



Sitara Chemical
Industries Limited

**Excellence,
Quality,
Trust.**



2026

1st QUARTER REPORT

September 30, 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

Mr. Mazhar Ali Khan

Chief Financial Officer

Mr. Zakir Hussain (FCA)

Audit Committee

Chairman
Members

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

Human Resource & Remuneration Committee

Chairman
Members

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

Head of Internal Audit

Mr. Asghar Ali (ACMA)

External Auditors

M/s. Yousuf Adil
Chartered Accountants

Legal Advisor

Mr. Sahibzada Muhammad Arif

Shariah Advisor

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

Bankers

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

Website of the Company

www.sitara.com.pk

Registered Office

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

Share Registrar Address

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

Factories

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

DIRECTORS' REPORT

In the name of Allah, the Most Beneficent, the Most Merciful. The Board of Directors of Sitara Chemical Industries Limited is pleased to present the condensed interim unaudited financial statements of the Company for the first quarter ended September 30, 2026, together with an overview of its financial performance and future business outlook.

Financial Performance:

During the first quarter of the financial year 2026-27, the Company recorded net sales of PKR 8,866 million, compared to PKR 7,918 million in the corresponding period of the previous year, reflecting a growth of approximately 11.98%. Gross profit increased to PKR 1,484 million, compared to PKR 1,378 million in the corresponding quarter of the previous year, representing an improvement of approximately 7.68%.

Despite the increase in sales and gross profit in absolute terms, the gross profit margin declined from 17.41% to 16.74%. This reduction was primarily attributable to incremental depreciation charged to cost of sales following the capitalization of the Company's 50 MW coal-fired power plant during the last quarter of the financial year 2025-26. Finance costs increased to PKR 618 million, compared to PKR 349 million in the corresponding period of the previous year. The increase was principally attributable to the recognition of borrowing costs in the statement of profit or loss following the completion and commissioning of the coal-fired power plant, which were previously capitalized during the project's construction phase. Also, comparatively higher borrowing rates applicable during the quarter under review contributed to the increase in finance costs.

The textile segment maintained stable operational performance during the quarter, supported by better selling prices of yarn and fabric compared to the corresponding period of the previous financial year.

Consequently, the Company reported a profit after tax of PKR 199 million, compared to PKR 349 million in the corresponding quarter of the previous year. Earnings per share (EPS) accordingly stood at PKR 9.30, compared to PKR 16.29 in the corresponding period last year. The decline in profitability was primarily attributable to the incremental depreciation and finance costs associated with the newly commissioned coal-fired power plant.

Future Outlook:

The ongoing geopolitical tensions involving the United States and Iran, broader instability in the Middle East, and tensions involving Saudi Arabia and the Houthis may continue to exert pressure on global energy prices, freight costs and supply chains, thereby increasing the cost of doing business. The Company continues to closely monitor these developments and remains focused on prudent procurement, cost optimization, operational efficiency and financial discipline to mitigate potential risks and support sustainable growth.

Acknowledgments:

The Board of Directors extends its sincere appreciation to the Company's shareholders, customers, suppliers, financial institutions and other stakeholders for their continued confidence, trust and support. The Board also acknowledges the dedication, commitment and valuable contributions of the Company's management and employees towards maintaining operational continuity and achieving its business objectives.



Muhammad Adrees

Chief Executive Officer

Date: October 29, 2026

Faisalabad.



Ijaz Hussain

Director

ڈائریکٹرز رپورٹ

اللہ تعالیٰ کے بابرکت نام سے جو بڑا مہربان اور نہایت رحم کرنے والا ہے۔ ستارہ کیمیکلز انڈسٹریز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی طرف سے ہم 30 ستمبر 2026 کو ختم ہونے والی پہلی سہ ماہی کے کمپنی کے مختصر اور غیر آڈٹ شدہ مالیاتی گوشوارے، نیز کمپنی کی مالی کارکردگی کا جائزہ اور مستقبل کے کاروباری امکانات پیش کرتے ہوئے پُر مسرت ہیں۔

مالیاتی کارکردگی:

مالی سال 2026-27 کی پہلی سہ ماہی کے دوران آپ کی کمپنی نے 8,866 ملین روپے کی خالص فروخت ریکارڈ کی، جبکہ گزشتہ سال کی اسی مدت میں خالص فروخت 7,918 ملین روپے تھی، جس میں 11.98 فیصد اضافہ ریکارڈ کیا گیا۔ اور مجموعی منافع بڑھ کر 1,484 ملین روپے ہو گیا، جبکہ گزشتہ مالی سال کی اسی مدت میں یہ منافع 1,378 ملین روپے تھا۔ مجموعی منافع میں گزشتہ سال کی نسبت 7.68 فیصد اضافہ ہوا ہے

فروخت اور مجموعی منافع میں مطلق اعداد و شمار کے لحاظ سے اضافے کے باوجود، مجموعی منافع کا مارجن 17.41 فیصد سے کم ہو کر 16.74 فیصد رہ گیا۔ اس کمی کی بنیادی وجہ مالی سال 2025-26 کی آخری سہ ماہی کے دوران کمپنی کے 50 میگا واٹ کے کونسلے سے چلنے والے پاور پلانٹ کو کمپیٹلائز کیے جانے کے بعد، کاسٹ آف سیلز (فروخت کی لاگت) میں شامل ہونے والی اضافی فرسودگی تھی۔ مالیاتی اخراجات بڑھ کر 618 ملین روپے ہو گئے، جبکہ گزشتہ سال کی اسی مدت میں یہ 349 ملین روپے تھے۔ اس اضافے کی بنیادی وجہ کونسلے سے چلنے والے پاور پلانٹ کی تکمیل اور کام شروع کرنے کے بعد، قرض پر اٹھنے والے اخراجات اور لاس (نفع و نقصان کے گوشوارے) میں شامل کرنا تھا۔ یہ اخراجات اس سے قبل منصوبے کی تعمیر کے مرحلے کے دوران کمپیٹلائز کیے جاتے رہے تھے۔ مزید برآں، زیر جائزہ سہ ماہی کے دوران قرض پر لاگو شرح منافع کا زیادہ ہونا بھی مالیاتی اخراجات میں اضافے کا باعث بنا۔

آپ کی کمپنی کے ٹیکسٹائل کے شعبے نے اس سہ ماہی کے دوران اپنی آپریشنل کارکردگی کو مستحکم رکھا، جس میں گزشتہ مالی سال کی اسی مدت کے مقابلے میں دھاگے اور کپڑے کی بہتر فروخت کی قیمتوں نے معاونت کی۔ جس کے نتیجے میں، کمپنی نے 199 ملین روپے کا بعد از ٹیکس منافع ظاہر کیا، جبکہ گزشتہ سال کی اسی سہ ماہی میں یہ منافع 349 ملین روپے تھا۔ اس کے مطابق فی حصص آمدنی 9.30 روپے رہی، جبکہ گزشتہ سال کی اسی مدت میں یہ آمدنی 16.29 روپے تھی۔ منافع میں کمی کی بنیادی وجہ کونسلے سے چلنے والے اس نئے پاور پلانٹ سے منسلک اضافی فرسودگی اور مالیاتی اخراجات تھے۔

مستقبل کا منظر نامہ :

امریکہ اور ایران کے درمیان جاری جغرافیائی سیاسی کشیدگی، مشرق وسطیٰ میں وسیع تر عدم استحکام، اور سعودی عرب اور حبشوں کے مابین تناؤ عالمی توانائی کی قیمتوں، مال برداری کے اخراجات اور سپلائی چینز پر دباؤ ڈالتے رہ سکتے ہیں، جس سے کاروباری لاگت میں اضافہ ہو سکتا ہے۔ کمپنی ان پیش رفتوں پر گہری نظر رکھے ہوئے ہے اور ہر ممکنہ خطرات کو کم کرنے اور پائیدار ترقی کو فروغ دینے کے لیے محتاط خریداری، لاگت کی بہترین تنظیم، آپریشنل کارکردگی اور مالی نظم و ضبط پر توجہ مرکوز رکھے ہوئے ہے۔

اظہار تشکر:

بورڈ آف ڈائریکٹرز، کمپنی کے شیئر ہولڈرز، صارفین، سپلائرز، مالیاتی اداروں اور دیگر اسٹیک ہولڈرز کا ان کے مسلسل اعتماد، بھروسے اور تعاون پر ان کا تہ دل سے شکریہ ادا کرتا ہے۔ بورڈ، کمپنی کی انتظامیہ اور ملازمین کی جانب سے کاروباری تسلسل کو برقرار رکھنے اور کاروباری اہداف کے حصول کے لیے دکھائی گئی لگن، عزم اور ان کی قیمتی خدمات کا بھی اعتراف کرتا ہے۔



محمد ارفیس

چیف ایگزیکٹو آفیسر

فیصل آباد : 29 اکتوبر 2026



اچاڑ حسین

ڈائریکٹر



Shariah Compliance Review Report

For the three months period ended
September 30, 2026



ALHAMD SHARIAH ADVISORY SERVICES

(PVT) LIMITED

Shariah Review Report

For the period ended on Sep 30, 2026

We have conducted a Shariah review of Sitara Chemical Industries Limited (SCIL) for the period ending on Sep 30, 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 Abdul Rafey
Senior Research Scholar



Mufti Ubaid ur Rehman Zubairi
Director

Mufti Ibrahim Essa
Chief Executive Officer

Dated: Oct 19, 2026

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

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The background of the page features a light blue gradient with soft, wavy lines. In the top right and bottom left corners, there are intricate white geometric patterns resembling interlocking hexagons or a honeycomb structure.

Condensed Interim Financial Statements

For the three months period ended September 30, 2026

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2026

		Un-audited September 30, 2026	Audited June 30, 2026
		(Rupees in thousand)	
ASSETS	Note		
NON - CURRENT ASSETS			
Property, plant and equipment	5	32,001,673	32,374,690
Intangible assets		7,097	7,279
Investment property	6	3,417,061	3,418,982
Long term investments		20,039	20,039
Long term loans and advances		377,788	559,919
Long term deposits		125,534	125,334
		35,949,191	36,506,243
CURRENT ASSETS			
Stores, spare parts and loose tools		1,997,153	1,864,195
Stock in trade		4,998,044	5,250,264
Trade debts		2,742,248	2,715,971
Loans and advances		734,270	592,364
Trade deposits, prepayments and other receivables		46,023	38,202
Advance income tax		831,725	820,316
Income tax refundable		1,698,189	1,912,605
Other financial assets	7	929,640	1,265,882
Cash and bank balances		515,756	221,754
		14,493,048	14,681,553
Total assets		50,442,239	51,187,796
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	8	214,294	214,294
Reserves		1,858,768	1,857,049
Unappropriated profits		15,069,429	14,823,132
Surplus on revaluation of property, plant and equipment		3,509,483	3,556,459
Total equity		20,651,974	20,450,935
NON - CURRENT LIABILITIES			
Long term financing	9	5,903,664	6,454,023
Deferred taxation		4,206,700	4,178,406
Deferred liabilities		117,674	128,567
		10,228,038	10,760,996
CURRENT LIABILITIES			
Trade and other payables		5,350,521	5,712,701
Profit / financial charges payable		446,184	877,541
Short term borrowings		10,686,773	10,523,099
Provision for taxation		726,042	614,393
Unclaimed dividend		31,556	31,556
Current portion of long term financing		2,321,152	2,216,575
		19,562,228	19,975,865
Total equity and liabilities		50,442,239	51,187,796
CONTINGENCIES AND COMMITMENTS	10		

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


Chief Financial Officer


Chief Executive Officer


Director

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2026

		Three months period ended	
		September 30,	September 30,
		2026	2025
		(Rupees in thousand)	
	Note		
Revenue from contracts with customers - net	11	8,866,452	7,917,940
Cost of sales	12	(7,382,428)	(6,539,781)
Gross profit		1,484,024	1,378,159
Distribution cost		(225,458)	(187,333)
Administrative expenses		(366,549)	(303,118)
Other expenses		(28,844)	(34,164)
Finance cost		(617,795)	(348,678)
		(1,238,646)	(873,293)
		245,378	504,866
Other income		67,308	70,023
Profit before income tax and final tax		312,685	574,889
Levy		(110,831)	-
Final tax		-	(2,592)
Profit before tax		201,855	572,297
Provision for taxation	13	(2,535)	(223,254)
Profit for the period		199,320	349,043
Earnings per share - basic and diluted (Rupees)	14	9.30	16.29

