

**HALF YEARLY REPORT
DECEMBER 31, 2024**



**Sitara Chemical
Industries Limited**

EXCELLENCE, QUALITY, TRUST.

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Company Information

Board of Directors

Chairman
Chief Executive Officer
Directors

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

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

Company Secretary

Chief Financial Officer

Audit Committee

Chairman
Members

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

Human Resource & Remuneration Committee

Chairman
Members

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

Head of Internal Audit

External Auditors

Mr. Asghar Ali (ACMA)

M/s. Yousuf Adil
Chartered Accountants

Legal Advisor

Shariah Advisor

Mr. Sahibzada Muhammad Arif

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

Bankers

Meezan Bank Limited
Bank Alfalah Limited
Habib Bank Limited
Standard Chartered Bank Pakistan Limited
Al-Baraka Bank (Pakistan) Limited
Faysal Bank Limited
National Bank of Pakistan
MCB Bank Limited
MCB Islamic Bank Limited
Dubai Islamic Bank Pakistan Limited
Bank Islami Pakistan Limited
The Bank of Khyber
Askari Bank Islamic Banking
The Bank of Punjab
United Bank Limited
Soneri Bank Limited
Bank Al-Habib Limited
Habib Metropolitan Bank Limited
Allied Bank Limited

Website of the Company

www.sitara.com.pk

Registered Office

601-602 Business Centre, Mumtaz Hassan Road, Karachi.-74000

Share Registrar Address

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

Factories

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

DIRECTORS' REPORT

In the name of Allah, the Most Beneficent, the Most Gracious, and the Most Merciful. The Board of Directors of Sitara Chemical Industries Limited is pleased to present the unaudited condensed interim financial statements for the half-year ended December 31, 2024, along with the Auditors' review report thereon.

Financial Performance:

During the first half of the financial year ending December 31, 2024, company has demonstrated a solid financial performance. Net sales revenues increased by 6.3% to PKR 15,889 million, compared to PKR 14,944 million for the corresponding period in the previous year. The company maintained relatively stable gross profit margins despite rising production costs by adjusting finished goods prices. Following the Government of Pakistan's (GoP) withdrawal of the Industrial Support Package in the second quarter of the last financial year, FESCO electricity effective rate compared with same period last year increased, resulting in overall increase in average electricity costs; however, the company effectively mitigated the impact on overall energy costs by utilizing its captive power plants to their maximum potential. The textile segment performed particularly well, with a 12.8% increase in net sales revenues driven by higher sales volumes of finished yarn and fabric. Gross margins in this segment remained slightly lower than the corresponding period of the previous year due to higher electricity costs and the resulting increase in yarn production costs.

Overall for the period under review, profit after tax amounted to PKR 365 million, yielding earnings per share of PKR 17.03. This compares with a profit after tax of PKR 372 million and earnings per share of PKR 17.35 for the corresponding period of the prior year.

Future Outlook:

The construction of the new 50 MW coal-fired power plant is proceeding as planned. Major equipment is being delivered and installed, and the project remains on track for completion within projected timelines. Looking ahead, the company is optimistic about the future given the positive trends in inflation and anticipated reduction in SBP policy rates. Maintaining a stable PKR/USD exchange rate is considered essential for continued economic stability.

Acknowledgments:

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



Muhammad Adrees
Chief Executive Officer
Date: February 28, 2025
Faisalabad.



Ahmad Hassan
Director

ڈائریکٹرز رپورٹ

اللہ تعالیٰ کے باہرکت نام سے جو بڑا مہربان اور نہایت رحم کرنے والا ہے۔ ستارہ کیمیکلز انڈسٹریز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی طرف سے ہم 31 دسمبر 2024 کو ختم ہونے والی ششماہی کے کمپنی کے غیر آڈٹ شدہ عبوری مالیاتی گوشواروں کے ساتھ آڈیٹرز کی جائزہ رپورٹ پیش کرتے ہوئے پُرسرت ہیں۔

کاروباری جائزہ:

31 دسمبر 2024 کو ختم ہونے والے مالی سال کی پہلی ششماہی کے دوران، آپ کی کمپنی نے مثبت کارکردگی کا مظاہرہ کیا ہے۔ جس سے خالص فروخت کی شرح 6.3 فیصد اضافے کے ساتھ 15,889 ملین روپے رہی، جبکہ پچھلے سال اسی سہ ماہی میں خالص فروخت 14,944 ملین روپے تھی۔ کمپنی نے تیار ایشیا کی قیمتوں کو ایڈجسٹ کر کے پیداواری لاگت میں اضافے کے باوجود نسبتاً مستحکم مجموعی منافع کے مارجن کو برقرار رکھا۔ گزشتہ مالی سال کی دوسری سہ ماہی میں حکومت پاکستان (GOP) کی جانب سے انڈسٹریل سپورٹ چیک سے دستبرداری کے بعد، FESCO کی بجلی کی موثر شرح میں گزشتہ سال کی اسی مدت کے مقابلے میں اضافہ ہوا، جس کے نتیجے میں بجلی کی اوسط لاگت میں مجموعی طور پر اضافہ ہوا۔ تاہم، کمپنی نے اپنے کیمپو پاور پلانٹس کو اپنی زیادہ سے زیادہ صلاحیت کے مطابق استعمال کرتے ہوئے توانائی کی مجموعی لاگت پرائز کو موثر طریقے سے کم کیا۔ ٹیکسٹائل کے شعبے نے خاص طور پر اچھی کارکردگی کا مظاہرہ کیا، تیار شدہ یارن اور ٹیکسٹائل کی زیادہ فروخت کی وجہ سے خالص فروخت کی آمدنی میں 12.8 فیصد اضافہ ہوا۔ اس شعبے میں مجموعی مارجن پچھلے سال کی اسی مدت کے مقابلے میں کچھ کم رہا جس کی وجہ سے بجلی کی زیادہ لاگت اور نتیجتاً یارن کی پیداواری لاگت میں اضافہ ہے۔

زیر جائزہ مدت کے دوران آپ کی کمپنی نے ٹیکس کے بعد 365 ملین روپے کا منافع کمایا، جس کی وجہ سے فی حصص 17.03 آمدنی رہی، جبکہ پچھلے سال اسی مدت کے دوران ٹیکس کے بعد منافع 372 ملین روپے رہا اور فی حصص آمدنی 17.35 روپے تھی۔

مستقبل پر نظر:

ہمارے کونکے سے پلنے والے 50 میگاواٹ کے نئے پاور پلانٹ کی تعمیر منصوبہ بندی کے مطابق جاری ہے۔ بڑے آلات کی فراہمی اور تخصیص کی جارہی ہے، اور منصوبہ متوقع تاہم لائسنز کے اندر مکمل ہونے کے لیے ٹریک پر ہے۔ کمپنی افراط زر میں مثبت رجحانات اور SBP پالیسی کی شرحوں میں متوقع کمی کے پیش نظر مستقبل کے بارے میں پُر امید ہے۔ مستحکم PKR/USD کی شرح مبادلہ کو برقرار رکھنا معاشی استحکام کے لیے ضروری سمجھا جاتا ہے۔

اعترافات:

بورڈ اپنے قابل قدر کاروباری شراکت داروں، اسٹیک ہولڈرز اور سرشار ملازمین کی صلاحیتوں کا معترف ہے اور اس پر فخر کرتا ہے۔



محمد ادریس

چیف ایگزیکٹو آفیسر

28 فروری 2025



احمد حسن

ڈائریکٹر

The image features a dark brown background with a subtle, repeating geometric pattern. On the left side, there are four decorative hanging ornaments. Each ornament consists of a teardrop-shaped metal frame with intricate, laser-cut Islamic geometric patterns. A horizontal gold-colored bar is positioned across the middle of each teardrop. The ornaments are suspended by thin gold-colored chains from small circular rings at the top.

