



**Unaudited
Half Yearly
Report
2025**

SITARA ENERGY LIMITED



Sitara Energy Limited

Company Information	01
Director Report	02
Auditor Report	04
Statement of Financial Position	06
Statement of Profit or Loss	07
Statement of Comprehensive Income	08
Statement of Changes in Equity	09
Statement of Cash Flows	10
Notes to Financial Statements	11

Consolidated Accounts

(Sitara Energy Ltd and Its Subsidiary Company)

Consolidated Statement of Financial Position	22
Consolidated Statement of Profit or Loss	23
Consolidated Statement of Comprehensive Income	24
Consolidated Statement of Changes in Equity	25
Consolidated Statement of Cash Flows	26
Consolidated Notes to Financial Statements	28

Company Information

BOARD OF DIRECTORS

Ms. Noreen Javed (Chairperson)
Mr. Javed Iqbal (Chief Executive Officer)
Mr. Shahid Hameed Sheikh
Mr. Tahir Ibraheem
Ms. Haniah Javed
Mr. Mubashir Ahmed Zareen
Mr. Sheikh Javaid Islam

CHIEF FINANCIAL OFFICER

Mr. Ijaz A. Babar - FCA

COMPANY SECRETARY

Mr. Mazhar Ali Khan

Legal Advisor

Waqar Arif

Share Registrar

THK Associates (Private) Limited
Plot No. 32-C, Jami Commercial Street 2,
D.H.A. Phase VII, Karachi
UAN : +92 (21) 111-000-322
E-mail: aa@thk.com.pk

Registered Office

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

Plant

33 K.M., Shekhupura Road, Faisalabad

Audit Committee

Mr. Shahid Hameed Sheikh (Chairman)
Mr. Sheikh Javaid Islam
Mr. Tahir Ibrahim

Human Resource & Remuneration Committee

Mr. Mubashir Ahmed Zareen (Chairman)
Mr. Javed Iqbal
Ms. Haniah Javed

Auditors

RSM Avais Hyder Liaquat Nauman
(Chartered Accountants)

BANKERS

Standrad Chartered Bank (Pak) Limited
Albaraka Bank (Pakistan) Limited
National Bank of Pakistan
First Women Bank Limited
Bank Alfalah Limited
Faysal Bank Limited
The Bank of Punjab
MCB Bank Limited
United Bank Limited
Meezan Bank Limited
Allied Bank Limited
Silk Bank Limited
Askari Bank Limited
Bank Makramah Limited
Habib Bank Limited

WEB SITE

<http://www.sitara.pk>

Directors' Review

The Board of Directors of Sitara Energy Limited (the Company) is pleased to present the unaudited condensed interim financial statements of the company and its subsidiary for the half year ended on December 31, 2025, along with auditors' review report thereon.

Financial Results:

The sales revenue of the Company decreased to Rs. 13.669 million during the half year of the current financial year in comparison with Rs. 162.382 million during the half year of the last financial year due to low generation. However, gross loss decreased to Rs. 8.979 million during the half year of the current financial year in comparison with gross loss of Rs. 23.779 million during the half year of last financial year due to reduction in generation cost.

Finance cost reduced to Rs 21.142 million during the half year of the current financial year as compared with Rs 47.430 million during the half year of the last financial year as a result of regular repayments of rescheduled financing facilities at cost of fund. The company earned other income of Rs 178.498 million on disposal of non-core assets for the repayment of rescheduled financing facilities. Resultantly, the Company earned Profit for the period (after tax) Rs 98.498 million during the half year of the current financial year in comparison with Loss for the period (after tax) Rs 89.257 million during the half year of the last financial year.

The profitability of the Company for the remaining period of current financial year 2025-26 will depends upon load demand and viable generation cost. Moreover, the Company envisaged adding solar power subject to conducive regulatory frame work etc.

We extend our heartiest gratitude to all our lenders and dedicated employees to remain committed in difficult time in the larger interest of the Company.

By order of the board



Sheikh Javid Islam
Director



Javed Iqbal
Chief Executive Officer

February 27, 2026
Faisalabad

ڈائریکٹرز رپورٹ

ستارہ انرجی لمیٹڈ (کمپنی) کے بورڈ آف ڈائریکٹرز کو 31 دسمبر 2025ء کو ختم ہونے والی ششماہی کے کمپنی اور اس کے ذیلی ادارے کے غیر آڈٹ شدہ کنڈینسڈ عبوری مالیاتی گوشواروں کے ساتھ ساتھ آڈیٹرز کی جائزہ رپورٹ پیش کرتے ہوئے پُرسرت ہیں۔

مالیاتی نتائج:

رواں مالی سال کی پہلی ششماہی کے دوران فروخت آمدنی کم ہو کر 13.669 ملین روپے رہی۔ جبکہ گذشتہ مالی سال کی فروخت آمدنی 162.382 ملین روپے تھی۔ اس کی بڑی وجہ کم پیداوار ہے۔ تاہم پیداواری لاگت میں کمی کی وجہ سے مجموعی نقصان کم ہو کر 8.979 ملین روپے ہو گیا ہے۔ جبکہ اس کے مقابلے میں گذشتہ مالی سال کی پہلی ششماہی کے دوران 23.779 ملین روپے تھا۔

کاسٹ آف فنڈ کی لاگت پر ری شیڈول فناننگ سہولیات کی باقاعدہ ادائیگی کے نتیجے میں رواں مالی سال کی پہلی ششماہی کے دوران مالیاتی لاگت 21.142 ملین روپے کم ہو گئی۔ جبکہ اسکے مقابلے میں گذشتہ مالی سال کی پہلی ششماہی کے دوران 47.430 ملین روپے تھے۔ کمپنی نے 178.498 ملین روپے کی دیگر آمدنی حاصل کی۔ جو کہ غیر بنیادی اثاثوں کو تصرف میں لاکر فناننگ سہولیات کی ادائیگی کے لئے استعمال کی گئی۔ نتیجتاً کمپنی نے گذشتہ مالی سال کی پہلی ششماہی کے دوران (بعد از ٹیکس) 89.257 ملین روپے کے نقصان کے مقابلے میں موجودہ مالی سال کی پہلی ششماہی کے دوران (بعد از ٹیکس) 98.498 ملین روپے کا منافع کمایا۔

موجودہ مالی سال 2025-26ء کی بقیہ مدت کے لئے کمپنی کا منافع کے انحصار لوڈ کی طلب اور قابل عمل پیداواری لاگت پر منحصر ہوگا۔ مذید براں، کمپنی نے سٹسی توانائی کو شامل کرنے کا تصور کیا جو کہ سازگار ریگولیٹری فریم ورک وغیرہ سے مشروط ہے۔

ہم کمپنی کے وسیع تر مفاد میں مشکل وقت میں پُرعزم رہنے کے لئے اپنے تمام قرض دہندگان اور سرشار ملازمین کا تہہ دل سے شکریہ ادا کرتے ہیں۔

بحکم بورڈ



جاوید اقبال
چیف ایگزیکٹو آفیسر



شیخ جاوید اسلام
ڈائریکٹر

فیصل آباد
27 فروری 2026ء

Auditors' Review

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF SITARA ENERGY LIMITED REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Sitara Energy Limited (the Company) as at December 31, 2025 and the related condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and selected explanatory notes to the condensed interim financial statements for the six months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these condensed 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 condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standards on Review Engagements 2410, *"Review of Interim Financial Information performed by the Independent Auditor of the Entity"*. A review of interim financial information 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.

