام
ایڈریس	ایڈریس
شناختی کارڈ	شناختی کارڈ
پاسپورٹ	پاسپورٹ

۱۔ ایک رکن جو اجلاس عام میں شرکت کرنے اور ووٹ دینے کا اہل ہے اس کو حق حاصل ہے کہ وہ کسی دوسرے فرد کو بطور پراکسی اپنی جانب سے شرکت کرنے اور ووٹ دینے کے لیے مقرر کرے۔

۲۔ اگر کوئی رکن اجلاس میں شرکت کرنے کے قابل نہیں ہے تو وہ یہ فارم مکمل اور تصدیق شدہ کمپنی کے شیئر رجسٹرار میسرز THK ایسوسی ایٹس پلاٹ نمبر: C-32 جی کمرشل سٹریٹ 2، ڈی۔ ایچ۔ اے۔ فیئر 7 کراچی-75500 کو اجلاس کے منعقد ہونے سے 48 گھنٹے قبل بھجوائیں۔

۳۔ CDC اکاؤنٹ ہولڈرز / Corporate Entity مندرجہ بالا کے علاوہ مندرجہ ذیل شقوں پر عمل کریں:

- پراکسی فارم میں دو گواہان کے دستخط نیز ان کے پتے اور شناختی کارڈ نمبر کا اندراج بھی لازمی ہے۔
- رکن اور پراکسی کے تصدیق شدہ قومی شناختی کارڈ یا پاسپورٹ کی نقول کی فراہمی
- پراکسی کے لیے لازم ہے کہ وہ اجلاس کے وقت اپنا اصل قومی شناختی کارڈ یا پاسپورٹ تصدیق کے لیے فراہم کرے۔ Corporate Entity کی صورت میں بورڈ آف ڈائریکٹرز کی تصدیق شدہ قرارداد کی نقول بشمول Power of Attorney دستخط کے ساتھ (بجرا اگر پہلے ہی جمع کرادی گئی ہے۔) پراکسی فارم کے ہمراہ کمپنی کے شیئر رجسٹرار کو جمع کروائے۔



THK Associates (Pvt) Limited
Plot No. 32-C, Jami Commercial
Street 2, D.H.A. Phase VII,
Karachi-75500

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SITARA CHEMICAL INDUSTRIES LIMITED

CIRCULATION OF ANNUAL AUDITED ACCOUNTS

The Company Secretary
Sitara Chemical Industries Limited
601-602, Business Centre,
Mumtaz Hasan Road,
Karachi

Subject : Circularization of Annual Audited Accounts

In accordance with Section 223 of the Companies Act, 2017, and pursuant to S.R.O. 389(i)/2023 dated March 21, 2023, the financial statements of the Company have been uploaded on the website of the Company which can be downloaded from the following web link and QR enabled code:

<https://www.sitara.com.pk/wp-content/uploads/2025/09/SCIL-AR-2025.pdf>



Shareholders who wish to receive the hardcopy of Financial Statements shall have to fill the below details and send us to Company address.

Name of the Members/Shareholders _____

CNIC NO. _____

Folio / CDC Account Number _____

Mailing Address _____

I/We hereby confirm that the above mentioned information is correct and in case of any change thereon, I/We will immediately intimate to the Company's Share Registrar. I/we further confirm that the transmission of Company Annual Audited Financial Statements and Notice of General Meeting(s) through my/our above address would be taken as compliance with the Companies Act, 2017.



M/s Sitara Chemical Industries Ltd.
601-602 Business Center,
Mumtaz Hassan Road
Karachi.

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SITARA CHEMICAL INDUSTRIES LIMITED

DIVIDEND MANDATE (MANDATORY)

By virtue of the provisions of the Companies Act, 2017, shareholders are MANDATORILY required to provide their bank account details to receive their dividends by way of direct credit on electronic transfer to their bank account instead of receiving them through dividend warrants (crossed as A/c Payee only).

Bank Account Details of Shareholder for payment of Cash Dividend through electronic mode

I hereby wish to communicate my desire to receive my dividends directly in my bank account as detailed below:

Name of Shareholder _____

Folio Number _____

Contact Number of Shareholder _____

Bank Account No. _____

IBAN No. _____

Title of Account _____

Type of Account _____

Name of Bank _____

Bank Branch & full Mailing Address _____

Contact No. of Bank _____

It is stated that the above particulars given by me are correct to the best of my knowledge and I shall keep the company informed in case of any changes in the said particulars in the future.

Shareholder's signature

Date

CNIC / SNIC No. (Copy attached)



M/s Sitara Chemical Industries Ltd.
601-602 Business Center,
Mumtaz Hassan Road
Karachi.

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Sitara Chemical Industries Limited

601-602 Business Centre, Mumtaz Hassan Road,
Off. I.I Chundrigar Road, Karachi-74000
Tel: 021-32420620, 32413944



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