



**Sitara Chemical
Industries Limited**

Excellence, Quality, Trust.



**THIRD
QUARTER
REPORT
MARCH 31, 2026**

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COMPANY INFORMATION

Board of Directors

Chairman
Chief Executive Officer
Directors

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

Company Secretary

Chief Financial Officer

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

Audit Committee

Chairman
Members

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

Human Resource & Remuneration Committee

Chairman
Members

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

Head of Internal Audit

Mr. Asghar Ali (ACMA)

External Auditors

M/s. Yousuf Adil
Chartered Accountants

Legal Advisor

Mr. Waqar Arif

Shariah Advisor

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

Bankers

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

Website of the Company

www.sitara.com.pk

Registered Office

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

Share Registrar Address

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

Factories

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

DIRECTORS' REPORT

In the name of Allah, the Most Beneficent, the Most Merciful.

The Directors of Sitara Chemical Industries Limited are pleased to present the unaudited condensed interim financial statement of the Company for the nine-month period ended March 31, 2026.

FINANCIAL PERFORMANCE:

The period under review was characterized by a relatively stable macroeconomic environment compared to the previous year, supported by easing inflationary pressures and a gradual decline in policy rates. During the nine-month period under review, the Company recorded net sales of PKR 24,325 million as compared to PKR 24,248 million in the corresponding period of last year, reflecting a marginal increase of 0.32%. Gross profit improved significantly to PKR 4,722 million from PKR 3,928 million in the same period last year, registering an increase of PKR 793 million. This improvement is primarily attributable to a reduction in national grid electricity tariffs and optimization of the Company's energy mix, resulting in lower production costs and improved margins.

Distribution expenses increased primarily due to higher average POL prices, particularly the sharp escalation observed in March 2026, which resulted in increased freight and delivery costs. Administrative expenses also rose due to increase in payroll costs and the inflationary impact on general overheads. On the other hand, finance costs declined during the period under review, reflecting the benefit of monetary easing by the State Bank of Pakistan, which led to a reduction in borrowing costs.

The textile segment also demonstrated improved performance, supported by relatively favorable procurement prices of both local and imported cotton, as well as improved energy efficiency following the further induction of solar power in overall energy mix of yarn division.

Resultantly, the Company's total profit after tax has increased to PKR 1,173 million as compared to PKR 712 million in the corresponding period last year. Earnings per share (EPS) increased to PKR 54.76 from PKR 33.23 in the same period last year.

FUTURE OUTLOOK:

The Company's 50 MW coal-fired power plant is presently in the final stages of testing and commissioning. Management expects the plant to achieve commercial operations in the near term, which is anticipated to enhance energy cost efficiency and strengthen operational reliability, subject to normalization of international coal prices following recent increases driven by geopolitical tensions.

Going forward, the Company remains cautiously optimistic about its outlook. However, ongoing geopolitical developments in the Middle East—resulting in volatility in global energy and coal prices and potential supply chain disruptions—along with persistent inflationary pressures and possible monetary tightening measures to contain inflation, may pose challenges to the operating environment and could adversely impact overall business performance.

ACKNOWLEDGMENT:

The Directors wish to place on record their appreciation for the continued support and confidence of shareholders, customers, suppliers, financial institutions, and regulators. The Board also acknowledges the dedication and hard work of the Company's employees, whose commitment remains vital to the Company's sustained progress.

On behalf of the Board



Muhammad Adrees
Chief Executive Officer
Date: April 28, 2026
Faisalabad.



Ijaz Hussain
Director

ڈائریکٹرز رپورٹ

شروع اللہ تعالیٰ کے بابرکت نام سے جو بڑا مہربان اور نہایت رحم کرنے والا ہے۔

ستارہ کیمیکلز انڈسٹریز لمیٹڈ کے ڈائریکٹرز 31 مارچ 2026 کو ختم ہونے والی نو ماہ کی مدت کے کمپنی کے غیر آڈٹ شدہ اکاؤنٹس پیش کرتے ہوئے پُرسرت ہیں۔

مالیاتی کارکردگی:

زیر جائزہ مدت کے دوران گزشتہ سال کے مقابلے میں نسبتاً مستحکم معاشی ماحول کی خصوصیت، جس میں افراط زر کے دباؤ کو کم کرنے اور پالیسی کی شرحوں میں بتدریج کمی کی وجہ سے تعاون حاصل تھا۔ زیر جائزہ نو ماہ کی مدت کے دوران، آپ کی کمپنی نے 24,325 ملین روپے کی خالص فروخت ریکارڈ کی جبکہ گزشتہ مالی سال کی اسی مدت کے دوران خالص فروخت 24,248 ملین روپے تھی، جس میں مجموعی طور پر 0.32 فیصد کا معمولی اضافہ دیکھا گیا۔ مجموعی منافع 4,722 ملین روپے رہا۔ جبکہ گزشتہ مالی سال کی اسی مدت کے دوران مجموعی منافع 3,928 ملین روپے تھا، جس میں 793 ملین روپے کا اضافہ ہوا۔ یہ بہتری بنیادی طور پر قومی گرڈ سے بجلی کے نرخوں میں کمی اور کمپنی نے انرجی کس کی اصلاح سے منسوب ہے، جس کے نتیجے میں پیداواری لاگت کم ہوئی اور مارجن میں بہتری آئی۔

تقسیم کے اخراجات میں بنیادی طور پر POL کی مسلسل بڑھتی ہوئی قیمتوں کی وجہ سے اضافہ ہوا، خاص طور پر مارچ 2026 میں دیکھا گیا تیز اضافہ، جس کے نتیجے میں مال برداری اور ترسیل کے اخراجات میں اضافہ ہوا۔ تنخواہ کے اخراجات میں اضافے اور اوور ہیڈز پر افراط زر کے اثرات کی وجہ سے انتظامی اخراجات میں بھی اضافہ ہوا ہے۔ دوسری جانب، مالیاتی لاگت میں زیر جائزہ مدت کے دوران کمی دیکھی گئی، جو کہ اسٹیٹ بینک آف پاکستان کی جانب سے جاری مالی سال کے آغاز سے لے کر اب تک اختیار کی گئی پالیسی ریٹ میں مسلسل کمی سے منسوب ہے۔

زیر جائزہ مدت کے دوران آپ کی کمپنی کے ٹیکسٹائل کے شعبے نے بھی بہتر کارکردگی کا مظاہرہ کیا، جس کی وجہ مقامی اور درآمدی کپاس کی نسبتاً بہتر قیمتیں ہیں۔ نیز یارن ڈویژن کے مجموعی انرجی کس میں سٹیمی توانائی کی مزید شمولیت کے بعد توانائی کی کارکردگی میں بہتری آئی۔

زیر جائزہ مدت کے دوران، آپ کی کمپنی کا ٹیکس کے بعد کمایا گیا مجموعی منافع 1,173 ملین روپے رہا اور فی حصص آمدنی 54.76 روپے رہی۔ جبکہ پچھلے سال اسی عرصہ کے دوران ٹیکس کے بعد کمایا گیا منافع 712 ملین روپے تھا اور فی حصص آمدنی 33.23 روپے تھی۔

مستقبل کا نقطہ نظر:

کمپنی کا 50 میگا واٹ کا کونسلے سے چلنے والا پاور پلانٹ اس وقت ٹیسٹنگ اور کمیشننگ کے آخری مراحل میں ہے۔ انتظامیہ کو توقع ہے کہ پلانٹ جلد ہی تجارتی آپریشنز حاصل کر لے گا، جس سے توانائی کی لاگت کارکردگی اور آپریشنل اعتبار میں بہتری کی توقع ہے، بشرط کہ جغرافیائی سیاسی تناؤ کی وجہ سے حالیہ اضافے کے بعد کونسلے کی قیمتیں معمول پر آئیں۔ کمپنی مستقبل کے لیے ایک مثبت نقطہ نظر رکھتی ہے۔ تاہم، مشرق وسطیٰ میں جاری جغرافیائی سیاسی پیش رفت، نتیجتاً عالمی توانائی اور کونسلے کی قیمتوں میں اتار چڑھاؤ اور ممکنہ سپلائی چین میں خلل پڑنا، مسلسل افراط زر کے دباؤ اور افراط زر پر قابو پانے کے لیے ممکنہ مالیاتی سختی کے اقدامات، آپریٹنگ ماحول کے لیے چیلنجز پیدا کر سکتے ہیں اور مجموعی کاروباری کارکردگی کو متاثر کر سکتے ہیں۔