Basis for Qualified Conclusion

An advance for purchase of land amounting to Rs. 16.50 million (June 30, 2025: Rs. million) and trade debts of Rs. 365.11 million (June 30, 2025: 356.64 million) are long outstanding / past due, however, no assessment and no provision, on the basis of expected credit loss (ECL) method, have been made in respect of these balances, as required under IFRS 9. In the absence of such assessment, the quantum of provision required under IFRS 9 cannot be determined, however, in our view, the quantum may be material considering the quantum of such long outstanding / past due amounts;

Auditors' Review

- (a) The management has not made assessment of lower of cost and net realizable value with respect to stores, spares and loose tools amounting to Rs. 286.17 million. In the absence of such assessment, the quantum of provision required against these balances as required under IAS - 2 cannot be determined, however, in our view, the quantum may be material considering the quantum of stores, spares and loose tools.

Qualified Conclusion

Based on our review, except for the matters described in the “*Basis for Qualified Conclusion*” section of our report, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Material Uncertainty relating to going concern

The Company suffered financial and operational difficulties. These conditions as set forth in Note 1.3, indicate the existence of a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Other Matter

Pursuant to the requirement of Section 237 (1) (b) of the Companies Act, 2017, only cumulative figures for the half year, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the Company. Accordingly, the figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three month period ended December 31, 2025 and December 31, 2024 have not been reviewed by us.

The engagement partner on the audit resulting in this independent auditor's report is Inam ul Haque.



RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS

Place: Lahore

Date: February 27, 2026

UDIN: RR2025 1 0226pyokZKW56

SITARA ENERGY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT DECEMBER 31, 2025

	Note	(Un-audited)	(Audited)		Note	(Un-audited)	(Audited)
		December 31, 2025	June 30, 2025			December 31, 2025	June 30, 2025
		-----Rupees in '000'-----				-----Rupees in '000'-----	
EQUITY AND LIABILITIES				ASSETS			
SHARE CAPITAL AND RESERVES				NON-CURRENT ASSETS			
Authorised capital 30,000,000 ordinary shares of Rs. 10/- each.		300,000	300,000	Property, plant and equipment	6	678,344	689,540
				Investment property	7	1,078,305	1,120,866
				Investment in subsidiary		50,000	50,000
				Long term loan		5,000	5,000
				Long term deposits		1,501	1,511
						1,813,150	1,866,917
Issued, subscribed and paid up capital		190,920	190,920				
Reserves							
Capital reserve - Share premium		143,190	143,190				
Revenue reserves							
General reserve		970,000	970,000				
Accumulated profit		133,283	34,785				
		1,437,393	1,338,895				
NON-CURRENT LIABILITIES							
Long term financing	3	94,296	150,470				
Deferred interest / markup	3.5	282,549	325,010				
Advance rent		17,277	21,680				
		394,122	497,160				
CURRENT LIABILITIES				CURRENT ASSETS			
Trade and other payables		607,031	623,792	Stores, spares and loose tools		286,170	286,197
Unclaimed dividend		3,703	3,703	Stock of oil and lubricants	8	11,856	18,010
Interest / mark up payable		78,528	14,929	Trade debts		378,704	365,114
Short term bank borrowings	4	65,906	259,656	Loans and advances		1,751	9,886
Current portion of				Deposits and prepayments		30,841	33,057
Long term financing	3	179,507	126,932	Other receivables	9	232,800	241,325
Advance rent		7,548	7,548	Tax refunds			
Provision for taxation - income tax		43,180	28,271	due from Government		54,263	54,153
		985,403	1,064,830	Short term investments		275	266
				Cash and bank balances	10	7,108	25,961
						1,003,768	1,033,968
CONTINGENCIES AND COMMITMENTS	5	-	-				
		2,816,918	2,900,885			2,816,918	2,900,885

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



Chief Executive Officer



Director



Chief Financial Officer

SITARA ENERGY LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

		Half year ended December 31, 2025		Quarter ended December 31, 2024	
Note		-----Rupees in '000'-----			
Sales - net	11	13,669	162,382	5,702	104,966
Cost of generation	12	22,648	186,161	12,427	122,081
Gross (loss)		(8,979)	(23,779)	(6,725)	(17,115)
Other income	13	178,498	40,544	146,902	29,644
		169,519	16,765	140,177	12,529
Operating expenses		31,547	55,260	15,680	36,209
Other operating expense		277	-	277	-
Finance cost		21,142	47,430	10,403	13,986
		52,966	102,690	26,360	50,195
Profit / (loss) for the period before levies and taxation		116,553	(85,925)	113,817	(37,666)
Levies	14	-	2,117	-	72
Profit / (Loss) for the period before taxation		116,553	(88,042)	113,817	(37,738)
Provision for taxation	15	18,055	1,215	17,179	585
Profit / (loss) for the period		98,498	(89,257)	96,638	(38,323)
Earning / (loss) per share - Basic and diluted (Rupees)		5.16	(4.68)	5.06	(2.01)

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



Chief Executive Officer



Director



Chief Financial Officer

SITARA ENERGY LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Half year ended December 31,		Quarter ended December 31,	
	2025	2024	2025	2024
	-----Rupees in '000'-----			
Profit / (loss) for the period	98,498	(89,257)	96,638	(38,323)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	98,498	(89,257)	96,638	(38,323)

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



Chief Executive Officer



Director



Chief Financial Officer

SITARA ENERGY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Issued, subscribed and paid up capital	Capital reserve	Revenue reserves			Total
		Share premium	General reserve	Accumulated profit	Sub total	
-----Rupees in '000'-----						
Balance as at July 01, 2024 - (Audited)	190,920	143,190	970,000	(132,352)	837,648	1,171,758
Total comprehensive (loss) for the period						
(Loss) for the period	-	-	-	(89,257)	(89,257)	(89,257)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	(89,257)	(89,257)	(89,257)
Balance as at December 31, 2024 - (Un-audited)	190,920	143,190	970,000	(221,609)	748,391	1,082,501
Total comprehensive income for the period						
Profit for the period	-	-	-	256,394	256,394	256,394
Other comprehensive income	-	-	-	-	-	-
	-	-	-	256,394	256,394	256,394
Balance as at June 30, 2025 - (Audited)	190,920	143,190	970,000	34,785	1,004,785	1,338,895
Total comprehensive income for the period						
Profit for the period	-	-	-	98,498	98,498	98,498
Other comprehensive income	-	-	-	-	-	-
	-	-	-	98,498	98,498	98,498
Balance as at December 31, 2025 - (Un-audited)	190,920	143,190	970,000	133,283	1,103,283	1,437,393

