



**Sitara Chemical
Industries Limited**

Excellence, Quality, Trust.



**1st Quarter
Report**
September 30, 2025

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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

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 & Remuneration Committee

Chairman
Members

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

Head of Internal Audit

Mr. Asghar Ali (ACMA)

External Auditors

M/s. Yousuf Adil
Chartered Accountants

Legal Advisor

Mr. Sahibzada Muhammad Arif

Shariah Advisor

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

Bankers

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

Website of the Company

www.sitara.com.pk

Registered Office

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

Share Registrar Address

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

Factories

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

DIRECTORS' REPORT

In the name of Allah, the Most Beneficent, the Most Merciful. The Board of Directors of Sitara Chemical Industries Limited is pleased to present the condensed interim unaudited financial statements of the Company for the first quarter ended September 30, 2025.

Financial Performance:

During the first quarter of the current financial year 2025-26, the Company recorded net sales of PKR 7,918 million compared to PKR 7,607 million in the corresponding period of the previous year, representing a growth of 4.09%. Gross profit for the quarter amounted to PKR 1,378 million, showing an increase of PKR 206 million over PKR 1,172 million earned in the same quarter last year. The improvement in gross margin percentage was primarily driven by a reduction in average electricity cost per unit, supported by lower national grid tariff and a decline in international coal prices, which contributed positively to overall profitability. Financial expenses for the quarter stood at PKR 349 million, as against PKR 608 million in the corresponding period of the previous year. The decrease in financial cost was mainly due to a decline in average borrowing rates applicable during the quarter.

The textile segment also demonstrated a stable operational performance with consistent yarn and fabric sales and steady margin levels during the period under review compared with corresponding period of previous financial year. Consequently, the Company achieved a profit after tax of PKR 349 million, compared to PKR 155 million during the corresponding quarter of the previous year. This translated into an Earnings Per Share (EPS) of PKR 16.29, as against PKR 7.25 for the same period last year.

Future Outlook:

The commissioning of the new 50 MW coal-fired power plant is well underway and is expected to be completed in the coming days. Looking ahead, the Company expects a favorable business outlook, driven by company's reduced energy costs and a relatively stable monetary policy stance adopted by the State Bank of Pakistan. Nonetheless, the recent widespread flooding across Punjab and Sindh presents a potential risk of food inflation, which could exert pressure on the overall macroeconomic growth trajectory of the country.

Acknowledgments:

The Board also extends its sincere gratitude to the Company's shareholders, customers, suppliers, financial institutions, and employees for their continued trust, cooperation, and dedication. Their collective efforts remain vital to the sustained growth and success of the company.



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



Ijaz Hussain
Director

ڈائریکٹرز رپورٹ

اللہ تعالیٰ کے بابرکت نام سے جو بڑا مہربان اور نہایت رحم کرنے والا ہے۔ ستارہ کیمیکلز انڈسٹریز لمیٹیڈ کے بورڈ آف ڈائریکٹرز کی طرف سے ہم 30 ستمبر 2025 کو ختم ہونے والی پہلی سہ ماہی کے غیر آڈٹ شدہ اکاؤنٹس پیش کرتے ہوئے پُرسرت ہیں۔

مالیاتی کارکردگی:

مالی سال 2025-26 کی پہلی سہ ماہی کے دوران آپ کی کمپنی نے 7,918 ملین روپے کی خالص فروخت کی ہے۔ اور مجموعی منافع 1,378 ملین روپے رہا۔ جبکہ گزشتہ مالی سال کی اسی مدت میں خالص فروخت 7,607 ملین روپے اور مجموعی منافع 1,172 ملین روپے تھا۔ اس سہ ماہی کے دوران مجموعی منافع کی شرح میں گزشتہ سال کی نسبت 206 ملین روپے اضافہ ہوا ہے۔ مجموعی مارجن کے فیصد میں بہتری کی وجہ بنیادی طور پر پی یونٹ بجلی کی اوسط لاگت میں کمی، قومی گرڈ ٹیرف اور کونسلے کی بین الاقوامی قیمتوں میں کمی کی وجہ سے ہے۔ اسی سہ ماہی کے دوران مالی اخراجات 349 ملین روپے رہے جو کہ گزشتہ سال اسی مدت کے دوران 608 ملین روپے تھے۔ مالی لاگت میں کمی بنیادی طور پر گزشتہ سال کی اسی مدت کے دوران لاگو اوسط قرض لینے کی شرح میں کمی کی وجہ سے تھی۔