**SHARIAH COMPLIANCE
REVIEW REPORT
DECEMBER 31, 2024**



ALHAMD SHARIAH ADVISORY SERVICES

(PVT) LIMITED

Feb 03, 2025

نحمده و نصلی علی رسولہ الکریم

Shariah Review Report

For the period ended December 31, 2024

We have conducted a Shariah review of Sitara Chemical Industries Limited (SCIL) for the period ending on December 31, 2024, in accordance with the provisions outlined in the Shariah Governance Regulations of 2023. Our assessment led us to the following conclusions:

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

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

Conclusion:

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

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

Mufti Muhammad Ibrahim Essa

Chief Executive Officer

Alhamd Shariah Advisory Services (Pvt.) Limited

Mufti Ubaid Ur Rahman Zubairi

Director

Alhamd Shariah Advisory Services (Pvt.) Limited



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

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Auditor's Review Report &

Condensed Interim Financial Statements

**For the six months period ended
December 31, 2024**

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF SITARA CHEMICAL INDUSTRIES LIMITED

REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Sitara Chemical Industries Limited** (the Company) as at December 31, 2024, the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cashflows and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

The figures of the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the three-month period ended December 31, 2024 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended December 31, 2024.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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


Chartered Accountants

Lahore

Date: February 28, 2025

UDIN: RR202410180wQFpvz9GV

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024**

		Un-audited December 31, 2024	Audited June 30, 2024
		(Rupees in thousand)	
ASSETS	Note		
NON - CURRENT ASSETS			
Property, plant and equipment	5	26,630,845	22,972,726
Intangible assets		6,448	6,787
Investment property	6	3,422,357	3,427,128
Long-term investments		20,039	20,039
Long-term loans and advances		338,341	225,440
Long-term deposits		125,292	125,134
		<u>30,543,322</u>	<u>26,777,254</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		1,622,500	1,590,505
Stock-in-trade		4,214,740	3,674,747
Trade debts		3,054,449	3,158,903
Loans and advances		1,759,214	1,556,335
Trade deposits, prepayments and other receivables		98,051	59,621
Prepaid levies		2,308	14,368
Advance income tax		2,107,584	2,454,203
Other financial assets	7	604,695	864,458
Cash and bank balances		326,796	360,476
		<u>13,790,337</u>	<u>13,733,616</u>
		<u>44,333,659</u>	<u>40,510,870</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		214,294	214,294
Reserves		1,487,636	1,491,865
Unappropriated profit		12,732,098	12,464,378
Surplus on revaluation of property, plant and equipment		3,786,060	3,893,550
		<u>18,220,088</u>	<u>18,064,087</u>
NON - CURRENT LIABILITIES			
Long-term financing	8	5,280,369	2,937,312
Deferred taxation		3,633,773	3,692,636
Deferred liabilities	9	214,131	240,146
		<u>9,128,273</u>	<u>6,870,094</u>
CURRENT LIABILITIES			
Trade and other payables		3,950,720	3,210,245
Profit / financial charges payable		1,181,153	966,092
Short term borrowings		10,764,765	9,980,651
Provision for taxation		281,202	614,034
Unclaimed dividend		29,927	28,136
Current portion of long-term financing		777,531	777,531
		<u>16,985,298</u>	<u>15,576,689</u>
CONTINGENCIES AND COMMITMENTS	10	<u>44,333,659</u>	<u>40,510,870</u>

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



Chief Financial Officer



Chief Executive Officer



Director

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024**

	Note	Six months period ended		Three months period ended	
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
		(.....Rupees in thousand.....)			
Revenue from contract with customers - net	11	15,888,788	14,944,167	8,281,705	7,330,946
Cost of sales	12	(13,359,960)	(12,553,147)	(6,924,758)	(6,124,675)
Gross profit		2,528,828	2,391,020	1,356,947	1,206,271
Distribution cost		(256,704)	(271,624)	(128,497)	(136,112)
Administrative expenses		(597,411)	(533,970)	(307,789)	(271,373)
Other expenses		(113,549)	(137,536)	(98,360)	(115,034)
Finance cost		(1,142,578)	(1,135,026)	(534,793)	(616,946)
		(2,110,242)	(2,078,156)	(1,069,439)	(1,139,465)
Other income		167,452	179,340	93,586	122,478
Profit before income tax and final tax		586,038	492,204	381,094	189,284
Final tax and minimum tax differential		(879)	(30,937)	3,948	(15,437)
Profit before tax		585,159	461,267	385,042	173,847
Provision for taxation	13	(220,210)	(89,394)	(175,418)	(3,696)
Profit after taxation		364,949	371,873	209,624	170,151
Earnings per share - basic and diluted - (Rupees)		17.03	17.35	9.78	7.94