اعترافات:

ڈائریکٹرز، شیئرز، ہولڈرز، صارفین، سپلائرز، مالیاتی اداروں اور ریگولیٹرز کی مسلسل حمایت اور اعتماد کے لیے اپنا تشکر ریکارڈ پر رکھنا چاہتے ہیں۔ بورڈ کمپنی کے ملازمین کی لگن اور محنت کا بھی اعتراف کرتا ہے جس کی وابستگی کمپنی کی مسلسل ترقی کے لیے اہم ہے۔



محمد اریف

چیف ایگزیکٹو آفیسر

فیصل آباد 28 اپریل 2026



عجاز حسین

ڈائریکٹر



ALHAMD SHARIAH ADVISORY SERVICES

(PVT) LIMITED

Shariah Review Report

For the period ended on Mar 31, 2026

We have conducted a Shariah review of Sitara Chemical Industries Limited (SCIL) for the period ending on Mar 31, 2026, in accordance with the Shariah Governance Regulations of 2023.

In our opinion:

- Generally, the transactions, documentation, and procedures adopted have been in accordance with the principles of Shariah; however, it is confirmed that during the period no new policy was introduced and no new agreement was executed;
- the business affairs have been carried out in accordance with rules and principles of Shariah;
- Further, the Shariah non-compliant income earned by the company during the period has been purified from the company's income.

Conclusion:

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

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

For and on Behalf of Alhamd Shariah Advisory Services Private Limited

Mufti Muhammad Ibrahim Essa
Chief Executive Officer

Mufti Ubaid Ur Rahman Zubairi
Director



Dated: April 21, 2026

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

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Condensed Interim Financial Statements

**For the nine months period ended
March 31, 2026**

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2026

	Note	Un-audited March 31, 2026	Audited June 30, 2025
(Rupees in thousand)			
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	5	31,855,203	29,901,980
Intangible assets		7,480	6,371
Investment property	6	3,412,527	3,418,251
Long-term investments		20,039	20,039
Long-term loans and advances		225,792	539,655
Long-term deposits		125,334	125,334
		35,646,376	34,011,629
CURRENT ASSETS			
Stores, spare parts and loose tools		1,935,099	1,710,214
Stock-in-trade		4,236,690	4,190,277
Trade debts		2,720,867	2,919,788
Loans and advances		1,282,369	956,327
Trade deposits, prepayments and other receivables		63,041	60,868
Advance income tax		2,407,202	2,550,093
Other financial assets	7	695,887	773,940
Cash and bank balances		433,719	334,865
		13,774,873	13,496,372
		49,421,249	47,508,001
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		214,294	214,294
Reserves		1,667,131	1,568,514
Unappropriated profit		14,517,391	13,404,338
Surplus on revaluation of property, plant and equipment		3,530,251	3,678,570
		19,929,067	18,865,716
NON - CURRENT LIABILITIES			
Long-term financing	8	7,636,927	8,021,931
Deferred taxation		3,850,197	3,770,611
Deferred liabilities	9	167,092	176,292
		11,654,216	11,968,834
CURRENT LIABILITIES			
Trade and other payables		4,831,572	4,463,874
Profit / financial charges payable		824,004	1,194,155
Short term borrowings		10,018,021	9,340,377
Provision for taxation		708,855	839,712
Unclaimed dividend		32,953	29,912
Current portion of long-term financing		1,422,562	805,421
		17,837,966	16,673,451
CONTINGENCIES AND COMMITMENTS			
	10	49,421,249	47,508,001