کمپنی کے ٹیکسٹائل شعبے نے بھی گزشتہ سال کی اسی مدت کے مقابلے میں دھاگے اور کپڑے کی فروخت میں تسلسل سے مستحکم آپریشنل کارکردگی کا مظاہرہ کیا ہے اور مذکورہ مدت کے دوران مستحکم مارجن کو برقرار رکھا۔ جس کے نتیجے میں کمپنی کا ٹیکس کے بعد کمایا گیا منافع 349 ملین روپے رہا، جو کہ 16.29 کی فی حصص آمدنی کو ظاہر کرتا ہے، جبکہ گزشتہ سال کی اسی مدت کے دوران ٹیکس کے بعد کمایا گیا منافع 155 ملین روپے اور فی حصص آمدنی 7.25 تھی۔

مستقبل پر نظر:

الحمد للہ، کمپنی کو یہ اطلاع دیتے ہوئے خوشی ہو رہی ہے کہ کمپنی کے نئے 50 میگا واٹ کے کونسلے سے چلنے والے پاور پلانٹ (CFPP) کا کام کافی حد تک مکمل ہو چکا ہے، جس کا باضابطہ اعلان مقررہ وقت پر کیا جائے گا۔ مستقبل کو دیکھتے ہوئے کمپنی ایک سازگار کاروباری نقطہ نظر کی توقع کرتی ہے، جس میں توانائی کی لاگت میں کمی اور اسٹیٹ بینک آف پاکستان کی جانب سے اپنایا گیا نسبتاً مستحکم مانیٹری پالیسی موقف ہے۔ بہر حال، پنجاب اور سندھ میں حالیہ بڑے پیمانے پر سیلاب نے غذائی افراط زر کا ممکنہ خطرہ پیش کیا ہے، جو ملک کی مجموعی معاشی ترقی کی رفتار پر دباؤ ڈال سکتا ہے۔

اعترافات:

بورڈ کمپنی کے شیئر ہولڈرز، صارفین، سپلائرز، مالیاتی اداروں اور ملازمین کے مسلسل اعتماد، تعاون اور لگن کے لیے ان کا تہہ دل سے شکریہ ادا کرتا ہے۔ ان کی اجتماعی کوششیں کمپنی کی مسلسل ترقی اور کامیابی کے لیے اہم ہیں۔



محمد ادریس

چیف ایگزیکٹو آفیسر

فیصل آباد : 28 اکتوبر 2025



اعجاز حسین

ڈائریکٹر



Shariah Compliance Review Report

For the three months period ended
September 30, 2025



Shariah Review Report

For the period ended September 30, 2025

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

Conclusion:

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

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

For & Behalf of Alhamd Shariah Advisory Services Private Limited

Mufti Muhammad Ibrahim Essa
Chief Executive Officer



Mufti Ubaid Ur Rahman Zubairi
Director

Condensed Interim Financial Statements

For the three months period ended September 30, 2025



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2025

		Un-audited September 30, 2025	Audited June 30, 2025
		(Rupees in thousand)	
ASSETS	Note		
NON - CURRENT ASSETS			
Property, plant and equipment	5	30,717,831	29,901,980
Intangible assets		7,884	6,371
Investment property	6	3,416,343	3,418,251
Long-term investments		20,039	20,039
Long-term loans and advances		391,831	539,655
Long-term deposits		125,334	125,334
		34,679,262	34,011,630
CURRENT ASSETS			
Stores, spare parts and loose tools		1,990,732	1,710,214
Stock in trade		4,415,758	4,190,277
Trade debts		2,775,038	2,919,788
Loans and advances		1,413,840	956,327
Trade deposits, prepayments and other receivables		66,004	60,868
Advance income tax		1,163,738	1,006,478
Income tax refundable		1,710,381	1,543,615
Other financial assets	7	572,239	773,940
Cash and bank balances		261,027	334,865
		14,368,757	13,496,372
		49,048,019	47,508,002
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		214,294	214,294
Reserves		1,675,007	1,568,514
Unappropriated profit		13,802,821	13,404,338
Surplus on revaluation of property, plant and equipment		3,629,130	3,678,570
		19,321,252	18,865,716
NON - CURRENT LIABILITIES			
Long-term financing	8	7,854,159	8,021,931
Deferred taxation		3,751,382	3,770,611
Deferred liabilities	9	166,809	176,292
		11,772,350	11,968,834
CURRENT LIABILITIES			
Trade and other payables		4,160,253	4,463,875
Profit / financial charges payable		1,287,267	1,194,155
Short term borrowings		10,592,368	9,340,377
Provision for taxation		1,103,580	839,712
Unclaimed dividend		29,912	29,912
Current portion of long-term financing		781,036	805,421
		17,954,416	16,673,452
CONTINGENCIES AND COMMITMENTS	10	49,048,019	47,508,002

