



LOTTE CHEMICAL
PAKISTAN LTD

RESET. REVIVE. RISE.

Reshaping the Business, Strengthening the Future.

QUARTERLY REPORT JAN - MAR 2026

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Company Information

As at 20 April 2026

Board of Directors

Imtiaz Ahmed	Chairman
Adnan Afridi	Chief Executive
Muhammad Zahoor Ilahee Cheema	Non-Executive
Fehmina Khan	Non-Executive
Faisal Ahmed Siddiqui	Non-Executive
Shabbir Diwan	Non-Executive
Osman Asghar Khan	Independent
Shahid Ul Hassan Chattha	Independent

Audit Committee

Osman Asghar Khan	Chairman
Muhammad Zahoor Ilahee Cheema	Member
Faisal Ahmed Siddiqui	Member
Shahid Ul Hassan Chattha	Member
Faisal Abid	Secretary

HR & Remuneration Committee

Shahid Ul Hassan Chattha	Chairman
Faisal Ahmed Siddiqui	Member
Muhammad Zahoor Ilahee Cheema	Member
Adnan Afridi	Member
Waheed U Khan	Secretary

Executive Management Team

Adnan Afridi	Chief Executive
Muhammad Adnan Ali Rizvi	Director, Strategy and Business Development
Tariq Nazir Virk	Director, Manufacturing
Waheed U Khan	Director Admin, HR & IT
Ashiq Ali	Chief Financial Officer
Muhammed Talha Khan	General Manager Commercial

Chief Financial Officer

Ashiq Ali

Company Secretary

Faisal Abid

Bankers

Allied Bank Limited	Industrial and Commercial Bank of China
Askari Bank Limited	MCB Bank Limited
Bank Alfalah Limited	MCB Islamic Bank Limited
Citibank NA	Meezan Bank Limited
Dubai Islamic Bank Pakistan Limited	National Bank of Pakistan
Faysal Bank Limited	Soneri Bank Limited
Habib Bank Limited	Standard Chartered Bank (Pakistan) Limited
Habib Metropolitan Bank Ltd	United Bank Limited

Internal Auditors

KPMG Taseer Hadi & Co.,
Chartered Accountants

External Auditors

A.F. Ferguson & Co.,
Chartered Accountants

Legal Advisor

Naz Toosy
148, 18th East Street, Phase 1,
DHA, Karachi

Registered Office

EZ/I/P-4, Eastern Industrial Zone,
Port Qasim, Karachi

Shares Registrar

FAMCO Share Registration Services (Pvt) LTD.
8-F, Near Hotel Faran, Nursery, Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi

Directors' Review

For the first quarter ended 31 March 2026

The Directors are pleased to present their review report for the first quarter ended 31 March 2026 together with the un-audited condensed interim financial information of the Company as at and for the first quarter ended 31 March 2026.

BUSINESS OVERVIEW

Crude oil (WTI) prices followed an upward trajectory during Q1 2026, with a gradual increase in the early part of the quarter followed by a sharp rise in March. Despite the decision by OPEC+ to maintain production levels and record high production by the United States, geopolitical tensions surrounding the Russia-Ukraine war and the Middle East resulted in a steady push in prices. In March, at the start of the conflict between the US, Israel and Iran, Crude Oil prices became increasingly volatile as supply disruptions around the Persian Gulf resulted in potential disruption of 20% of global demand. With the persistent increase in hostility, major economies were prompted to release additional barrels from their strategic reserves. However, with the complete blockade of the Strait of Hormuz, prices reached record levels above US\$ 115 per barrel in daily trade, levels last observed in June 2022. The average price for the quarter was US\$ 71.22 per barrel, an increase of 20.4% compared to the previous quarter.

Paraxylene (PX) prices followed the trend of the upstream energy markets with a steady uptick at the start of the quarter. Regardless of planned outages at major PX assets in the region, sustained weak demand from the downstream resulted in ample prompt availability which indicates a lengthening market. On the resumption of business activity post Lunar New Year holidays, PX prices continued the gradual increase in line with firm Crude Oil and Naphtha markets. As the conflict commenced, PX prices spiked following the upstream markets. This increase was supported by a complete halt in supplies from major Middle East producers which enabled available molecules to command sharp premiums on product prices as well as freight and risk surcharges. However, toward the end of the quarter, prices came under pressure as the market was unable to fully pass on the impact of higher feedstock costs to the downstream PTA sector, resulting in PX-Naphtha margin compression. PX-Naphtha margins averaged at US\$ 284 per metric tonne for the quarter, while the average PX price was US\$ 1,003.85 per tonne for the quarter as compared to US\$ 828.32 per tonne for the previous quarter.