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



Chief Executive Officer



Director



Chief Financial Officer

SITARA ENERGY LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Note	Half year ended December 31,	
		2025	2024
		-----Rupees in '000'-----	
a) CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) for the period before levies and taxation		116,553	(85,925)
Adjustments for :			
Depreciation of property, plant and equipment	6.1	11,196	11,597
Depreciation of investment property	7.1	11,082	12,313
Provision for staff retirement benefits		334	543
Provision for doubtful receivables		277	18,290
(Gain) on disposal of investment property	13	(144,727)	(5,616)
(Gain) on disposal of vehicle	13	-	(2,401)
Balance written back		-	(18,778)
Dividend Income		(12)	(8,467)
Finance cost		21,142	47,430
Operating cash flows before working capital changes		15,845	(31,014)
Changes in working capital			
Decrease / (Increase) in current assets			
Stores, spares and loose tools		27	19,209
Stock of oil and lubricants		6,154	111,069
Trade debts		(13,589)	55,806
Loans and advances		2,999	283
Deposits and prepayments		67	1,795
Other receivables		8,248	32,971
Tax refunds due from government		2,544	2,298
(Decrease) in current liabilities			
Trade and other payables		(14,595)	(165,241)
		(8,145)	58,190
Cash generated from operating activities		7,700	27,176
Staff retirement benefits paid		(347)	(527)
Finance cost paid		(4)	(8)
Income tax and levies paid		(668)	(4,753)
Net cash generated from operating activities		6,681	21,888

SITARA ENERGY LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Half year ended December 31,	
	2025	2024
	-----Rupees in '000'-----	
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	-	(54,105)
Additions in short-term investments	(9)	(4,579)
Proceeds from disposal of Vehicle	-	2,700
Dividend Income	12	8,467
Proceeds from disposal of investment property	176,206	-
(Decrease) in advance rent	(4,403)	-
Decrease in long term deposit	10	-
Net cash generated from / (used in) investing activities	171,816	(47,517)
c) CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	(3,600)	(43,879)
(Decrease) in short term bank borrowings	(193,750)	(110,000)
Net cash (used in) financing activities	(197,350)	(153,879)
Net (decrease) in cash and cash equivalents (a+b+c)	(18,853)	(179,508)
Cash and cash equivalents at the beginning of the period	25,961	289,561
Cash and cash equivalents at the end of the period	7,108	110,053

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



Chief Executive Officer



Director



Chief Financial Officer

1. STATUS AND ACTIVITIES

- 1.1** Sitara Energy Limited (the Company) is incorporated in Pakistan as a public limited Company under the Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act 2017 on May 30, 2017) and is listed on Pakistan stock exchange. The main object of the Company is generation and distribution of electricity. The registered office of the Company is situated at 601-602 Business Centre, Mumtaz Hasan Road, Karachi in the province of Sindh. The project is located at Tehsil Jaranwala, District Faisalabad in the province of Punjab.
- 1.2** These condensed interim financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency.
- 1.3** The Company has incurred losses in prior periods and production and sale of electricity have significantly reduced as the production from generators remained temporarily suspended due to higher fuel prices.

These events and conditions indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and therefore, the Company may not be able to realize its assets and discharge its liabilities in the normal course of business.

The Company has formulated a multi faceted plan and is taking measures to address these adverse factors. These are briefly discussed below;

- the Company is installing solar power plant to produce electricity at competitive tariff to increase its turnover and improve its operating results;
- the Company is hopeful that the available production capacity will be used in near future on the implementation of Competitive Trading Bilateral Contract Market by the Government as approved by NEPRA and fuel prices may also reduce in future as a result of decreasing demand of fossil fuels, resulting in improved generation and sales of electricity at reasonable profit margin;
- the Company has also entered into agreements with all of its lenders, resulting in conversion of short term finances into long term finances, with pricing at cost of funds of the lenders. As a result, the finance cost is reducing from quarter to quarter and year to year moving the company towards sustainable operations in due course of time;
- the company is also making all efforts to dispose of non-core assets including investment properties to repay credit facilities and to further install solar plant which will result in improved sales and profitability. During the period, the Company has disposed off investment property at a consideration of Rs. 176.21 million (June 30, 2025 : Rs. 213.96 million).

The management is committed to implement its plan that will bring the company back on track and hence, the management is confident that the company will continue as a going concern.

SITARA ENERGY LIMITED
SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of, directives and notifications issued under the Companies Act, 2017.

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

2.1.2 These condensed interim financial statements are unaudited but subject to limited scope review by the auditors, as required under section 237 of Companies Act, 2017 and should be read in conjunction with published audited annual financial statements of the company for the year ended June 30, 2025.

2.1.3 These condensed interim financial statements do not include all the information required for complete set of financial statements, and should be read in conjunction with the Company's published annual audited financial statements for the year ended June 30, 2025.

2.2 Application of new and revised International Financial Reporting Standards

2.2.1 Standards, amendments to standards and interpretations becoming effective in current period

There are certain new standards, interpretations and amendments to approved accounting standards which are mandatory for the Company's accounting periods beginning on or after July 1, 2025 but are considered not to be relevant or have any significant effect on the Company's financial reporting.

2.2.2 Standards, amendments to standards and interpretations becoming effective in future periods

There are other new standards, amendments and IFRIC interpretations that are mandatory for accounting periods of the Company beginning on or after July 01, 2026 but are considered not to be relevant or not to have any significant effect on the company's operations. The new standards, amendments and IFRIC interpretations that are relevant to the operations of the Company are disclosed in the published audited annual financial statements for the year ended June 30, 2025.

2.3 Basis of preparation

These condensed interim financial statements have been prepared under the "historical cost convention" except short term investments valued at fair value through profit or loss.

2.4 Accounting policies and methods of computation

The material accounting policies information and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the published audited annual financial statements for the year ended June 30, 2025.

2.5 Estimates, judgments and risk management policies

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions 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 the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on amounts recognized in these condensed interim financial statements are the same as those disclosed in the published audited annual financial statements for the year ended June 30, 2025.

2.6 Risk management policies and procedures are consistent with those disclosed in the published audited annual financial statements for the year ended June 30, 2025.