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 THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2025**

		Three months period ended	
		September 30, 2025	September 30, 2024
	Note	(Rupees in thousand)	
Revenue from contracts with customers - net	11	7,917,940	7,607,083
Cost of sales	12	(6,539,781)	(6,435,202)
Gross profit		1,378,159	1,171,881
Distribution cost		(187,333)	(128,207)
Administrative expenses		(303,118)	(289,622)
Other expenses		(34,164)	(15,189)
Finance cost		(348,678)	(607,785)
		(873,293)	(1,040,803)
		504,866	131,078
Other income		70,023	73,866
Profit before income tax and final tax		574,889	204,944
Final tax		(2,592)	(4,827)
Profit before tax		572,297	200,117
Provision for taxation	13	(223,254)	(44,792)
Profit for the period		349,043	155,325
Earnings per share - basic and diluted - (Rupees)	14	16.29	7.25

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 THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2025**

	Three months period ended	
	September 30, 2025	September 30, 2024
	(Rupees in thousand)	
Profit for the period	349,043	155,325
Items that may be reclassified subsequently to profit or loss	-	-
Items that will not be reclassified to profit or loss		
Gain on sale of investments measured at FVTOCI	-	178
Gain/ (loss) on re-measurement of equity investments measured at FVTOCI	125,285	(14,202)
Related tax impact	(18,793)	2,130
Total items that will not be reclassified to profit or loss	106,492	(11,894)
Total comprehensive income for the period	455,535	143,431

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 THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

Share Capital	Reserves							Total
	Capital				Revenue		Total Reserves	
	Share Premium	Reserve on re-measurement of equity instruments as at FVTOCI - net of tax	Reserve on re-measurement of post retirement benefits obligation-net of tax	Surplus on revaluation of property, plant and equipment	General Reserve	Unappropriated profit		
(..... Rupees in thousand)								
214,294	97,490	177,829	(8,454)	3,893,550	1,225,000	12,464,377	17,849,792	18,064,086
-	-	-	-	-	-	155,325	155,325	155,325
-	-	(11,894)	-	-	-	-	(11,894)	(11,894)
-	-	(11,894)	-	-	-	155,325	143,431	143,431
-	-	-	-	(53,745)	-	53,745	-	-
214,294	97,490	165,935	(8,454)	3,839,805	1,225,000	12,673,447	17,993,223	18,207,517
214,294	97,490	258,328	(12,303)	3,678,570	1,225,000	13,404,338	18,651,423	18,865,717
-	-	-	-	-	-	349,043	349,043	349,043
-	-	106,492	-	-	-	-	106,492	106,492
-	-	106,492	-	-	-	349,043	455,535	455,535
-	-	-	-	(49,440)	-	49,440	-	-
214,294	97,490	364,820	(12,303)	3,629,130	1,225,000	13,802,821	19,106,958	19,321,252

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 THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2025**