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



Chief Financial Officer



Chief Executive Officer



Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024**

	Six months period ended		Three months period ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	(.....Rupees in thousand.....)			
Profit after taxation	364,949	371,873	209,624	170,151
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Gain on sale of investments measured at FVTOCI	1,981	934	1,803	-
Gain/ (loss) on re-measurement of investments measured at FVTOCI	6,299	93,278	20,501	87,888
Related tax impact	(2,934)	(13,992)	(5,064)	(13,183)
Other comprehensive income	5,346	80,220	17,240	74,705
Total comprehensive income for the period	370,295	452,093	226,864	244,856

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



Chief Financial Officer



Chief Executive Officer



Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024**

Share Capital	Reserves							Total Reserves	Total
	Capital				Revenue				
	Share Premium	Reserve on re-measurement of equity instruments as at FVTOCI - net of tax	Reserve on re-measurement of post retirement benefits obligation- net of tax	Surplus on revaluation of property, plant and equipment	General Reserve	Unappropriated profit			
(..... Rupees in thousand									
Balance as at July 01, 2023 - Audited	214,294	97,490	30,092	(5,013)	3,115,074	1,225,000	11,927,301	16,389,944	16,604,238
Total comprehensive income									
Profit for the period	-	-	-	-	-	-	371,873	371,873	371,873
Other comprehensive income	-	-	80,220	-	-	-	-	80,220	80,220
Transfer to unappropriated profit on account of incremental depreciation - net of tax	-	-	80,220	-	-	-	371,873	452,093	452,093
	-	-	-	-	(82,932)	-	82,932	-	-
Transactions with owners									
Final dividend for the year ended June 30, 2023 @ Rs. 8 per share	-	-	-	-	-	-	(214,294)	(214,294)	(214,294)
Balance as at December 31, 2023 - Un-audited	<u>214,294</u>	<u>97,490</u>	<u>110,312</u>	<u>(5,013)</u>	<u>3,032,142</u>	<u>1,225,000</u>	<u>12,167,812</u>	<u>16,627,743</u>	<u>16,842,037</u>
Balance as at July 01, 2024 - Audited	214,294	97,490	177,829	(8,454)	3,893,550	1,225,000	12,464,378	17,849,793	18,064,087
Total comprehensive income									
Profit for the period	-	-	-	-	-	-	364,949	364,949	364,949
Other comprehensive income	-	-	5,346	-	-	-	-	5,346	5,346
Transfer to unappropriated profit on account of disposal of financial assets carried at FVTOCI	-	-	5,346	-	-	-	364,949	370,295	370,295
	-	-	(9,575)	-	-	-	9,575	-	-
Transfer to unappropriated profit on account of incremental depreciation - net of tax	-	-	-	-	(107,490)	-	107,490	-	-
Transactions with owners									
Final dividend for the year ended June 30, 2024 @ Rs. 10 per share	-	-	-	-	-	-	(214,294)	(214,294)	(214,294)
Balance as at December 31, 2024 - Un-audited	<u>214,294</u>	<u>97,490</u>	<u>173,600</u>	<u>(8,454)</u>	<u>3,786,060</u>	<u>1,225,000</u>	<u>12,732,098</u>	<u>18,005,794</u>	<u>18,220,088</u>