	(Un-audited) December 31, 2025	(Audited) June 30, 2025
Note	----- Rupees in '000' -----	

3. Long term financing

Secured

From banking company

Under mark up arrangements

Term finance

Demand finance

Diminishing musharakah

Less: Paid during the period / year

Less: Current portion

Installments overdue

Payable within one year

14,580	43,748
148,377	222,577
114,446	152,594
277,403	418,919
(3,600)	(141,517)
273,803	277,402
(67,158)	-
(112,349)	(126,931)
(179,507)	(126,931)
94,296	150,470

3.1 It represents the re-structuring of short term - term finance in 2023. It is secured against first exclusive charge over fixed assets of the Company. It is further secured against first joint charge over current assets of the company ranking pari passu with the charges created in respect of other long term financing and short term borrowings and also by personal guarantee of chief executive of the Company.

It is subject to mark up at the fixed rate of 4.76% per annum (June 2025: 4.76% per annum). Interest/markup past due till the date of re-structuring, along with future accrued markup is repayable in four equal quarterly installments commencing from March 31, 2026 and ending on December 31, 2026.

SITARA ENERGY LIMITED
SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

- 3.2** It represents the re-structuring of short term - running finance in 2024. It is secured against specific charge over investment property owned by the Company and its wholly owned subsidiary. It is further secured against first joint charge over current assets of the Company ranking pari passu with the charges created in respect of other long term financing and short term borrowings, first ranking charge over fixed assets, and by personal guarantees of two directors of the Company.

It is subject to markup at cost of funds. Interest/markup past due till the date of re-structuring, along with future accrued markup is repayable in four equal quarterly installments commencing from June 30, 2027 and ending on March 31, 2028.

Effective rate of mark up charged during the period was 10.80% per annum (June 2025: 10.80 % per annum).

- 3.3** It represents the re-structuring of short term - morabaha finance-I and running finance in 2024. It is secured against first joint charge over current assets of the Company ranking pari passu with the charges created in respect of other long term financing and short term borrowings. It is further secured against first joint charge over fixed assets of the Company ranking pari passu with the charges created in respect of short term borrowings and by personal guarantees of two directors of the Company.

It is subject to markup at cost of funds. Interest/markup past due till the date of re-structuring, along with future accrued markup is repayable in two equal quarterly installments commencing from September 15, 2028 and ending on December 15, 2028.

Effective rate of mark up charged during the period was 9.25% per annum (June 2025: 4.76% to 17.26% per annum).

3.4 Overdue Installments

As at period end, the installments of principals amounting to Rs. 67.16 million were over due. Out of which installments of Rs. 35.38 million have been paid subsequently.

(Un-audited) December 31, 2025	(Audited) June 30, 2025
----- Rupees in '000' -----	

3.5 Deferred interest / markup

Opening balance	338,247	234,379
Mark-up on Long term financing - rescheduled	-	50,000
	338,247	284,379
Interest / markup for the period / year	21,138	53,867
	359,385	338,247
Current portion of markup payable	(76,836)	(13,236)
	<u>282,549</u>	<u>325,010</u>

4. Short term bank borrowings

Secured - under mark up arrangements
 From banking company

Running finances	<u>65,906</u>	<u>259,656</u>
------------------	---------------	----------------

SITARA ENERGY LIMITED
SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

5. CONTINGENCIES AND COMMITMENTS

5.1 Contingencies

There are no significant changes in contingencies since the date of published annual audited financial statements for the year ended June 30, 2025

5.2 Commitments

There was no material commitment at the period end.

		<u>(Un-audited)</u> <u>December 31,</u> <u>2025</u>	<u>(Audited)</u> <u>June 30,</u> <u>2025</u>
	Note	----- Rupees in '000' -----	
6. Property, plant and equipment			
Operating assets	6.1	661,844	673,040
Advance for purchase of land		16,500	16,500
		<u>678,344</u>	<u>689,540</u>
6.1 Operating assets			
Book value at beginning of period / year		673,040	627,458
Additions during the period / year	6.1.1	-	81,385
Disposal during the period / year		-	(13,014)
Depreciation charged during the period / year		(11,196)	(22,789)
		<u>661,844</u>	<u>673,040</u>
6.1.1 Additions to operating assets, during the period / year were as follows:			
Electric installations		-	81,385
		<u>-</u>	<u>81,385</u>
7. Investment property			
Cost		1,163,960	1,195,439
Accumulated depreciation		(85,655)	(74,573)
Net book value		<u>1,078,305</u>	<u>1,120,866</u>
7.1 Reconciliation of written down value for the period / year			
Book value at beginning of period / year		1,120,866	1,348,281
Disposals during the period / year		(31,479)	(202,789)
Depreciation charged during the period / year		(11,082)	(24,626)
		<u>1,078,305</u>	<u>1,120,866</u>

SITARA ENERGY LIMITED
SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

(Un-audited) December 31, 2025	(Audited) June 30, 2025 (Restated)
----- Rupees in '000' -----	

8. Stock of oil and lubricants

Furnace oil		
In hand	2,928	9,019
Diesel oil	5,146	5,146
Lube oil	3,782	3,782
Waste	-	63
	11,856	18,010

9. Other receivables

Considered good		
Receivable against:		
Sale of investment property	232,800	224,222
Rent	-	277
Others	-	16,825
Considered doubtful		
Rent	5,551	5,274
Less: Provision for doubtful receivable	(5,551)	(5,274)
	232,800	241,325

10. Cash and bank balances

Cash in hand	2,195	425
Cash at banks		
In current accounts	4,913	25,536
	7,108	25,961

(Un-audited) Half year ended December 31,		(Un-audited) Quarter ended December 31,	
2025	2024	2025	2024
----- Rupees in '000' -----			

11. Sales - net

Electricity	16,163	193,527	6,729	125,099
Less: Sales tax	(2,466)	(29,521)	(1,027)	(19,083)
	13,697	164,006	5,702	106,016
Less: Electricity duty	(28)	(1,624)	-	(1,050)
	13,669	162,382	5,702	104,966

SITARA ENERGY LIMITED
SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	(Un-audited) Half year ended December 31,		(Un-audited) Quarter ended December 31,	
	2025	2024	2025	2024

----- Rupees in '000' -----

12. Cost of generation

Cost of oil and lubricants	-	152,324	-	102,982
Salaries, wages and benefits	11,926	18,534	5,983	9,439
Retirement benefits	216	337	107	166
Stores, spares and loose tools	88	2,067	20	1,233
Insurance	42	1,669	42	848
Repairs and maintenance	742	1,678	362	470
Depreciation	8,893	7,443	5,620	5,980
Other	741	2,109	293	963
	<u>22,648</u>	<u>186,161</u>	<u>12,427</u>	<u>122,081</u>

	(Un-audited) Half year ended December 31,		(Un-audited) Quarter ended December 31,	
	2025	2024	2025	2024

----- Rupees in '000' -----

13. Other operating income

Income from financial assets:				
Dividend income	12	8,467	12	5,080
Income from non financial assets:				
Sale of scrap and waste	-	48	-	48
Rental income	10,469	5,234	5,235	2,617
Gain on disposal of investment property	144,727	5,616	118,366	5,616
Gain on disposal of vehicle	-	2,401	-	2,401
Balance written back	-	18,778	-	13,882
Recovery of balances written off	23,290	-	23,290	-
	<u>178,498</u>	<u>40,544</u>	<u>146,902</u>	<u>29,644</u>