	Three months period ended	
	September 30, 2025	September 30, 2024
	(Rupees in thousand)	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	572,297	200,117
Adjustments for:		
Depreciation on property, plant and equipment	356,413	373,936
Depreciation on investment property	1,908	2,262
Amortization on intangible assets	188	170
Finance cost	348,678	607,785
Exchange loss/(gain)	12	(4)
Loss/(gain) on disposal of property, plant and equipment	4,283	(4,778)
Gain on sale of investments measured at FVTPL	(459)	(381)
Amortization of deferred grant	(19,027)	(19,038)
Provision for employee benefits	11,505	10,477
Unwinding of discount on deferred consideration	-	(6,324)
Dividend income	(8,867)	(23,392)
Profit on bank deposits	(4,923)	(9,856)
Final tax	2,592	4,827
	692,303	935,684
Operating cash flows before working capital changes	1,264,600	1,135,801
Working capital changes	(1,161,302)	(977,385)
Cash generated from operations	103,298	158,416
Finance cost paid	(236,539)	(446,531)
Employee benefits paid	(1,961)	(1,006)
Levies paid	(2,592)	(4,827)
Taxes (paid)/refunded	(286,475)	125,248
	(527,567)	(327,116)
Net cash used in operating activities	(424,269)	(168,700)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment including capital work in progress	(1,179,015)	(1,171,840)
Proceeds from disposal of property, plant and equipment	2,467	26,599
Proceeds from other financial assets	521,094	551,250
Purchase of other financial assets	(185,012)	(463,256)
Additions to intangible assets	(1,700)	-
Realization of Long term loans and advances - net	146,635	(685)
Dividend received	232	338
Profit received on bank deposits	4,923	9,856
Net cash used in investing activities	(690,376)	(1,047,738)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term financing	37,774	1,000,306
Repayment of long term financing	(248,958)	(185,180)
Short term borrowings - net	1,251,991	326,665
Net cash generated from financing activities	1,040,807	1,141,791
Net decrease in cash and cash equivalents (A+B+C)	(73,838)	(74,647)
Cash and cash equivalents at the beginning of the period	334,865	360,476
Cash and cash equivalents at the end of the period	261,027	285,829

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 THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2025**

1 LEGAL STATUS AND OPERATIONS

- 1.1** Sitara Chemical Industries Limited ("the Company") was incorporated in Pakistan on September 08, 1981 as a public limited company under the Companies Act, 1913 (now the Companies Act, 2017). The Company is currently listed on the Pakistan Stock Exchange. The company is a Shariah Compliant Company certified by Securities & Exchange Commission of Pakistan (SECP) under Shariah Governance Regulation 2018. The principal activities of the Company are operating Chlor Alkali plant, Oleo chehmical plant and yarn spinning unit. The registered office of the Company is situated at 601-602, Business Centre, Mumtaz Hasan Road, Karachi, in the province of Sindh and the manufacturing facilities are located at 28/32 K.M., Faisalabad - 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 three months period ended September 30, 2025 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

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

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

- 2.2** These condensed interim financial statements should be read in conjunction with annual audited financial statements for the year ended June 30, 2025. Comparative statement of financial position is extracted from annual audited financial statements for the year ended June 30, 2025, whereas comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows are extracted from un-audited condensed interim financial statements for the three months period ended September 30, 2024.

3 SUMMARY OF SIGNIFICANT 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, 2025.

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, 2025, 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, 2025.

5 PROPERTY, PLANT AND EQUIPMENT

	Note	Un-audited September 30, 2025	Audited June 30, 2025
(Rupees in thousand)			
Operating assets	5.1	18,925,841	19,178,515
Capital work-in-progress	5.2	11,791,990	10,534,361
Capital stores		-	189,104
		<u>30,717,831</u>	<u>29,901,980</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2025**

	Un-audited September 30, 2025	Audited June 30, 2025
	(Rupees in thousand)	
5.1 Operating assets		
Opening written down value	19,178,515	19,760,227
Additions during the period / year:		
Buildings on freehold land - Mill	-	21,601
Plant and machinery	77,377	907,191
Factory equipment	9,523	20,616
Electric equipment	8,606	39,000
Office equipment	1,464	8,220
Furniture and fittings	503	6,338
Vehicles	13,016	24,627
	110,489	1,027,593
Written down value of assets disposed off during the period / year	(6,750)	(88,652)
Depreciation charged during the period / year	(356,413)	(1,520,653)
Written down value at the end of the period / year	18,925,841	19,178,515

5.2 Capital work-in-progress

Description	At July 01, 2025	Additions	Transfers	At September 30, 2025
	----- (Rupees in thousand) -----			
Civil works	1,316,452	14,467	-	1,330,919
Mechanical works	9,217,909	1,249,222	(6,060)	10,461,071
	10,534,361	1,263,689	(6,060)	11,791,990

Description	At July 01, 2024	Additions	Transfers	At June 30, 2025
	----- (Rupees in thousand) -----			
Civil works	631,989	718,519	(34,056)	1,316,452
Mechanical works	2,493,964	7,038,077	(314,132)	9,217,909
	3,125,953	7,756,596	(348,188)	10,534,361

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. 3,629 million net of tax (June 30, 2025: 3,679 million) remains undepreciated as at September 30, 2025.