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


Chief Financial Officer


Chief Executive Officer


Director

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024**

	Six months period ended	
	December 31, 2024	December 31, 2023
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	585,159	461,267
Depreciation on property, plant and equipment	751,426	652,194
Depreciation on investment property	4,769	4,797
Amortization on intangible assets	339	377
Gain on sale of investments measured at FVTPL	(6,627)	(1,308)
Finance cost	1,142,578	1,135,026
Loss / (gain) on disposal of property, plant and equipment	1,441	(9,669)
Loss on disposal of stores		-
Provision for employee benefits	20,954	14,346
Dividend income	(47,457)	(47,609)
Exchange gain	(4)	(183)
Final tax and minimum tax differential	879	30,937
Unwinding of deferred receivable	(12,649)	(26,514)
Amortization of deferred grant	(38,075)	(37,032)
Impairment loss on financial assets	50,942	97,744
Profit on bank deposits	(14,217)	(26,926)
	1,854,299	1,786,180
Operating cash flows before working capital changes	2,439,458	2,247,447
Working capital changes	(145,007)	(1,159,366)
Cash generated from operations	2,294,451	1,088,081
Finance cost paid	(889,442)	(802,527)
Employee benefits paid	(8,894)	(5,521)
Taxes paid	(176,472)	(646,452)
	(1,074,808)	(1,454,500)
Net cash generated from / (used in) operating activities	1,219,643	(366,419)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment including capital work in progress	(4,281,132)	(1,511,771)
Proceeds from disposal of property, plant and equipment	51,972	30,529
Purchase of investment property	-	(152,448)
Purchase of other financial assets	(1,041,839)	(548,453)
Proceeds from disposal of other financial assets	1,348,967	877,267
Long-term deposits paid	(158)	401
Long-term loans and advances given	(236,943)	(475,378)
Profit received on bank deposits	14,217	26,926
Dividend income received	14,999	9,268
Net cash used in investing activities	(4,129,917)	(1,743,659)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term financing obtained	2,702,143	864,005
Repayment of long-term financing	(397,160)	(333,604)
Short term borrowing - net	784,114	1,943,531
Long-term deposits received	-	7,500
Dividend paid	(212,503)	(212,526)
Net cash generated from financing activities	2,876,594	2,268,906
Net (decrease) / increase in cash and cash equivalents	(33,680)	158,828
Cash and cash equivalents at the beginning of the period	360,476	334,319
Cash and cash equivalents at the end of the period	326,796	493,147

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



Chief Financial Officer



Chief Executive Officer



Director

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024**

1 LEGAL STATUS AND OPERATIONS

1.1 Sitara Chemical Industries Limited ("the Company") was incorporated in Pakistan on September 08, 1981 as a public limited company under the Companies Act, 1913 (now the Companies Act, 2017). The Company is currently listed on the Pakistan Stock Exchange. The Company is a Shariah Compliant Company certified by Securities & Exchange Commission of Pakistan (SECP) under Shariah Governance Regulation 2018. The principal activities of the Company are operating Chlor alkali plant, soap noodles plant and yarn spinning unit. The registered office of the Company is situated at 601-602, Business Centre, Mumtaz Hasan Road, Karachi, in the province of Sindh and the manufacturing facilities are located at 28/32 K.M, Faisalabad - Sheikhpura Road, Faisalabad, in the province of Punjab.

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

Principal business activities are as follows:

Chemical Division	Manufacturing of caustic soda, soap noodles and allied products
Textile Division	Manufacturing of yarn and trading of fabric

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

2 BASIS OF PREPARATION

2.1 These condensed interim financial statements of the Company for the six months period ended December 31, 2024 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

2.2 These condensed interim financial statements should be read in conjunction with annual audited financial statements for the year ended June 30, 2024. Comparative statement of financial position is extracted from annual audited financial statements for the year ended June 30, 2024, whereas comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows are extracted from un-audited condensed interim financial statements for the six months period ended December 31, 2023.

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

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

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

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

5 PROPERTY, PLANT AND EQUIPMENT

	Note	Un-audited December 31, 2024	Audited June 30, 2024
(Rupees in thousand)			
Operating assets	5.1	19,364,917	19,760,226
Capital work-in-progress	5.2	7,207,717	3,125,953
Capital stores		58,211	86,547
		<u>26,630,845</u>	<u>22,972,726</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024**

	Un-audited December 31, 2024	Audited June 30, 2024
	(Rupees in thousand)	
5.1 Operating assets		
Opening written down value	19,760,226	16,998,641
Additions during the period / year:		
Buildings on freehold land - Mill	4,336	127,354
Plant and machinery	357,301	2,459,330
Grid station and electric installations	3,621	13,021
Factory equipment	8,537	9,807
Electric equipment	15,971	118,695
Office equipment	3,694	5,955
Furniture and fittings	5,454	2,094
Vehicles	10,616	33,747
	409,530	2,770,003
Written down value of assets disposed off during the period / year	(53,413)	(69,841)
Depreciation charged during the period / year	(751,426)	(1,339,821)
Written down value at the end of the period / year	<u>19,364,917</u>	<u>18,358,982</u>