PTA prices moved largely in line with the upstream Paraxylene (PX) market during the quarter, with overall market fundamentals showing limited movement at the start of the period, particularly amid subdued demand around the Lunar New Year, leading to cautious, need-based buying activity resulting in limited price movement. As the quarter progressed, the anticipated post-holiday demand recovery failed to provide the much-needed impetus to the market as increasing run rates and inventory build-up contributed to a lengthening market adding pressure on PX-PTA margins. Later in the quarter, PTA prices increased in line with rising upstream markets driven by the geopolitical supply disruptions. However, producers struggled to pass on the price increase to their downstream customers, which consequently added further pressure on spot margins. With global supply chains in chaos, and the uncertainty around the ability to pass on additional costs and potential demand destruction in sight, producers opted for a cautious approach to sell the product while prioritizing domestic market demand in their respective countries. The average PTA price for the quarter was US\$ 729.89 per metric tonne and the average PX-PTA margin was US\$ 67/MT.

The Domestic Polyester and PTA Industry operated at lower levels during the first quarter of 2026. Keeping in view lower seasonal demand from the PET sector and high inventories maintained to service demand arising during the religious festival period, market players managed planned maintenance activities during the period. The cash-strapped textile sector operated at lower levels as demand was subdued due to inflationary pressure and high energy costs as well as demand being impacted by limited trade with neighboring countries due to the ongoing political scenario. Further, the textile sector continued to be impacted by the continued influx of cheaper imports in the domestic market. However, from a performance perspective, the entire chain was able to capitalize on inventory gains on cheaper product carried forward in the month of March from earlier months which provided much needed respite to the industry which was operating at narrow profit margins.

Directors' Review

For the first quarter ended 31 March 2026

OPERATIONS

Sales volume, comprising of domestic sales only for Q1 2026 at 83,604 tonnes was 16% lower than the corresponding quarter last year due to high inventories in the entire chain which resulted in lower demand, this is in addition to increased consumption of cheaper imports. Gross profit margin improved by 8% as compared to same period last year.

Production volume during the quarter at 97,462 tonnes was 16% lower than the corresponding period last year to match sales.

FINANCIAL PERFORMANCE

Your Company achieved a gross profit of Rs 2,928 million for the quarter which is 120% higher as compared to gross profit of Rs 1,332 million during the same period last year. The taxation charge for the quarter is based on statutory income tax rate and super tax as adjusted by the movement in the deferred tax account.

Earnings per share (EPS) for the quarter stood at Rs 0.97 per share as compared to Rs 0.44 per share for Q1 2025.

The Management of your Company is confident that persistent diligent efforts with stringent checks in place, the organization will continue to navigate through existing challenges with a sustained focus on cost efficiency, operational excellence and inventory management.

FUTURE OUTLOOK

Crude Oil (WTI) prices are expected to remain volatile on account of heightened tensions in the region as well as the ripple effect on refining activities in major economies. Nevertheless, potential de-escalation, release of barrels from strategic reserves, and expectations of adequate global supply may limit further upside. It is expected that the market may take a longer time to return to normalcy as major crude producing countries are yet to determine the impact of damages on their energy infrastructure. However, the market remains optimistic on the return to normalcy as various downstream industries look forward to replenish their diminished inventories.

Paraxylene (PX) prices are expected to remain influenced by upstream crude oil and naphtha trends, with near-term price being significantly influenced by tightening supply due to geopolitical disruptions and planned maintenance activities. PTA prices are expected to move in line with upstream markets. However, the market remains wary of supply chain disruptions globally which is impacting logistics costs, which are in addition to the increase in product costs. Keeping in view the significant increase in prices, cautious buying is forecast by the downstream which may eventually impact overall demand.