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



Chief Financial Officer



Chief Executive Officer



Director

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2026**

	Note	Nine months period ended		Three months period ended	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
(.....Rupees in thousand.....)					
Revenue from contract with customers - net	11	24,324,814	24,247,836	8,639,307	8,359,046
Cost of sales	12	(19,605,337)	(20,319,416)	(6,945,923)	(6,959,457)
Gross profit		4,719,476	3,928,420	1,693,384	1,399,589
Distribution cost		(565,137)	(360,304)	(186,126)	(103,601)
Administrative expenses		(1,004,386)	(923,692)	(359,754)	(326,282)
Other expenses		(356,929)	(190,552)	(112,661)	(77,003)
Finance cost		(1,037,073)	(1,548,548)	(350,708)	(405,970)
		(2,963,525)	(3,023,095)	(1,009,249)	(912,856)
Other income		183,801	218,408	57,215	50,957
Profit before income tax and final tax		1,939,752	1,123,734	741,349	537,691
Final tax and minimum tax differential		(1,319)	(13,693)	(440)	(12,813)
Profit before tax		1,938,434	1,110,041	740,910	524,877
Provision for taxation	13	(764,957)	(397,984)	(292,213)	(177,769)
Profit after taxation		1,173,476	712,057	448,697	347,108
Earnings per share - basic and diluted - (Rupees)		54.76	33.23	20.94	16.20

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



Chief Financial Officer



Chief Executive Officer




Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2026**

	Nine months period ended		Three months period ended	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
	(.....Rupees in thousand.....)			
Profit after taxation	1,173,476	712,057	448,697	347,108
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Gain on sale of investments measured at FVTOCI	15,063	1,981	-	-
Gain/ (loss) on re-measurement of investments measured at FVTOCI	132,699	5,744	(45,989)	(555)
Related tax impact	(22,164)	(1,159)	6,898	83
Other comprehensive income	125,597	6,566	(39,091)	(472)
Total comprehensive income for the period	1,299,074	718,623	409,606	346,636

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



Chief Financial Officer



Chief Executive Officer



Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2026**

Share Capital	Reserves							Total Reserves	Total
	Capital				Revenue				
	Share Premium	Reserve on re-measurement of equity instruments as at FVTOCI - net of tax	Reserve on re-measurement of post retirement benefits obligation - net of tax	Surplus on revaluation of property, plant and equipment	General Reserve	Unappropriated profit			
(..... Rupees in thousand))									
Balance as at July 01, 2024 - Audited	214,294	97,490	177,829	(8,454)	3,893,550	1,225,000	12,464,378	17,849,793	18,064,087
Total comprehensive income									
Profit for the period	-	-	-	-	-	-	712,057	712,057	712,057
Other comprehensive income	-	-	6,566	-	-	-	-	6,566	6,566
Transfer to unappropriated profit on account of disposal of financial assets carried at FVTOCI	-	-	6,566	-	-	-	712,057	718,623	718,623
Transfer to unappropriated profit on account of incremental depreciation - net of tax	-	-	-	-	(161,235)	-	161,235	-	-
Transactions with owners									
Final dividend for the year ended June 30, 2024 @ Rs. 10 per share	-	-	-	-	-	-	(214,294)	(214,294)	(214,294)
Balance as at March 31, 2025 - Un-audited	214,294	97,490	174,820	(8,454)	3,732,315	1,225,000	13,132,951	18,354,122	18,568,416
Balance as at July 01, 2025 - Audited	214,294	97,490	258,328	(12,304)	3,678,570	1,225,000	13,404,338	18,651,422	18,865,716
Total comprehensive income									
Profit for the period	-	-	-	-	-	-	1,173,476	1,173,476	1,173,476
Other comprehensive income	-	-	125,597	-	-	-	-	125,597	125,597
Transfer to unappropriated profit on account of disposal of financial assets carried at FVTOCI	-	-	125,597	-	-	-	1,173,476	1,299,074	1,299,074
Transfer to unappropriated profit on account of incremental depreciation - net of tax	-	-	-	-	(148,319)	-	148,319	-	-
Transactions with owners									
Final dividend for the year ended June 30, 2025 @ Rs. 11 per share	-	-	-	-	-	-	(235,723)	(235,723)	(235,723)
Balance as at March 31, 2026 - Un-audited	214,294	97,490	356,944	(12,304)	3,530,251	1,225,000	14,517,391	19,714,773	19,929,067