5.4 Details of the Company's revalued assets and information about fair value hierarchy, as at September 30, 2025 are as follows:

	Un-audited September 30, 2025			Audited June 30, 2025		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	----- (Rupees in thousand) -----					
Land - freehold	-	1,525,068	-	-	1,525,068	-
Buildings on freehold land	-	2,018,443	-	-	2,069,661	-
Plant and machinery	-	13,835,787	-	-	14,027,290	-
	-	17,379,298	-	-	17,622,019	-

		Un-audited September 30, 2025	Audited June 30, 2025
		(Rupees in thousand)	
6 INVESTMENT PROPERTY	Note		
Land	6.1	3,340,788	3,340,788
Buildings	6.2	75,555	77,463
		3,416,343	3,418,251

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2025**

		Un-audited September 30, 2025 (Rupees in thousand)	Audited June 30, 2025	
	Note			
6.1	Land			
	Balance at the beginning of the period / year	3,340,788	3,340,788	
	Additions during the period / year	-	-	
	Disposal during the period / year	-	-	
	Balance at the end of the period / year	3,340,788	3,340,788	
6.2	Buildings			
	Cost:			
	Balance at the beginning of the period / year	151,879	151,879	
	Additions during the period / year	-	-	
	Disposal during the period / year	-	-	
	Balance at the end of the period / year	151,879	151,879	
	Accumulated depreciation:			
	At the beginning of the period / year	74,416	65,540	
	For the period / year	1,908	8,876	
	At the end of the period / year	76,324	74,416	
	Written down value at the end of the period / year	75,555	77,463	
7	OTHER FINANCIAL ASSETS			
	Investments classified as fair value through other comprehensive income (FVTOCI)			
	Equity investments	7.1	490,070	364,785
	Investments classified as fair value through profit and loss (FVTPL)			
	Mutual Funds		82,169	409,155
			572,239	773,940
7.1	Reconciliation between fair value and cost of investments classified at FVTOCI			
	Fair value of investments			
	- in listed equity securities		490,070	364,785
	Gain on remeasurement of investments		429,200	303,915
	Cost of investment		60,870	60,870
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 September 30, 2025	Audited June 30, 2025	
		Level 1	Level 2	Level 3
		Level 1	Level 2	Level 3
		----- (Rupees in thousand) -----		
	Equity Instruments at fair value:			
	Quoted equity securities	572,239	-	-
	Un-quoted equity securities-FVTPL	-	20,039	-
	Total	572,239	20,039	-
	There were no transfers between levels during the period / year. The carrying value of all other financial assets and liabilities reflected in these condensed interim financial statements approximates to their fair values.			
		Un-audited September 30, 2025 (Rupees in thousand)	Audited June 30, 2025	
8	LONG-TERM FINANCING			
	Diminishing Musharka (from financial institutions - secured)			
	Opening balance	8,827,352	3,714,843	
	Availed during the period / year	37,774	5,823,870	
	Repaid during the period / year	(248,958)	(787,511)	
		8,616,168	8,751,202	
	Present value adjustment against subsidized rate long term loan	19,027	76,150	
		8,635,195	8,827,352	
	Less: Current portion	(781,036)	(805,421)	
		7,854,159	8,021,931	

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2025**

	Un-audited September 30, 2025 (Rupees in thousand)	Audited June 30, 2025
9 DEFERRED LIABILITIES		
Gratuity payable	116,593	107,049
Deferred grant	50,216	69,243
	<u>166,809</u>	<u>176,292</u>

10 CONTINGENCIES AND COMMITMENTS

10.1 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.

	Un-audited September 30, 2025 (Rupees in thousand)	Audited June 30, 2025
10.2 Commitments		
Outstanding letters of credit for raw material, spare parts, plant and machinery	<u>1,244,783</u>	<u>2,816,389</u>
Guarantees issued by banks on behalf of the Company	<u>399,209</u>	<u>391,045</u>

	Un-audited Three months period ended	
	September 30, 2025	September 30, 2024
11 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET		
Local:		
Chemicals	8,175,903	7,636,943
Yarn	1,223,309	1,338,398
Fabric	90,805	90,066
Waste	9,703	9,789
Others - trading	-	57,001
	<u>9,499,720</u>	<u>9,132,197</u>
Export:		
Chemicals	108,121	103,518
Gross Sales	<u>9,607,841</u>	<u>9,235,715</u>
Less:		
Commission and discount	(229,934)	(224,082)
Sales tax	(1,459,967)	(1,404,550)
	<u>(1,689,901)</u>	<u>(1,628,632)</u>
	<u>7,917,940</u>	<u>7,607,083</u>