Going forward, the domestic polyester industry is expected to face the full brunt of the war in the Middle East as inventories in the pipeline are expected to dry up. Additionally, managing supply chains for all raw materials is expected to be a challenge as producers remain vigilant of the chain reaction set off by rising fuel prices and the eventual impact of inflation on the industry and the population as well.



Imtiaz Ahmed
Chairman



Adnan Afridi
Chief Executive

Date: 20 April 2026
Karachi

Condensed Interim Statement of Financial Position

As at 31 March 2026

Amounts in Rs '000

	Note	31 March 2026 (Un-audited)	31 December 2025 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	4	5,664,789	5,758,938
Intangible assets		1,916	2,246
Right-of-use assets		33,272	66,545
Long-term loans		289,004	254,041
Long-term deposits and prepayments		98,465	31,258
Deferred taxation - net		3,026,578	2,955,422
		9,114,024	9,068,450
Current assets			
Stores and spare parts		2,819,273	2,426,109
Stock-in-trade		7,495,009	9,091,174
Trade debts	5	4,759,886	6,406,906
Loans and advances		95,239	76,279
Trade deposits and short-term prepayments		298,276	94,011
Accrued interest		11,856	54,686
Other receivables		4,500	4,500
Short-term investments - at amortised cost	6	1,431,879	1,414,499
Sales tax refunds due from government	7	4,980,533	5,228,719
Taxation - net		6,082,934	7,108,886
Cash and bank balances	8	443,471	6,828,351
		28,422,856	38,734,120
Total assets		37,536,880	47,802,570
Equity and liabilities			
Share capital and reserves			
Issued, subscribed and paid-up capital			
1,514,207,208 (31 December 2025: 1,514,207,208)			
ordinary shares of Rs 10 each		15,142,072	15,142,072
Capital reserve		2,345	2,345
Revenue reserve - Unappropriated profit		2,291,030	8,387,696
Total equity		17,435,447	23,532,113
Liabilities			
Non-current liabilities			
Retirement benefit obligations		209,435	204,495
Long-term borrowing	9	3,833,528	-
		4,042,963	204,495
Current liabilities			
Trade and other payables	10	14,030,023	22,452,450
Long-term borrowing - current portion	9	1,277,842	-
Lease liability		160,084	316,531
Short-term financing		-	800,000
Accrued interest	11	497,388	427,555
Unclaimed dividend		93,133	69,426
		16,058,470	24,065,962
Total liabilities		20,101,433	24,270,457
Contingencies and commitments	12		
Total equity and liabilities		37,536,880	47,802,570


The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.



Imtiaz Ahmed
Chairman



Adnan Afridi
Chief Executive



Ashiq Ali
Chief Financial Officer

Condensed Interim Statement of Profit or Loss (Un-audited)

For the first quarter ended 31 March 2026

Amounts in Rs '000

	Note	Quarter ended 31 March (Un-audited)	
		2026	2025
Revenue from contracts with customers - net	13	20,859,834	21,505,196
Cost of sales	14	(17,931,991)	(20,172,962)
Gross profit		2,927,843	1,332,234
Distribution and selling expenses		(48,289)	(48,172)
Administrative and general expenses		(223,463)	(201,470)
Other expenses	15	(182,628)	(81,209)
Operating profit		2,473,463	1,001,383
Other income	16	105,843	208,767
Finance costs	17	(168,082)	(124,250)
Profit before taxation and levies		2,411,224	1,085,900
Levies	18	(8)	(181)
Profit before taxation		2,411,216	1,085,719
Taxation	19	(936,846)	(423,818)
Profit after taxation		1,474,370	661,901
..... Amount in Rupees			
Earnings per share - basic and diluted		0.97	0.44

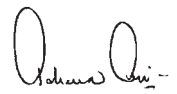
The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.