5.2 Capital work-in-progress

Description	At July 01, 2024	Additions	Transfers	At December 31, 2024
	----- (Rupees in thousand) -----			
Civil works	631,990	376,561	(3,968)	1,004,583
Mechanical works	2,493,963	3,715,410	(6,239)	6,203,134
	<u>3,125,953</u>	<u>4,091,971</u>	<u>(10,207)</u>	<u>7,207,717</u>
Description	At July 01, 2023	Additions	Transfers	At June 30, 2024
	----- (Rupees in thousand) -----			
Civil works	338,749	375,848	(82,607)	631,990
Mechanical works	976,578	3,494,293	(1,976,908)	2,493,963
	<u>1,315,327</u>	<u>3,870,141</u>	<u>(2,059,515)</u>	<u>3,125,953</u>

5.3 The Company had revalued its freehold land, building and plant & machinery at June 30, 2024. The revaluation had been carried out by Hamid Mukhtar & Company (Private) Limited, an independent valuer not connected to the Company and is on the panel of Pakistan Banks Association as asset valuer. It is also on the panel of State Bank of Pakistan and possesses appropriate qualification and recent experience in the fair value measurements in the relevant locations. The fair value was determined using the comparable price method after performing detailed enquiries and verification from various estate agents, brokers and builders keeping in view the location of the property / project, condition, size, utilization, and other relevant factors.

Out of the total revaluation surplus of Rs. 3,894 million, Rs. 3,786 million net of tax (June 30, 2024: 3,894 million) remains undepreciated as at December 31, 2024.

5.4 Details of the Company's revalued assets and information about fair value hierarchy, as at December 31, 2024 are as follows:

	Un-audited December 31, 2024			Audited June 30, 2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	----- (Rupees in thousand) -----					
Land - freehold	-	1,524,838	-	-	1,300,875	-
Buildings on freehold land	-	2,197,201	-	-	1,789,965	-
Plant and machinery	-	14,036,269	-	-	12,218,350	-
	<u>-</u>	<u>17,758,308</u>	<u>-</u>	<u>-</u>	<u>15,309,190</u>	<u>-</u>

6 INVESTMENT PROPERTY	Note	Un-audited December 31, 2024	Audited June 30, 2024
		(Rupees in thousand)	
Land	6.1	3,340,787	3,340,787
Buildings	6.2	81,570	86,339
		<u>3,422,357</u>	<u>3,427,126</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024**

	Note	Un-audited December 31, 2024 (Rupees in thousand)	Audited June 30, 2024
6.1 Land			
Balance at the beginning of the period / year		3,340,787	3,188,600
Additions during the period / year		-	153,787
Disposals during the period / year		-	(1,600)
Balance at the end of the period / year		<u>3,340,787</u>	<u>3,340,787</u>
6.2 Buildings			
Opening written down value		86,339	95,932
Additions during the period / year		-	-
Depreciation charged during the period / year		(4,769)	(9,593)
Written down value at the end of the period / year		<u>81,570</u>	<u>86,339</u>
7 OTHER FINANCIAL ASSETS			
Investments classified as fair value through other comprehensive income (FVTOCI)			
Equity investments	7.1	283,289	349,214
Investments classified as fair value through profit and loss (FVTPL)			
Mutual Funds		321,406	515,244
		<u>604,695</u>	<u>864,458</u>
7.1 Reconciliation between fair value and cost of investments classified at FVTOCI			
Fair value of investments			
- in listed equity securities		283,289	349,214
Gain on remeasurement of investments		204,235	209,211
Cost of investment		<u>79,054</u>	<u>140,003</u>

7.2 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

	Un-audited December 31, 2024			Audited June 30, 2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	------(Rupees in thousand)-----					
Equity instruments at fair value:						
Investments - FVTOCI	283,289	-	-	349,214	-	-
Investments - FVTPL	321,406	20,039	-	515,244	20,039	-
Total assets at fair value	<u>604,695</u>	<u>20,039</u>	<u>-</u>	<u>864,458</u>	<u>20,039</u>	<u>-</u>