12 COST OF SALES

Raw material consumed	2,788,405	2,383,033
Fuel and power	3,548,137	3,280,987
Salaries, wages and benefits	346,206	310,192
Factory overheads	652,151	648,898
	<u>7,334,899</u>	<u>6,623,110</u>
Work-in-process		
Opening stock	54,651	57,219
Closing stock	(52,162)	(40,614)
	<u>2,489</u>	<u>16,605</u>
Cost of goods manufactured	<u>7,337,388</u>	<u>6,639,715</u>
Finished goods		
Opening stock - including waste	1,720,336	2,363,522
Closing stock - including waste	(2,517,943)	(2,568,035)
	<u>(797,607)</u>	<u>(204,513)</u>
	<u>6,539,781</u>	<u>6,435,202</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2025**

	Un-audited	
	Three months period ended	
	September 30, 2025	September 30, 2024
13 PROVISION FOR TAXATION		
Current - for the period	261,276	99,888
Deferred	(38,022)	(55,096)
	<u>223,254</u>	<u>44,792</u>

14 EARNINGS PER SHARE - BASIC AND DILUTED

Profit for the period	349,043	155,325
Weighted average number of ordinary shares outstanding during the period (Number of shares in thousand)	21,429	21,429
Earnings per share (Rupees)	<u>16.29</u>	<u>7.25</u>

15 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	
		Three months period ended	
		September 30, 2025	September 30, 2024
		(Rupees in thousand)	
Relationship with the Company	Nature of transactions		
Associated undertaking	Sale of goods	408	710
	Donation	15,975	15,124
Key management personnel	Remuneration to Executives	91,802	69,290
Payable to Provident fund - related party	Employers Contribution	4,467	3,676

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

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

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

16 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

16.1 Information about operating segments is as follows:

	Operating segments					
	Chemical Division		Textile Division		Total	Total
	Un-audited					
	Three months period ended					
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
	(------ Rupees in thousand -----)					
Revenue from external customers - net	6,806,443	6,349,481	1,111,497	1,257,602	7,917,940	7,607,083
Depreciation on property, plant and equipment	321,451	336,921	34,962	37,015	356,413	373,936
Segment profit	558,293	166,755	50,760	53,378	609,053	220,133
	Un-audited September 30, 2025	Audited June 30 2025	Un-audited September 30, 2025	Audited June 30 2025	Total Un-audited September 30, 2025	Total Audited June 30 2025
	(------ Rupees in thousand -----)					
Capital expenditure	1,349,631	8,361,650	18,487	422,539	1,368,118	8,784,189
Segment assets	41,271,940	40,101,081	4,846,009	4,718,245	46,117,949	44,819,326
Segment liabilities	24,207,724	23,364,950	634,170	637,100	24,841,894	24,002,050

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

16.2 Reconciliations of reportable segments are as follows:

Revenue

Total revenue for reportable segments

Profit for the period

Total profit for reportable segments

Unallocated other expenses

Profit before income tax and final tax

Assets

Total assets for reportable segments

Other unallocated corporate assets

Company's assets

Liabilities

Total liabilities for reportable segments

Other unallocated corporate liabilities

Company's liabilities

16.3 The Company has no reportable geographical segment.

Un-audited Three months period ended	
September 30, 2025	September 30, 2024
(Rupees in thousand)	
7,917,940	7,607,083
609,053	220,133
(34,164)	(15,189)
574,889	204,944
Un-audited September 30, 2025	Audited June 30, 2025
(Rupees in thousand)	
46,117,949	44,819,326
2,930,070	2,688,676
49,048,019	47,508,002
24,841,894	24,002,050
4,884,873	4,640,236
29,726,767	28,642,286

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

	Un-audited	
	Three months period ended	
	September 30, 2025	September 30, 2024
	(Rupees in thousand)	
17 WORKING CAPITAL CHANGES		
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(280,518)	(68,071)
Stock in trade	(225,481)	(197,206)
Trade debts	144,738	(75,120)
Advance sales tax	82,632	83,362
Loans and advances	(538,956)	(782,906)
Trade deposits, prepayments and other receivables	(5,136)	(21,881)
	(822,721)	(1,061,822)
(Decrease)/increase in current liabilities		
Trade and other payables	(338,581)	84,437
	(1,161,302)	(977,385)

18 DATE OF AUTHORIZATION FOR ISSUE

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

19 GENERAL

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



Chief Financial Officer



Chief Executive Officer



Director



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