Imtiaz Ahmed
Chairman



Adnan Afridi
Chief Executive



Ashiq Ali
Chief Financial Officer

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the first quarter ended 31 March 2026

Amounts in Rs '000

	Quarter ended 31 March (Un-audited)	
	2026	2025
Profit after taxation	1,474,370	661,901
Other comprehensive income	-	-
Total comprehensive income for the period	1,474,370	661,901

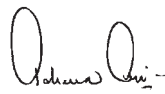
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Imtiaz Ahmed
Chairman



Adnan Afridi
Chief Executive



Ashiq Ali
Chief Financial Officer

Condensed Interim Statement of Changes in Equity (Un-audited)

For the first quarter ended 31 March 2026

Amounts in Rs '000

	Share capital		Reserves		Total equity
	Issued, subscribed and paid-up capital	Capital reserves	Revenue reserve - unappropriated profit	Sub-total	
Balance as at 1 January 2025	15,142,072	2,345	7,269,198	7,271,543	22,413,615
Total comprehensive income for the first quarter ended 31 March 2025					
- Profit for the first quarter ended 31 March 2025	-	-	661,901	661,901	661,901
- Other comprehensive income for the first quarter ended 31 March 2025	-	-	-	-	-
	-	-	661,901	661,901	661,901
Balance as at 31 March 2025	<u>15,142,072</u>	<u>2,345</u>	<u>7,931,099</u>	<u>7,933,444</u>	<u>23,075,516</u>
Balance as at 1 January 2026	15,142,072	2,345	8,387,696	8,390,041	23,532,113
Total comprehensive income for the first quarter ended 31 March 2026					
- Profit for the first quarter ended 31 March 2026	-	-	1,474,370	1,474,370	1,474,370
- Other comprehensive income for the first quarter ended 31 March 2026	-	-	-	-	-
	-	-	1,474,370	1,474,370	1,474,370
Transactions with owners in their capacity as owners					
Interim dividend for the year ended 31 December 2025 @ Rs 5 per share	-	-	(7,571,036)	(7,571,036)	(7,571,036)
Balance as at 31 March 2026	<u>15,142,072</u>	<u>2,345</u>	<u>2,291,030</u>	<u>2,293,375</u>	<u>17,435,447</u>

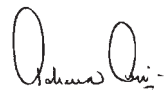
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Imtiaz Ahmed
Chairman



Adnan Afridi
Chief Executive



Ashiq Ali
Chief Financial Officer

Condensed Interim Statement of Cash Flows (Un-audited)

For the first quarter ended 31 March 2026

Amounts in Rs '000

	Note	Quarter ended	
		31 March (Un-audited)	
		2026	2025
Cash flows from operating activities			
Cash used in operations	20	(2,707,956)	(2,873,840)
Finance costs paid - conventional		(38,246)	(22,352)
Payments to retirement benefit obligations		(1,006)	(1,271)
Long-term loans		(34,963)	(12,616)
Long-term deposits and prepayments - net		(67,207)	294
Taxes and levies received / (paid)		17,942	(484,469)
Finance income received - conventional		146,516	265,844
Net cash used in operating activities		(2,684,920)	(3,128,410)
Cash flows from investing activities			
Payments for capital expenditure		(279,310)	(102,626)
Net cash used in investing activities		(279,310)	(102,626)
Cash flows from financing activities			
Dividend paid		(7,547,329)	(3,370)
Proceeds from long-term borrowing		5,111,370	-
Repayment of short-term financing		(800,000)	-
Payments for the interest portion of the lease liability		(13,123)	(40,462)
Payments for the principal portion of the lease liability		(154,188)	(126,321)
Net cash used in financing activities		(3,403,270)	(170,153)
Net decrease in cash and cash equivalents		(6,367,500)	(3,401,189)
Cash and cash equivalents at 1 January		8,242,850	9,247,546
Cash and cash equivalents at 31 March	8.2	1,875,350	5,846,357

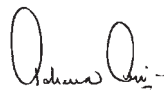
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Imtiaz Ahmed
Chairman



Adnan Afridi
Chief Executive



Ashiq Ali
Chief Financial Officer

Notes to the Condensed Interim Financial Statements (Un-audited)

For the first quarter ended 31 March 2026

1. STATUS AND NATURE OF BUSINESS

1.1 Lotte Chemical Pakistan Limited ("the Company") was incorporated in Pakistan on 30 May 1998 under Companies Ordinance, 1984 (Repealed with enactment of the Companies Act, 2017) and is listed on Pakistan Stock Exchange Limited. The principal activity of the Company is to manufacture and sale of Purified Terephthalic Acid (PTA).