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

	Note	Un-audited December 31, 2024 (Rupees in thousand)	Audited June 30, 2024
8 LONG-TERM FINANCING			
Diminishing Musharka (from financial institutions - secured)			
Opening balance		3,860,235	3,346,367
Obtained during the period / year	8.1	2,702,143	1,215,065
Re-paid during the period / year		(397,160)	(701,197)
		6,165,218	3,860,235
Deferred grant recognized on subsidized rate loan		(107,318)	(145,393)
		6,057,900	3,714,842
Less: Current portion of long term loans		(777,531)	(777,531)
		<u>5,280,369</u>	<u>2,937,311</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024**

8.1 Subject to the terms and conditions disclosed in note 22 of the audited financial statements for the year ended June 30, 2024, the entity has availed additional financing from Bank Alfalah Limited, Meezan Bank Limited, The Bank of Punjab and Askari Bank Limited amounting to Rs. 656.22 million, Rs. 549.47 million, Rs. 615.67 million and Rs. 333.19 million respectively.

Moreover, an additional facility of Rs. 1,000 million at the rate of 3M KIBOR plus 1% was secured from Soneri Bank Limited for coal fired power project against which the Company withdraw an amount of Rs. 547.60 million.

	Un-audited December 31, 2024	Audited June 30, 2024
	(Rupees in thousand)	
9 DEFERRED LIABILITIES		
Gratuity payable	106,813	94,752
Deferred grant	107,318	145,393
	214,131	240,145

10 CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

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

10.2 Commitments

Outstanding letters of credit for raw material, spare parts, plant and machinery	1,798,608	3,559,522
Guarantees issued by banks on behalf of the Company	294,475	259,891

	Un-audited Six months period ended		Un-audited Three months period ended	
	December 31 2024	December 31 2023	December 31 2024	December 31 2023
	(.....Rupees in thousand.....)			
11 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET				
Local:				
Chemicals	16,103,927	15,003,366	8,466,984	7,351,688
Yarn	2,788,689	2,407,159	1,450,291	1,158,342
Fabric	177,190	65,184	87,124	50,348
Waste	13,689	25,118	3,900	15,957
Others - trading	157,890	113,362	100,889	62,227
	19,241,385	17,614,189	10,109,188	8,638,562
Export:				
Chemicals	113,193	196,837	9,675	49,994
Gross Sales	19,354,578	17,811,026	10,118,863	8,688,556
Less:				
Commission and discount	(449,605)	(396,765)	(225,523)	(199,572)
Sales tax	(3,016,185)	(2,470,094)	(1,611,635)	(1,158,038)
	(3,465,790)	(2,866,859)	(1,837,158)	(1,357,610)
	15,888,788	14,944,167	8,281,705	7,330,946
12 COST OF SALES				
Raw material consumed	4,581,709	4,337,087	2,198,676	1,571,523
Fuel and power	6,736,938	7,195,278	3,455,951	3,871,276
Salaries, wages and benefits	587,860	529,659	277,668	283,806
Factory overheads	1,283,665	1,097,525	634,767	540,975
	13,190,172	13,159,549	6,567,062	6,267,580
Work-in-process				
Opening stock	57,219	45,650	40,614	52,718
Closing stock	(42,576)	(29,682)	(42,576)	(29,682)
	14,643	15,968	(1,962)	23,036
Cost of goods manufactured	13,204,815	13,175,517	6,565,100	6,290,616
Finished goods				
Opening stock	2,363,522	1,700,648	2,568,035	2,194,911
Closing stock	(2,342,182)	(2,412,910)	(2,342,182)	(2,412,910)
	21,340	(712,262)	225,853	(217,999)
Cost of trading items	133,805	89,892	133,805	52,058
	13,359,960	12,553,147	6,924,758	6,124,675
13 PROVISION FOR TAXATION				
Current - for the period	280,314	238,987	180,426	106,182
Deferred	(60,104)	(149,593)	(5,008)	(102,486)
	220,210	89,394	175,418	3,696