14. Levies

Final taxes	14.1	<u>-</u>	<u>2,117</u>	<u>-</u>	<u>72</u>
-------------	------	----------	--------------	----------	-----------

14.1 This represented final tax paid under section 150 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/IAS 37.

SITARA ENERGY LIMITED
SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

Note	(Un-audited) Half year ended December 31,		(Un-audited) Quarter ended December 31,	
	2025	2024	2025	2024
	----- Rupees in '000' -----			

15. Provision for taxation

Current					
For the period	15.1	18,048	1,213	17,172	583
For prior period		<u>7</u>	<u>2</u>	<u>7</u>	<u>2</u>
		<u>18,055</u>	<u>1,215</u>	<u>17,179</u>	<u>585</u>

- 15.1** The profits and gains derived by the company from electric power generation project are exempt from levy of income tax under clause (132) of Part-I and clause 11A (v) of Part-IV of the Second Schedule to the Income Tax Ordinance, 2001 except rental income which is subject to tax under normal tax regime and capital gain on disposal of investment property which is subject to tax under separate block of income.

16. AGGREGATE TRANSACTIONS WITH RELATED PARTIES

The company in the normal course of business carries out transactions with various related parties which comprise of associated undertakings, key management personnel and post employment benefit plan. Significant transactions with related parties are as follows:

Name of the related party	Basis of Relationship	Transactions during the period	Un-Audited Half year ended December 31,	
			2025	2024
			----- Rupees in '000' -----	
Key management personnel	Chief Executive Officer	Remuneration	3,600	3,900
	Executives		3,319	3,414
Sitara Fabrics Limited	Associated company by virtue of common directorship	Sale of electricity	-	31,101
Sitara Fabrics Limited	Associated company by virtue of common directorship	Received against sale of electricity	2,249	-
		Organizational expense paid	3,364	-
Sitara Chemtek (Private) Limited	Associated Undertaking	Organizational expense paid	214	-
Sitara Energy Limited Staff Provident Fund Trust	Other related party	Company's contribution for the period	334	543

(Un-audited) December 31, 2025	(Audited) June 30, 2025
-----Rupees in '000'-----	

17. SHARIAH COMPLIANCE STATUS DISCLOSURE**Disclosures in relation to the condensed interim****Statement of Financial Position - Liability**

Long term financing as per islamic mode	-	-
Short term financing as per Islamic mode	-	-
Accrued mark-up on conventional loans	361,077	339,939

Disclosures in relation to the condensed interim**Statement of Financial Position - Assets**

Bank balances that are Shariah compliant	553	78,743
--	-----	--------

Un-audited	
Half year ended December 31, 2025	2024
Rupees	Rupees
-----Rupees in '000'-----	

Disclosures in relation to the condensed interim**Statement of Comprehensive Income**

1. Revenue earned from Shariah-compliant business	13,669	162,382
2. Source and detailed breakup of other income		
Earned from shariah compliant transactions		
Dividend Income	12	8,467
Sale of scrap and waste	-	48
Rental income	10,469	5,234
Gain on disposal of investment property	144,727	5,616
Gain on disposal of vehicle	-	2,401
Reversal of provision of doubtful receivables	23,290	-
Earned from non- shariah compliant transactions		
Finance cost written back	-	18,778

Relationship with Shariah-complaint financial institutions**Name of institutions**

Al Baraka Bank (Pakistan) Limited
Meezan Bank limited

Relationship with institutions

Bank balance
Bank balance

SITARA ENERGY LIMITED
SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

18. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 27, 2026 by the Board of Directors of the Company.

19. GENERAL

- 19.1** There are no unusual items included in these condensed interim financial statements that affect equity, liabilities, assets, (loss), comprehensive income or cash flows of the company, except gain on disposal of investment property as disclosed in note 13 .
- 19.2** Provision for taxation made in these condensed interim financial statements is subject to adjustment in annual financial statements.
- 19.3** Figures have been rounded off to the nearest thousand of Rupees except as otherwise stated.



Chief Executive Officer



Director



Chief Financial Officer

Consolidated Financial Statements



SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT DECEMBER 31, 2025

		(Un-audited) December 31, 2025	(Audited) June 30, 2025		(Un-audited) December 31, 2025	(Audited) June 30, 2,025	
	Note	-----Rupees in '000'-----			-----Rupees in '000'-----		
SHARE CAPITAL AND RESERVES				NON-CURRENT ASSETS			
Authorised capital 30,000,000 ordinary shares of Rs. 10/- each		<u>300,000</u>	<u>300,000</u>	Property, plant and equipment	7	678,356	689,553
				Investment Property	8	1,058,721	1,101,282
				Long term loan		5,000	5,000
				Long term deposits		1,501	1,511
						<u>1,743,578</u>	<u>1,797,346</u>
Issued, subscribed and paid up capital		190,920	190,920				
Reserves							
Capital reserve							
Share premium		143,190	143,190				
Revenue reserves							
General reserve		970,000	970,000				
Accumulated profit / (loss)		107,363	(11,090)				
		<u>1,411,473</u>	<u>1,293,020</u>				
NON - CURRENT LIABILITIES				CURRENT ASSETS			
Long term financing	4	94,296	150,470	Stores, spares and loose tools		286,170	286,197
Deferred interest / markup	4.5	282,549	325,010	Stocks		123,038	146,375
Advance rent		17,277	21,680	Trade debts		408,704	365,114
		<u>394,122</u>	<u>497,160</u>	Loans and advances		3,385	10,860
				Deposits and prepayments		30,841	33,057
				Other receivables	9	232,800	241,325
				Tax refunds			
				due from Government		58,481	58,352
				Short term investments		275	266
				Cash and bank balances	10	36,507	43,413
						<u>1,180,201</u>	<u>1,184,959</u>
CONTINGENCIES AND COMMITMENTS	6	-	-				
		<u>2,923,779</u>	<u>2,982,305</u>			<u>2,923,779</u>	<u>2,982,305</u>

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



Chief Executive Officer



Director



Chief Financial Officer

SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY
CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Note	Half year ended December 31,		Quarter ended December 31,	
		2025	2024	2025	2024
-----Rupees in '000'-----					
Sales - net	11	55,619	162,382	47,652	104,966
Cost of generation	12	39,829	186,161	29,608	122,081
Gross profit / (loss)		15,790	(23,779)	18,044	(17,115)
Other income	13	178,498	40,544	146,902	29,644
		194,288	16,765	164,946	12,529
Operating expenses		32,274	97,242	16,407	77,991
Other operating expenses		277	-	277	-
Finance cost		21,142	47,430	10,403	13,986
		53,693	144,672	27,087	91,977
Profit / (loss) for the period before levies and taxation		140,595	(127,907)	137,859	(79,448)
Levies	14	-	2,117	-	72
Profit / (loss) for the period before taxation		140,595	(130,024)	137,859	(79,520)
Provision for taxation	15	22,142	1,215	21,266	585
Profit / (loss) for the period		118,453	(131,239)	116,593	(80,105)
Attributable to:					
Shareholders of the Parent		118,453	(131,239)	116,593	(80,105)
Earnings / (loss) per share - Basic and diluted Attributable to shareholders of the Parent (Rupees)		6.20	(6.87)	6.11	(4.20)