1.2 The geographical location and addresses of business units are as under:

Location	Address
Registered Office	EZ/1/P-4, Eastern Industrial Zone, Port Qasim, Karachi.
City Office	Al-Tijarah Centre, 14th Floor, 32/1-A, Main Shahrah-e-Faisal, Block 6, P.E.C.H.S., Karachi.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements of the Company for the three months period ended 31 March 2026 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, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017.

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

2.1.1 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2025. However, selected explanatory notes are included to explain events and transactions that are significant to understanding of changes in Company's financial position and performance since the last annual financial statements.

2.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention (except for retirement benefit obligations and lease liability, which have been measured at present value).

2.3 Functional and presentation currency

The condensed interim financial statements are presented in Pak Rupee which is also the functional currency of the Company and rounded off to the nearest thousand, unless otherwise stated.

3. ACCOUNTING POLICIES, ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements for the year ended 31 December 2025.

Notes to the Condensed Interim Financial Statements (Un-audited)

For the first quarter ended 31 March 2026

Amounts in Rs '000

The preparation of these condensed interim financial statements, in conformity with accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from the estimates. During the 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 and assumptions are consistent with those that were applied to the annual audited financial statements of the Company for the year ended 31 December 2025.

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended 31 December 2025.

	Note	31 March 2026 (Un-audited)	31 December 2025 (Audited)
4. PROPERTY, PLANT AND EQUIPMENT			
Operating property, plant and equipment	4.1	4,958,796	5,521,183
Capital work-in-progress	4.2	705,993	594,676
		5,664,789	6,115,859

4.1 The following property, plant and equipment have been added / disposed off during the three months period ended 31 March:

	2026		2025	
	Additions cost	Disposals net book value	Additions cost	Disposals net book value
Property, plant and equipment				
Operating assets - owned				
Buildings on leasehold land	76,368	-	-	-
Plant and machinery	89,020	-	287,223	-
Furniture and equipment	2,605	-	4,897	-
Motor vehicles	-	-	8,182	-

	31 March 2026 (Un-audited)	31 December 2025 (Audited)
4.2 Capital work-in-progress - movement		
Balance as at opening	594,676	557,469
Capital expenditure	276,706	622,766
Transferred to operating property, plant and equipment	(165,389)	(585,559)
Balance as at closing	705,993	594,676

5. TRADE DEBTS

- 5.1** All of the Company's trade debts are secured by letters of credit of 30 to 60 days issued by various banks. These balances are neither past due nor impaired and are considered good.
- 5.2** This includes receivable from Gatron Industries Limited and Novatex Limited - related parties amounting to Rs. 266.92 (31 December 2025: Rs Nil) and Rs. 25.36 million (31 December 2025: Rs. 1,195.99 million) respectively.
- 5.3** The maximum aggregate amount due from the related party at the end of any month during the period was Rs. 2,242.19 million (31 December 2025: Rs. 2,214.54 million).

Notes to the Condensed Interim Financial Statements (Un-audited)

For the first quarter ended 31 March 2026

Amounts in Rs '000

	Note	31 March 2026 (Un-audited)	31 December 2025 (Audited)
6. SHORT-TERM INVESTMENTS - at amortised cost			
Conventional			
- Term deposit receipts	6.1	414,499	1,414,499
- Mutual Funds	6.2	1,017,380	-
		<u>1,431,879</u>	<u>1,414,499</u>
6.1	The interest rate on term deposit receipt is 7% per annum (31 December 2025: 7% to 10.75% per annum) and had original maturities of less than three months.		
6.2	These have been valued by using published net asset value (NAV). As at 31 March 2026, the number of units held by the Company is 1,883,759.9547 units (31 December 2025: Nil).		
	Note	31 March 2026 (Un-audited)	31 December 2025 (Audited)
7. SALES TAX REFUNDS DUE FROM GOVERNMENT			
Sales tax refundable		5,153,871	5,402,057
Provision for impairment		(173,338)	(173,338)
		<u>4,980,533</u>	<u>5,228,719</u>
8. CASH AND BANK BALANCES			
Cash in hand		-	190
Conventional			
- Current accounts		348,398	9,289
- Savings account	8.1	34,170	6,757,525
		382,568	6,766,814
Islamic			
- Current accounts		60,851	61,298
- Savings account	8.1	52	49
		60,903	61,347
		<u>443,471</u>	<u>6,828,351</u>
8.1	These carry mark-up from 6.30% to 11.0% per annum (31 December 2025: 6.75% to 11.0% per annum).		
		31 March 2026 (Un-audited)	31 March 2025 (Un-audited)
8.2 CASH AND CASH EQUIVALENTS			
Cash and bank balances		443,471	75,558
Mutual Funds		1,017,380	-
TDRs with banks having maturity less than three months		414,499	5,770,799
		<u>1,875,350</u>	<u>5,846,357</u>