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


Chief Financial Officer


Chief Executive Officer


Director

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2026**

	Note	Nine months period ended	
		March 31, 2026	March 31, 2025
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		1,938,434	1,110,041
Depreciation on property, plant and equipment		1,106,082	1,133,555
Depreciation on investment property		5,723	6,718
Amortization on intangible assets		591	516
Gain on investments measured at FVTPL		(4,854)	(9,190)
Finance cost		1,037,073	1,548,548
Loss on disposal of property, plant and equipment		17,645	31,294
Exchange loss		7	(4)
Provision for employee benefits		35,869	32,802
Dividend income		(33,039)	(50,814)
Final tax and minimum tax differential		1,319	13,693
Unwinding of deferred receivable		-	(17,667)
Amortization of deferred grant		(36,138)	(57,113)
Impairment loss on financial assets		182,195	75,942
Profit on bank deposits		(17,158)	(18,030)
		2,295,316	2,690,249
Operating cash flows before working capital changes		4,233,750	3,800,290
Working capital changes	17	(267,975)	(56,288)
Cash generated from operations		3,965,775	3,744,002
Finance cost paid		(1,371,086)	(1,230,474)
Employee benefits paid		(8,931)	(19,913)
Taxes paid		(640,050)	(447,434)
		(2,020,068)	(1,697,820)
Net cash generated from operating activities		1,945,708	2,046,182
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment including capital work in progress		(3,081,048)	(6,565,893)
Proceeds from disposal of property, plant and equipment		4,097	50,192
Purchase of intangible assets		(1,700)	(277)
Purchase of other financial assets		(807,012)	(1,089,839)
Proceeds from disposal of other financial assets		1,051,433	1,329,736
Long-term deposits paid		-	(559)
Long-term loans and advances received		309,972	61,841
Profit received on bank deposits		17,158	18,030
Dividend income received		19,287	14,992
Net cash used in investing activities		(2,487,813)	(6,181,776)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing obtained		1,110,216	5,657,681
Repayment of long-term financing		(914,217)	(587,296)
Short term borrowing - net		677,644	(550,762)
Dividend paid		(232,683)	(212,503)
Net cash generated from financing activities		640,959	4,307,120
Net increase/(decrease) in cash and cash equivalents		98,854	171,526
Cash and cash equivalents at the beginning of the period		334,865	360,476
Cash and cash equivalents at the end of the period		433,719	532,002

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



Chief Financial Officer



Chief Executive Officer



Director

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2026**

1 LEGAL STATUS AND OPERATIONS

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

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

Principal business activities are as follows:

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

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

2 BASIS OF PREPARATION

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

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

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

- 2.2** These condensed interim financial statements should be read in conjunction with annual audited financial statements for the year ended June 30, 2025. Comparative statement of financial position is extracted from annual audited financial statements for the year ended June 30, 2025, whereas comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows are extracted from un-audited condensed interim financial statements for the nine months period ended March 31, 2025.

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

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

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

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 01, 2025, however, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

In preparation of these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements for the year ended June 30, 2025.

	Note	Un-audited March 31, 2026	Audited June 30, 2025
5 PROPERTY, PLANT AND EQUIPMENT			
Operating assets	5.1	19,433,045	19,178,515
Capital work-in-progress	5.2	12,303,619	10,534,361
Capital stores		118,540	189,104
		<u>31,855,203</u>	<u>29,901,980</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2026**

	Un-audited March 31, 2025	Audited June 30, 2025
	(Rupees in thousand)	
5.1 Operating assets		
Opening written down value	19,178,515	19,760,226
Additions during the period / year:		
Freehold land	36,530	-
Buildings on freehold land - Mill	83,359	21,601
Plant and machinery	1,088,711	907,191
Grid station and electric installations	95,077	-
Factory equipment	20,742	20,616
Electric equipment	21,978	39,000
Office equipment	5,314	8,220
Furniture and fittings	1,651	6,338
	1,382,355	1,027,593
Written down value of assets disposed off during the period / year	(21,743)	(88,651)
Depreciation charged during the period / year	(1,106,082)	(1,520,653)
Written down value at the end of the period / year	<u>19,433,045</u>	<u>19,178,515</u>