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



Chief Executive Officer



Director



Chief Financial Officer

SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Half year ended December 31,		Quarter ended December 31,	
	2025	2024	2025	2024
	-----Rupees in '000'-----			
Profit / (loss) for the period	118,453	(131,239)	116,593	(80,105)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	118,453	(131,239)	116,593	(80,105)
Attributable to:				
Shareholders of the Parent	118,453	(131,239)	116,593	(80,105)

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



Chief Executive Officer



Director



Chief Financial Officer

SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Issued, subscribed and paid up capital	Capital reserves		Revenue reserves		Total
		Share premium	General reserve	Accumulated profit	Sub total	
-----Rupees in '000'-----						
Balance as at July 01, 2024 - (Audited)	190,920	143,190	970,000	(126,403)	843,597	1,177,707
Total comprehensive (loss) for the period						
(Loss) for the period	-	-	-	(131,239)	(131,239)	(131,239)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	(131,239)	(131,239)	(131,239)
Balance as at December 31, 2024 - (Un-audited)	190,920	143,190	970,000	(257,642)	712,358	1,046,468
Total comprehensive income for the period						
Profit for the period	-	-	-	246,552	246,552	246,552
Other comprehensive income	-	-	-	-	-	-
	-	-	-	246,552	246,552	246,552
Balance as at June 30, 2025 - (Audited)	190,920	143,190	970,000	(11,090)	958,910	1,293,020
Total comprehensive income for the period						
Profit for the period	-	-	-	118,453	118,453	118,453
Other comprehensive income	-	-	-	-	-	-
	-	-	-	118,453	118,453	118,453
Balance as at December 31, 2025 - (Un-audited)	190,920	143,190	970,000	107,363	1,077,363	1,411,473

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



Chief Executive Officer



Director



Chief Financial Officer

SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Half year ended December 31,	
	2025	2024
Note	-----Rupees in '000'-----	

a) CASH FLOWS FROM OPERATING ACTIVITIES

Profit / (loss) for the period before levies and taxation	140,595	(127,907)	
Adjustments for :			
Depreciation of property, plant and equipment	7.1 11,197	11,598	
Depreciation of investment property	8.1 11,082	12,313	
Provision for staff retirement benefits	334	543	
Provision for doubtful receivables	277	59,673	
(Gain) on disposal of investment property	13 (144,727)	(5,616)	
(Gain) on disposal of vehicle	13 -	(2,401)	
Balance written back	-	(18,778)	
Dividend Income	(12)	(8,467)	
Finance cost	21,142	47,430	
Operating cash flows before working capital changes	39,888	(31,612)	
Changes in working capital			
Decrease / (Increase) in current assets			
Stores, spares and loose tools	27	19,209	
Stocks	23,335	111,069	
Trade debts	(43,589)	55,806	
Loans and advances	3,724	15,618	
Deposits and prepayments	67	1,796	
Other receivables	8,248	32,971	
Tax refunds due from Government	2,544	2,298	
(Decrease) in current liabilities			
Trade and other payables	(13,184)	(165,494)	
	(18,828)	73,273	
Cash generated from operating activities	21,060	41,661	
Staff retirement benefits paid	(347)	(527)	
Finance cost paid	(4)	(8)	
Income tax and levies paid	(2,082)	(4,753)	
Net cash generated from operating activities	18,627	36,373	

SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Half year ended December 31,	
	2025	2024
	-----Rupees in '000'-----	
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	-	(54,105)
Additions in short-term investments	(9)	(4,579)
Proceeds from disposal of vehicle	-	2,700
Dividend Income	12	8,467
Investment property	176,206	-
(Decrease) in advance rent	(4,403)	-
Decrease in long term deposit	10	-
Net cash generated from / (used in) investing activities	171,816	(47,517)
c) CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	(3,600)	(43,879)
(Decrease) in short term bank borrowings	(193,750)	(110,000)
Net cash from financing activities	(197,350)	(153,879)
Net (decrease) in cash and cash equivalents (a+b+c)	(6,907)	(165,023)
Cash and cash equivalents at the beginning of the period	43,414	290,678
Cash and cash equivalents at the end of the period	36,507	125,655

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



Chief Executive Officer



Director



Chief Financial Officer

1. GROUP STATUS AND ACTIVITIES

- 1.1** The group consists of Sitara Energy Limited (the Parent) and Sitara International (Private) Limited (the wholly owned Subsidiary).

The parent is incorporated in Pakistan as a public limited company under the repealed Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act 2017 on May 30, 2017) and is listed on Pakistan Stock Exchange Limited. The main object of the Parent is generation and distribution of electricity. The registered office of the Parent is situated at 601-602 Business Centre, Mumtaz Hasan Road, Karachi, in the province of Sindh. The project is located at Tehsil Jaranwala, District Faisalabad in the province of Punjab.

The subsidiary is incorporated in Pakistan as a private limited company under the repealed Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act 2017 on May 30, 2017). The principal activity of the Subsidiary is trading in real estate business. The registered office of the Subsidiary is situated at 601-602 Business Centre, Mumtaz Hasan Road, Karachi, in the province of Sindh.

- 1.2** These consolidated condensed interim financial statements are presented in Pak Rupee, which is the group's functional and presentation currency.
- 1.3** The Group has incurred losses in prior periods and production and sale of electricity have significantly reduced as the production from generators remained temporarily suspended due to higher fuel prices.

These events and conditions indicate a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore, the Group may not be able to realize its assets and discharge its liabilities in the normal course of business.

The Parent Company has formulated a multi faceted plan and is taking measures to address these adverse factors. These are briefly discussed below;

- the Parent Company is installing solar power plant to produce electricity at competitive tariff to increase its turnover and improve its operating results;
- the Parent Company is hopeful that the available production capacity will be used in near future on the implementation of Competitive Trading Bilateral Contract Market by the Government as approved by NEPRA and fuel prices may also reduce in future as a result of decreasing demand of fossil fuels, resulting in improved generation and sales of electricity at reasonable profit margin;
- the Parent Company has also entered into agreements with all of its lenders, resulting in conversion of short term finances into long term finances, with pricing at cost of funds of the lenders. As a result, the finance cost is reducing from quarter to quarter and year to year moving the company towards sustainable operations in due course of time;
- the Parent Company is also making all efforts to dispose of non-core assets including investment properties to repay/prepay credit facilities and to further install solar plant which will result in improved sales and profitability; During the period, the Parent Company has disposed off investment properties at a consideration of Rs. 176.21 million (June 30 ,2025: Rs. 213.96 million).