Notes to the Condensed Interim Financial Statements (Un-audited)

For the first quarter ended 31 March 2026

Amounts in Rs '000

9. LONG-TERM BORROWING

Lender	Installments payable	Interest rate	31 March 2026 (Un-audited)	31 December 2025 (Audited)
United Bank Limited	Quarterly	1.75% per annum above 3 months KIBOR	5,111,370	-
Less: current portion			1,277,842	-
			3,833,528	-
			31 March 2026 (Un-audited)	31 December 2025 (Audited)

10. TRADE AND OTHER PAYABLES

Trade creditors including bills payable			1,187,272	9,872,042
Sindh Development and maintenance of Infrastructure Cess			7,705,300	7,452,633
Provision for Gas Infrastructure Development Cess (GIDC)			3,113,744	3,113,744
Provision for Captive Gas Tariff rate differential			201,802	201,802
Accrued expenses			1,266,003	1,552,682
Workers' Profit Participation Fund (WPPF)			129,693	5,964
Workers' Welfare Fund (WWF)			140,862	87,927
Contract liabilities - advances from customers			102,390	2,651
Retention money			4,754	4,754
Withholding tax payable			27,435	5,780
Others			150,768	152,471
			14,030,023	22,452,450

11. ACCRUED INTEREST

Mortar Investments International Limited	11.1	426,416	427,555
Long-term borrowing	9	63,783	-
Bank overdraft	11.2	7,189	-
		497,388	427,555

11.1 This represents interest payable to Mortar Investments International Limited amounting to USD 1.52 million (31 December 2025: USD 1.52 million) on long-term loans previously repaid by ICI Pakistan Limited. The amount is still unpaid due to certain legal and procedural complexities with respect to foreign remittance.

11.2 The running finance facilities carry mark-up at rates ranging from 1 month KIBOR plus 0.40% per annum to 1 months KIBOR plus 1.0% per annum and are secured by joint pari-passu hypothecation charge over all the present and future stock and book debts of the Company.

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

There is no significant change in the status of contingencies as reported in the annual financial statement for the year ended 31 December 2025.

12.2 Commitments and Guarantees

12.2.1 Commitments for capital expenditure as at 31 March 2026 amounted to Rs. 144.60 million (31 December 2025: Rs. 163.38 million).

Notes to the Condensed Interim Financial Statements (Un-audited)

For the first quarter ended 31 March 2026

Amounts in Rs '000

12.2.2 Commitments for rentals under ljarah contracts for vehicles are as follows:

	31 March 2026	31 December 2025
	(Un-audited)	(Audited)
Not later than 1 year	64,751	85,021
Later than 1 year and not later than 5 years	167,757	155,300
	232,508	240,321

12.2.3 Commitments for rentals for office premises leased from AI Tjjarah are as follows:

	31 March 2026	31 December 2025
	(Un-audited)	(Audited)
Not later than 1 year	-	10,012

12.2.4 Commitments for rentals under agreement in respect of services are priced in foreign currency and converted at the exchange rate are as follows:

	31 March 2026	31 December 2025
	(Un-audited)	(Audited)
Not later than 1 year	221,972	445,131
Later than 1 year and not later than 5 years	-	-
	221,972	445,131

12.2.5 The facilities for guarantees from banks as at 31 March 2026 amounted to Rs. 13,100 million (31 December 2025: Rs 12,700 million). Outstanding guarantees of the Company as at 31 March 2026 were Rs. 8,897.35 million (31 December 2025: Rs. 8,597.35 million).