5.2 Capital work-in-progress

Description	At July 01, 2025	Additions	Transfers	At March 31, 2026
	----- (Rupees in thousand) -----			
Civil works	1,316,452	59,384	(57,756)	1,318,080
Mechanical works	9,217,909	2,707,396	(939,765)	10,985,539
	<u>10,534,361</u>	<u>2,766,780</u>	<u>(997,522)</u>	<u>12,303,619</u>

Description	At July 01, 2024	Additions	Transfers	At June 30, 2025
	----- (Rupees in thousand) -----			
Civil works	631,987	718,520	(34,055)	1,316,452
Mechanical works	2,493,964	7,038,077	(314,132)	9,217,909
	<u>3,125,951</u>	<u>7,756,597</u>	<u>(348,187)</u>	<u>10,534,361</u>

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

Out of the total revaluation surplus of Rs. 5,118 million, Rs. 3,530 million net of tax (June 30, 2025: 3,679 million) remains undepreciated as at March 31, 2026.

5.4 Details of the Company's revalued assets and information about fair value hierarchy, as at March 31, 2025 are as follows:

	Un-audited March 31, 2026			Audited June 30, 2025		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	----- (Rupees in thousand) -----					
Land - freehold	-	1,561,303	-	-	1,525,068	-
Buildings on freehold land	-	2,377,269	-	-	2,295,115	-
Plant and machinery	-	16,044,093	-	-	14,983,443	-
	<u>-</u>	<u>19,982,665</u>	<u>-</u>	<u>-</u>	<u>18,803,626</u>	<u>-</u>

	Note	Un-audited March 31, 2026	Audited June 30, 2025
		(Rupees in thousand)	
6 INVESTMENT PROPERTY			
Land		3,340,788	3,340,788
Buildings	6.1	71,739	77,463
		<u>3,412,527</u>	<u>3,418,251</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2026**

	Note	Un-audited March 31, 2026 (Rupees in thousand)	Audited June 30, 2025
6.1 Buildings			
Opening written down value		77,463	86,339
Depreciation charged during the period / year		(5,723)	(8,876)
Written down value at the end of the period / year		<u>71,740</u>	<u>77,463</u>
7 OTHER FINANCIAL ASSETS			
Investments classified as fair value through other comprehensive income (FVTOCI)			
Equity investments	7.1	465,294	359,664
Investments classified as fair value through profit and loss (FVTPL)			
Mutual Funds		230,592	414,276
		<u>695,887</u>	<u>773,940</u>
7.1 Reconciliation between fair value and cost of investments classified at FVTOCI			
Fair value of investments			
- in listed equity securities		465,294	359,664
Gain on remeasurement of investments		419,935	303,915
Cost of investment		<u>45,360</u>	<u>55,749</u>

7.2 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

	Un-audited March 31, 2026			Audited June 30, 2025		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	------(Rupees in thousand)-----					
Equity instruments at fair value:						
Investments - FVTOCI	465,294	-	-	359,664	-	-
Investments - FVTPL	230,592	-	20,039	414,276	-	20,039
Total assets at fair value	<u>695,887</u>	-	<u>20,039</u>	<u>773,940</u>	-	<u>20,039</u>

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

	Note	Un-audited March 31, 2026 (Rupees in thousand)	Audited June 30, 2025
8 LONG-TERM FINANCING			
From banking companies, financial institutions and others - secured			
Sukuks (Listed, privately placed, secured and rated)		2,300,000	2,300,000
Diminishing Musharka (from financial institutions - secured)		6,759,489	6,527,352
		9,059,489	8,827,352
Less: Current portion of long term financing		(1,422,562)	(805,421)
		<u>7,636,927</u>	<u>8,021,931</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2026**

8.1 Subject to the terms and conditions disclosed in note 22 of the audited financial statements for the year ended June 30, 2025, the Company has availed additional financing from the Bank of Punjab and Soneri Bank Limited amounting of Rs. 29.38 million and Rs. 18.44 million respectively.

Moreover, an additional facility of Rs. 800 million and 262.40 million at the rate of 3M KIBOR plus 1% was secured from National Bank of Pakistan and Bank of Khyber respectively.