The management is committed to implement its plan that will bring the Group back on track and hence, the management is confident that the Group will continue as a going concern.

SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY
SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM CONSOLIDATED STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

2. BASIS OF CONSOLIDATION

These condensed interim consolidated financial statements includes the condensed interim financial statements of Sitara Energy Limited and its subsidiary Sitara International (Private) Limited. The condensed interim consolidated financial statements of the parent and subsidiary are combined on a line by line basis.

All intra-company balances, transactions and resulting unrealised profits, if any, are eliminated.

3. BASIS OF PREPARATION

3.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of, directives and notifications issued under the Companies Act, 2017.

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

3.1.3 These condensed interim consolidated financial statements are unaudited but subject to limited scope review by the auditors, as required under section 237 of Companies Act, 2017 and should be read in conjunction with published annual audited consolidated annual financial statements of the Group for the year ended June 30, 2025.

3.1.4 These condensed interim consolidated financial statements do not include all the information required for complete set of consolidated financial statements, and should be read in conjunction with the Group's published annual audited consolidated financial statements for the year ended June 30, 2025.

3.2 Application of new and revised International Financial Reporting Standards (IFRSs)

3.2.1 Standards, amendments to standards and interpretations becoming effective in current period

There are certain new standards, interpretations and amendments to approved accounting standards which are mandatory for the Company's accounting periods beginning on or after July 1, 2025 but are considered not to be relevant or have any significant effect on the Group's financial reporting.

3.2.2 Standards, amendments to standards and interpretations becoming effective in future periods

There are other new standards, amendments and IFRIC interpretations that are mandatory for accounting periods of the company beginning on or after July 01, 2026 but are considered not to be relevant or not to have any significant effect on the company's operations. The new standards, amendments and IFRIC interpretations that are relevant to the operations of the company are disclosed in the published audited annual consolidated financial statements for the year ended June 30, 2025.

3.3 Basis of preparation

These condensed interim consolidated financial statements have been prepared under the "historical cost convention" except:

- short term investments valued at fair value through profit or loss.

SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY
SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM CONSOLIDATED STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

3.4 Accounting policies and methods of computation

The material accounting policies information and methods of computation adopted in the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of the published audited annual consolidated financial statements for the year ended June 30, 2025.

3.5 Estimates, judgments and risk management policies

The preparation of these condensed interim consolidated financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions 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 the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on amounts recognized in these condensed interim consolidated financial statements are the same as those disclosed in the published audited annual consolidated financial statements for the year ended June 30, 2025.

3.6 Risk management policies and procedures are consistent with those disclosed in the published audited annual consolidated financial statements for the year ended June 30, 2025.

	(Un-audited)	(Audited)
	December 31,	June 30,
	2025	2025
Note	----- Rupees in '000' -----	

4. Long term financing

Secured

From banking company

Under mark up arrangement

Term finance

Demand finance

Diminishing musharakah

Less: Paid during the period / year

Less: Current portion

Installments overdue

Payable within one year

14,580	43,748
148,377	222,577
114,446	152,594
277,403	418,919
(3,600)	(141,517)
<u>273,803</u>	<u>277,402</u>
(67,158)	-
(112,349)	(126,932)
<u>(179,507)</u>	<u>(126,932)</u>
<u>94,296</u>	<u>150,470</u>

4.1 It represents the re-structuring of short term - term finance in 2023. It is secured against first exclusive charge over fixed assets of the Parent Company. It is further secured against first joint charge over current assets of the company ranking pari passu with the charges created in respect of other long term financing and short term borrowings and also by personal guarantee of chief executive of the Parent Company.

It is subject to mark up at the fixed rate of 4.76% per annum (June 2025: 4.76% per annum). Interest/markup past due till the date of re-structuring, along with future accrued markup is repayable in four equal quarterly installments commencing from March 31, 2026 and ending on December 31, 2026.

SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY
SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM CONSOLIDATED STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

- 4.2** It represents the re-structuring of short term - running finance in 2024. It is secured against specific charge over investment property owned by the Parent Company and its wholly owned subsidiary. It is further secured against first joint charge over current assets of the Parent Company ranking pari passu with the charges created in respect of other long term financing and short term borrowings, first ranking charge over fixed assets, and by personal guarantees of two directors of the Parent Company.

It is subject to markup at cost of funds. Interest/markup past due till the date of re-structuring, along with future accrued markup is repayable in four equal quarterly installments commencing from June 30, 2027 and ending on March 31, 2028.

Effective rate of mark up charged during the period was 10.80% per annum (June 2025: 10.80% per annum).

- 4.3** It represents the re-structuring of short term - morabaha finance-I and running finance in 2024. It is secured against first joint charge over current assets of the Parent Company ranking pari passu with the charges created in respect of other long term financing and short term borrowings. It is further secured against first joint charge over fixed assets of the Parent Company ranking pari passu with the charges created in respect of short term borrowings and by personal guarantees of two directors of the Parent Company.

It is subject to markup at cost of funds. Interest/markup past due till the date of re-structuring, along with future accrued markup is repayable in two equal quarterly installments commencing from September 15, 2028 and ending on December 15, 2028.

Effective rate of mark up charged during the year ranges from 9.25% per annum (June 2025: 4.76% to 17.26% per annum).

4.4 Overdue Installments

As at period end , the installments of principals amounting to Rs. 67.16 million were over due. Out of which installments of Rs. 35.38 million have been paid subsequently.

(Un-audited)	(Audited)
December 31,	June 30,
2025	2025
----- Rupees in '000' -----	

4.5 Deferred interest / markup

Opening	338,247	234,379
Mark-up on Long term financing- rescheduled	-	50,000
	338,247	284,379
Interest / markup for the year	21,138	53,867
	359,385	338,247
Current portion of markup payable	(76,836)	(13,236)
	<u>282,549</u>	<u>325,010</u>

5. Short term bank borrowings

Secured - under mark up arrangements
 From Banking Company

Running finances	<u>65,906</u>	<u>259,656</u>
------------------	---------------	----------------

**SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY
SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM CONSOLIDATED STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025**

6. CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

There are no significant changes in contingencies since the date of published annual audited consolidated financial statements of the group for the year ended June 30, 2025.

6.2 Commitments

There is no material commitment at the period end.