12.2.6 The facilities for opening letters of credit from banks as at 31 March 2026 amounted to Rs. 50,500 million (31 December 2025: Rs. 45,800 million). Letters of credit issued on behalf of the Company as at 31 March 2026 were Rs. 9,533.36 million (31 December 2025: Rs. 3,298.86 million).

Quarter ended	
31 March (Un-audited)	
2026	2025

13. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

Manufactured goods

Local sales	23,572,762	25,216,094
Less: Sales tax	(3,595,845)	(3,846,523)
Price settlements and discounts	343,416	(486,277)
	20,320,333	20,883,294

Trading goods

Local sales	640,348	740,584
Less: Sales tax	(97,680)	(112,970)
Price settlements and discounts	(3,167)	(5,712)
	539,501	621,902
	20,859,834	21,505,196

Notes to the Condensed Interim Financial Statements (Un-audited)

For the first quarter ended 31 March 2026

Amounts in Rs '000

	Quarter ended	
	31 March (Un-audited)	
	2026	2025
14. COST OF SALES		
Manufactured goods		
Opening stock of raw and packing materials	7,438,648	6,101,430
Purchases	12,886,258	14,468,444
Closing stock of raw and packing materials	(2,673,442)	(989,451)
Raw and packing materials consumed	17,651,464	19,580,423
Salaries, wages and benefits	249,530	262,367
Stores and spares consumed	116,318	113,071
Rentals under ijarah arrangements	8,242	7,070
Insurance	52,446	57,961
Oil, gas and electricity	1,820,211	2,377,667
Travelling	54,913	34,961
Depreciation and amortisation	407,062	393,221
Repairs and maintenance	152,496	127,485
Others	17,178	19,526
Cost of goods manufactured	20,529,860	22,973,752
Opening stock of finished goods	1,518,960	332,132
	22,048,820	23,305,884
Closing stock of finished goods	(4,559,966)	(3,651,269)
Cost of goods manufactured sold	17,488,854	19,654,615
Trading goods		
Opening stock	133,566	312,628
Purchases	571,172	573,018
Closing stock	(261,601)	(367,299)
Cost of trading goods sold	443,137	518,347
	17,931,991	20,172,962
15. OTHER EXPENSES		
Workers' Profit Participation Fund	129,693	58,355
Workers' Welfare Fund	52,935	22,854
	182,628	81,209
16. OTHER INCOME		
Income from financial assets		
Income on term deposit receipts - conventional	26,495	51,279
Income on savings account - conventional	59,810	149,893
Income on mutual funds - conventional	17,381	-
Income on term deposit receipts - islamic	-	7,022
	103,686	208,194
Income from non-financial assets		
Indenting commission - net	299	138
Rental income from tower on leasehold land	1,858	435
	2,157	573
	105,843	208,767

Notes to the Condensed Interim Financial Statements (Un-audited)

For the first quarter ended 31 March 2026

21. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of parent company, related group companies, directors of the Company, companies where directors also hold directorships, key management personnel and staff retirement funds. All transactions with related parties are entered into at agreed terms. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these condensed interim financial statements are as follows:

Relationship	Nature of transactions	Quarter ended 31 March (Un-audited)	
		2026	2025
Associates	Purchase of goods - Nova Care (Pvt.) Ltd.	85	-
	Purchase of services - DW Pakistan (Pvt.) Limited	29,521	-
	Sale of goods to Pachem Global (Private) Limited - gross sales	22,088	-
	Sale of goods to Novatex Limited - gross sales	1,842,113	5,958,527
	Sale of goods to Gatron Industries Limited - gross sales	3,602,500	893,888
Key management personnel	Salaries and other short-term benefits	45,962	16,307
	Retirement benefits	5,867	556
Others	Payments to retirement benefit funds	39,240	32,113

22. DATE OF AUTHORISATION

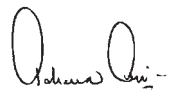
These condensed interim financial statements were authorised for issue in the Board of Directors meeting held on 20 April 2026.



Imtiaz Ahmed
Chairman



Adnan Afridi
Chief Executive



Ashiq Ali
Chief Financial Officer

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