	Un-audited March 31, 2026	Audited June 30, 2025
	(Rupees in thousand)	
9 DEFERRED LIABILITIES		
Gratuity payable	133,987	107,049
Deferred grant	33,105	69,243
	<u>167,092</u>	<u>176,292</u>

10 CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

There is no significant change in status of contingencies as disclosed in the annual audited financials statements for the year ended June 30, 2025.

10.2 Commitments

Outstanding letters of credit for raw material, spare parts, plant and machinery	1,771,028	2,816,389
Guarantees issued by banks on behalf of the Company	390,023	391,045

	Un-audited		Un-audited	
	Nine months period ended		Three months period ended	
	March 31 2026	March 31 2025	March 31 2026	March 31 2025
	(.....Rupees in thousand.....)			
11 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET				
Local:				
Chemicals	25,069,714	24,501,822	8,768,086	8,397,895
Yarn	3,418,676	3,849,470	1,109,376	1,060,781
Fabric	793,326	686,908	576,378	509,718
Waste	31,360	22,115	9,464	8,424
Others - trading	-	237,683	-	79,793
	<u>29,313,076</u>	<u>29,297,998</u>	<u>10,463,303</u>	<u>10,056,611</u>
Export:				
Chemicals	182,550	148,523	5,655	35,330
Gross Sales	<u>29,495,626</u>	<u>29,446,521</u>	<u>10,468,959</u>	<u>10,091,941</u>
Less:				
Commission and discount	(663,029)	(676,295)	(216,359)	(226,690)
Sales tax	(4,507,783)	(4,522,390)	(1,613,293)	(1,506,205)
	<u>(5,170,812)</u>	<u>(5,198,685)</u>	<u>(1,829,651)</u>	<u>(1,732,895)</u>
	<u>24,324,814</u>	<u>24,247,836</u>	<u>8,639,307</u>	<u>8,359,046</u>
12 COST OF SALES				
Raw material consumed	7,383,928	6,493,710	2,474,225	1,912,002
Fuel and power	10,147,172	10,250,730	3,311,064	3,513,792
Salaries, wages and benefits	1,076,278	897,813	378,077	309,953
Factory overheads	1,916,660	1,930,838	639,433	647,173
	<u>20,524,037</u>	<u>19,573,091</u>	<u>6,802,799</u>	<u>6,382,920</u>
Work-in-process				
Opening stock	54,651	57,219	50,782	42,576
Closing stock	(58,334)	(46,591)	(58,334)	(46,591)
	<u>(3,683)</u>	<u>10,628</u>	<u>(7,552)</u>	<u>(4,015)</u>
Cost of goods manufactured	<u>20,520,354</u>	<u>19,583,719</u>	<u>6,795,247</u>	<u>6,378,905</u>
Finished goods				
Opening stock	1,720,336	2,363,522	2,786,029	2,342,182
Closing stock	(2,635,352)	(1,828,758)	(2,635,352)	(1,828,758)
	<u>(915,016)</u>	<u>534,764</u>	<u>150,677</u>	<u>513,424</u>
Cost of trading items	-	200,933	-	67,128
	<u>19,605,337</u>	<u>20,319,416</u>	<u>6,945,923</u>	<u>6,959,457</u>
13 PROVISION FOR TAXATION				
Current - for the period	707,536	492,003	279,350	211,684
Deferred	57,421	(94,019)	12,863	(33,915)
	<u>764,957</u>	<u>397,984</u>	<u>292,213</u>	<u>177,769</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2026**

14 TRANSACTIONS WITH RELATED PARTIES

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

		Un-audited	
		Nine months period ended	
Relationship with the Company	Nature of transactions	March 31 2026	March 31 2025
		(Rupees in thousand)	
Associated undertaking	Sale of goods	706	1,587
	Donation	48,203	47,776
	Loan and advances	14,837	3,168
Key management personnel	Remuneration to executives	244,579	218,863
Payable to Provident fund - related party	Employers contribution	4,599	3,680