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024**

14 TRANSACTIONS WITH RELATED PARTIES

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

		Un-audited	
		Six months period ended	
Relationship with the Company	Nature of transactions	December 31	December 31
		2024	2023
		(Rupees in thousand)	
Associated undertaking	Sale of goods	1,539	87
	Donation	31,689	29,957
Key management personnel	Remuneration to Executives	144,212	107,986
Payable to Provident fund - related party	Employers Contribution	3,589	3,107
		Un-audited	Audited
		December 31,	June 30,
		2024	2024
		(Rupees in thousand)	
Associated company	Long term receivable - undiscounted	352,225	352,225

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

Company name	Basis of association	Relationship with the Company
Sitara Developers (Private) Limited	Common directorship	Associated company
Aziz Fatima Trust Hospital	Common directorship	Associated undertaking

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

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024**

15 SEGMENT REPORTING

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

- **Chemical division** : Manufacturing of caustic soda, soap noodles and allied products
- **Textile division**: Manufacturing of yarn and trading of fabric

15.1 Information about operating segments is as follows:

	Chemical Division		Textile Division		Total	Total
	Un-audited					
	Six months period ended					
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	(----- Rupees in thousand -----)					
Revenue from external customers - net	13,247,075	12,602,731	2,641,713	2,341,436	15,888,788	14,944,167
Depreciation on property, plant and equipment	675,942	602,942	75,484	49,253	751,426	652,195
Segment profit	612,378	523,715	87,209	106,025	699,587	629,740
	Un-audited December 31, 2024	Audited June 30 2024	Un-audited December 31 2024	Audited June 30 2024	Total Un-audited December 31 2024	Total Audited June 30 2024
	(----- Rupees in thousand -----)					
Capital expenditure	4,374,059	4,441,650	117,235	138,979	4,491,294	4,580,629
Segment assets	37,725,638	33,674,638	4,498,126	4,045,368	42,223,764	37,720,006
Segment liabilities	21,687,383	17,857,657	479,596	254,321	22,166,979	18,111,978

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024**

		Un-audited	
		Six months period ended	
		December 31,	December 31,
		2024	2023
		(Rupees in thousand)	
15.2	Reconciliations of reportable segments are as follows:		
	Revenue		
	Total revenue for reportable segments	15,888,788	14,944,167
	Profit for the period		
	Total profit for reportable segments	699,587	629,740
	Unallocated other expenses	(113,549)	(137,536)
	Profit before income tax and final tax	586,038	492,204
		Un-audited	Audited
		December 31,	June 30,
		2024	2024
		(Rupees in thousand)	
	Assets		
	Total assets for reportable segments	42,223,764	37,720,006
	Other unallocated corporate assets	2,109,895	2,790,864
	Company's assets	44,333,659	40,510,870
	Liabilities		
	Total liabilities for reportable segments	22,166,979	18,111,978
	Other unallocated corporate liabilities	3,946,592	4,334,805
	Company's liabilities	26,113,571	22,446,783
15.3	The Company has no reportable geographical segment.		
		Un-audited	
		Six months period ended	
		December 31,	December 31,
		2024	2023
		(Rupees in thousand)	
16	Working capital changes		
	(Increase) / decrease in current assets	(90,206)	(71,518)
	Stores, spare parts and loose tools	(539,993)	(935,512)
	Stock-in-trade	53,516	(332,583)
	Trade debts	(189,803)	(476,245)
	Loans and advances	(38,430)	(32,961)
	Trade deposits and short-term prepayments	(804,916)	(1,848,819)
	Increase / (decrease) in current liabilities	659,909	689,453
	Trade and other payables	(145,007)	(1,159,366)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024**

17 DATE OF AUTHORIZATION FOR ISSUE

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


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

	Current Classification	Previous Classification
	Rupees in thousand	
Effect on statement of profit or loss:		
For the period ended December 31, 2023		
Final tax and minimum tax differential	30,937	-
Provision for taxation		
Current - for the year	231,936	262,873
Deferred tax	(142,542)	(142,542)
	120,331	120,331

18 These condensed interim financial statements have been approved by the Board of Directors of the Company and authorized for issue on February 28, 2025.

19 GENERAL

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



Chief Financial Officer



Chief Executive Officer



Director



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