7. PROPERTY, PLANT AND EQUIPMENT

Operating assets	7.1	661,856	673,053
Advance for purchase of land		16,500	16,500
		<u>678,356</u>	<u>689,553</u>

7.1 Operating assets

Book value at beginning of period / year	673,053	627,473
Additions during the period / year	-	81,385
Disposals during the period	-	(13,014)
Depreciation charged during the period / year	(11,197)	(22,790)
	<u>661,856</u>	<u>673,053</u>

8. Investment property

Cost	1,144,376	1,175,855
Accumulated depreciation	(85,655)	(74,573)
Net book value	<u>1,058,721</u>	<u>1,101,282</u>

8.1 Reconciliation of written down value for the period / year

Book value at beginning of period / year	1,101,282	1,328,697
Disposals during the period / year	(31,479)	(202,789)
Depreciation charged during the period / year	(11,082)	(24,626)
	<u>1,058,721</u>	<u>1,101,282</u>

9. Other receivables

Considered good		
Receivable against:		
Sale of investment property	232,800	224,222
Rent	-	277
Others	-	16,825
		<u>241,325</u>
Considered doubtful		
Rent	5,551	5,274
Less: Provision for doubtful receivable	(5,551)	(5,274)
	-	-
	<u>232,800</u>	<u>241,325</u>

10. Cash and bank balances

Cash in hand	15,983	1,379
Cash at banks		
In current accounts	20,524	42,035
	<u>36,507</u>	<u>43,413</u>

SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY
SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM CONSOLIDATED STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	(Un-audited) Half year ended December 31,		(Un-audited) Quarter ended December 31,			
	2025	2024	2025	2024		
Note	-----Rupees in '000'-----					
11. Sales - net						
Electricity	16,163	193,527	6,729	125,099		
Less: Sales tax	(2,466)	(29,521)	(1,027)	(19,083)		
	13,697	164,006	5,702	106,016		
Less: Electricity duty	(28)	(1,624)	-	(1,050)		
	13,669	162,382	5,702	104,966		
Land	41,950	-	41,950	-		
	55,619	162,382	47,652	104,966		
12. Cost of generation						
Cost of generation	11.1	12.1	22,648	80,061	12,427	122,081
Cost of sales- land			17,181	-	17,181	-
			39,829	80,061	29,608	122,081
12.1 Cost of generation						
Cost of oil and lubricants			-	152,324	-	102,982
Salaries, wages and benefits			11,926	18,534	5,983	9,439
Retirement benefits			216	337	107	166
Stores, spares and loose tools			88	2,067	20	1,233
Insurance			42	1,669	42	848
Repairs and maintenance			742	1,678	362	470
Depreciation			8,893	7,443	5,620	5,980
Other			741	2,109	293	963
			22,648	186,161	12,427	122,081
13. Other operating income						
Income from financial assets:						
Dividend Income			12	8,467	12	5,080
Sale of scrap and waste			-	48	-	48
Rental income			10,469	5,234	5,235	2,617
Gain on disposal of investment property			144,727	5,616	118,366	5,616
Gain on disposal of vehicle			-	2,401	-	2,401
Balance written back			-	18,778	-	13,882
Recovery of balances written off			23,290	-	23,290	-
			178,498	40,544	146,902	29,644
14. Levies						
Final taxes			-	2,117	-	72

14.1 This represents final tax paid under section 150 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/IAS 37.

SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY
SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM CONSOLIDATED STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	(Un-audited) Half year ended December 31, 2025		(Un-audited) Quarter ended December 31, 2024	
Note-----	-----Rupees in '000'-----			

15. Provision for taxation

Current						
For the period	13.1	15.1	22,135	1,213	17,172	583
For prior period			7	2	7	2
			22,142	1,215	17,179	585

15.1 The profits and gains derived by the parent company from electric power generation project are exempt from levy of income tax under clause (132) of Part-I and clause 11A (v) of Part-IV of the Second Schedule to the Income Tax Ordinance, 2001 except rental income which is subject to tax under normal tax regime and capital gain on disposal of investment property which is subject to tax under separate block of income.

16. AGGREGATE TRANSACTIONS WITH RELATED PARTIES

The group in the normal course of business carries out transactions with various related parties which comprise of associated undertakings, key management personnel and post employment benefit plan. Significant transactions with related parties are as follows:

Name of the related party	Basis of Relationship	Transactions during the period	Un-Audited Half year ended December 31,	
			2025	2024
-----Rupees in '000'-----				
Key management personnel	Chief Executive Officer	Remuneration	3,600	3,900
	Executives		3,319	3,414
Sitara Fabrics Limited	Associated company by virtue of common directorship	Sale of Electricity	-	31,101
		Received against sale of electricity	2,249	-
		Organizational expense paid	3,364	-
Sitara Chemtek (Private) Limited	Associated undertaking	Organizational expense paid	214	-
		Adjustment of advance	-	15,460
Sitara Energy Limited-Staff Provident Fund Trust	Other related party	Contribution for the period	334	543

**SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY
SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM CONSOLIDATED STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025**

	(Un-audited) December 31, 2025	(Audited) June 30, 2025
	-----Rupees in '000'-----	
17. SHARIAH COMPLIANCE STATUS DISCLOSURE		
Disclosures in relation to the condensed interim Statement of Financial Position - Liability		
Long term financing as per islamic mode	-	-
Short term financing as per Islamic mode	-	-
Accrued mark-up on conventional loans	361,077	338,247
Disclosures in relation to the condensed interim Statement of Financial Position - Assets		
Bank balances that are Shariah compliant	15,155	94,233

Un-audited	
Half year ended December 31,	
2025	2024
Rupees	Rupees
-----Rupees in '000'-----	

Disclosures in relation to the condensed interim Statement of Comprehensive Income		
1. Revenue earned from Shariah-compliant business	55,619	162,382
2. Source and detailed breakup of other income		
Earned from shariah compliant transactions		
Dividend Income	12	8,467
Sale of scrap and waste	-	48
Rental income	10,469	5,234
Gain on disposal of investment property	144,727	5,616
Gain on disposal of vehicle	-	2,401
Reversal of provision of doubtful receivables	23,290	-
Earned from non- shariah compliant transactions		
Finance cost written back	-	18,778

Relationship with Shariah-complaint financial institutions

Name of institutions

Al Baraka Bank (Pakistan) Limited
Meezan Bank limited
Faysal Bank Limited

Relationship with institutions

Bank balance
Bank balance
Bank balance

18. DATE OF AUTHORISATION FOR ISSUE

These condensed interim consolidated financial statements were authorised for issue on February 27, 2026 by the Board of Directors of the Group.

19. GENERAL

- 19.1** There are no unusual items included in these condensed interim consolidated financial statements that affect equity, liabilities, assets, (loss), comprehensive income or cash flows of the Group, except gain on disposal of investment property as disclosed in note 14 .
- 19.2** Provision for taxation made in these condensed interim consolidated financial statements is subject to adjustment in annual financial statements.
- 19.3** Figures have been rounded off to the nearest thousand of Rupees except as otherwise stated.



Chief Executive Officer



Director



Chief Financial Officer



If undelivered please return to:

Sitara Energy Limited

601-602 Business Centre,
Mumtaz Hassan Road, Karachi-74000
Tel: 021-32420620-32413944
Fax: 021-32415452