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

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

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

15 DISCLOSURE REQUIREMENT FOR COMPANIES NOT ENGAGED IN SHARIAH NON-PERMISSIBLE BUSINESS ACTIVITIES

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

	Note	Un-audited March 31, 2026 (Rupees in thousand)	Audited June 30, 2025
STATEMENT OF FINANCIAL POSITION			
Liabilities			
Long term Financing as per Islamic mode	8	9,059,489	8,827,352
Short term borrowing as per islamic mode		10,018,021	9,340,377
Profit / Financial Charges Payables on islamic Loans		824,004	1,194,155
Assets			
Shariah Compliant Bank Balances		372,077	278,262
Non- shariah Compliant Bank Balances		33,295	32,412
Un-audited			
Nine months period ended			
		March 31 2026	March 31 2025
(Rupees in thousand)			
STATEMENT OF PROFIT OR LOSS			
Sales - shariah compliant	11	24,324,814	24,324,814
Finance cost on islamic mode of financing		1,037,073	1,548,548
Finance cost paid on islamic mode of financing		1,371,086	1,230,474
Profit on Deposits			
Shariah compliant bank deposits		17,158	18,030
Conventional bank deposits		-	-
Scrap Sales			
Shariah compliant		17,782	19,372
Shariah non-compliant		-	-
Rental income			
Shariah compliant		54,416	42,407
Shariah non-compliant		-	-
Gain on sale of investments			
Shariah compliant		4,854	9,190
Shariah non-compliant		-	-
Dividend Income			
Shariah compliant		33,039	50,814
Shariah non-compliant		-	-

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2026**

16 SEGMENT REPORTING

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

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

16.1 Information about operating segments is as follows:

	Chemical Division		Textile Division		Total	Total
	Un-audited					
	Nine months period ended					
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
	(----- Rupees in thousand -----)					
Revenue from external customers - net	20,769,817	20,224,435	3,554,997	4,023,401	24,324,814	24,247,836
Depreciation on property, plant and equipment	998,205	1,019,383	107,877	114,172	1,106,082	1,133,555
Segment profit	1,991,473	1,103,149	305,209	211,136	2,296,682	1,314,285
	Un-audited March 31, 2026	Audited June 30, 2025	Un-audited March 31, 2026	Audited June 30, 2025	Total Un-audited March 31, 2026	Total Audited June 30, 2025
	(----- Rupees in thousand -----)					
Capital expenditure	2,948,582	8,361,650	203,031	422,539	3,151,613	8,784,189
Segment assets	42,111,144	40,101,081	4,902,903	4,718,246	47,014,047	44,819,326
Segment liabilities	24,175,873	23,364,951	451,154	637,100	24,627,027	24,002,050

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2026**

		Un-audited	
		Nine months period ended	
		March 31,	March 31,
		2026	2025
		(Rupees in thousand)	
16.2	Reconciliations of reportable segments are as follows:		
	Revenue		
	Total revenue for reportable segments	24,324,814	24,247,836
	Profit for the period		
	Total profit for reportable segments	2,296,682	1,314,285
	Unallocated other expenses	(358,248)	(204,244)
	Profit before tax	1,938,434	1,110,041
		Un-audited	Audited
		March 31,	June 30,
		2026	2025
		(Rupees in thousand)	
	Assets		
	Total assets for reportable segments	47,014,047	44,819,326
	Other unallocated corporate assets	2,407,202	2,688,675
	Company's assets	49,421,249	47,508,001
	Liabilities		
	Total liabilities for reportable segments	24,627,027	24,002,050
	Other unallocated corporate liabilities	4,865,155	4,640,235
	Company's liabilities	29,492,182	28,642,285
16.3	The Company has no reportable geographical segment.		

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2026**

	Un-audited	
	Nine months period ended	
	March 31, 2026	March 31, 2025
	(Rupees in thousand)	
17 WORKING CAPITAL CHANGES		
(Increase) / decrease in current assets	(224,885)	(428,638)
Stores, spare parts and loose tools	(46,413)	376,730
Stock-in-trade	16,719	(101,591)
Trade debts	(48,999)	(9,876)
Loans and advances	(2,173)	(28,410)
Trade deposits and short-term prepayments	(305,751)	(191,785)
Increase in current liabilities	37,776	135,497
Trade and other payables	(267,975)	(56,288)

18 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been approved by the Board of Directors of the Company and authorized for issue on April 28, 2026.

19 GENERAL

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



Chief Financial Officer



Chief Executive Officer



Director



Sitara Chemical Industrins Limited
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