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



Chief Financial Officer



Chief Executive Officer



Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2026

	Three months period ended	
	September 30, 2026	September 30, 2025
	(Rupees in thousand)	
Profit for the period	199,320	349,043
Items that may be reclassified subsequently to profit or loss	-	-
Items that will not be reclassified to profit or loss		
Gain on sale of investments measured at FVTOCI	-	-
Gain/(loss) on re-measurement of equity instruments as at FVTOCI	2,022	125,285
Related tax impact	(303)	(18,793)
Total items that will not be reclassified to profit or loss	1,719	106,492
Total comprehensive income for the period	201,039	455,535

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 (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2026

Share Capital	Reserves							Total
	Capital				Revenue		Total Reserves	
	Share Premium	Reserve on re-measurement of equity instruments as at FVTOCI	Reserve on re-measurement of post retirement benefits obligation - net of tax	Surplus on revaluation of property, plant and equipment - net of tax	General Reserve	Un-appropriated profit		
(..... Rupees in thousand)								
214,294	97,490	258,328	(12,303)	3,678,570	1,225,000	13,404,338	18,651,423	18,865,717
-	-	-	-	-	-	349,043	349,043	349,043
-	-	106,492	-	-	-	-	106,492	106,492
-	-	106,492	-	-	-	349,043	455,535	455,535
-	-	-	-	(49,440)	-	49,440	-	-
214,294	97,490	364,820	(12,303)	3,629,130	1,225,000	13,802,821	19,106,958	19,321,252
214,294	97,490	547,078	(12,519)	3,556,459	1,225,000	14,823,133	20,236,641	20,450,935
-	-	-	-	-	-	199,320	199,320	199,320
-	-	1,719	-	-	-	-	1,719	1,719
-	-	1,719	-	-	-	199,320	201,039	201,039
-	-	-	-	(46,976)	-	46,976	-	-
214,294	97,490	548,797	(12,519)	3,509,483	1,225,000	15,069,429	20,437,680	20,651,974

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



Chief Financial Officer



Chief Executive Officer



Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2026

		Three months period ended	
		September 30, 2026	September 30, 2025
		(Rupees in thousand)	
	Note		
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		312,685	572,297
Adjustments for:			
Depreciation on property, plant and equipment		595,714	356,413
Depreciation on investment property		1,922	1,908
Amortization on intangible assets		182	188
Finance cost		617,795	348,678
Exchange loss/(gain)		11	12
Loss/(gain) on disposal of property, plant and equipment		5,071	4,283
Loss/(gain) on investments measured at FVTPL		680	(459)
Loss/(gain) on investments measured at FVTOCI		(2,022)	-
Amortization of deferred grant		-	(19,027)
Provision for employee benefits		2,876	11,505
Dividend income		(9)	(8,867)
Profit on bank deposits		(22,681)	(4,923)
Provision for taxation		113,365	2,592
		1,312,904	692,303
Operating cash flows before working capital changes		1,625,590	1,264,600
Working capital changes	17	(418,810)	(1,161,302)
Cash generated from operations		1,206,780	103,298
Finance cost paid		(1,049,152)	(236,539)
Employee benefits paid		-	(1,961)
Levies paid		-	(2,592)
Taxes refunded/(paid)		231,301	(286,479)
		(817,851)	(527,567)
Net cash generated/(used) in operating activities		388,929	(424,269)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment including capital work in progress		(227,822)	(1,179,015)
Proceeds from disposal of property, plant and equipment		55	2,467
Proceeds from other financial assets		337,584	521,094
Proceeds from Long term loans and advances		-	-
Purchase of other financial assets		-	(185,012)
Additions to intangible assets		-	(1,700)
Realization of Long term loans and advances - net		182,131	146,635
Long term deposits		(200)	-
Dividend received		9	232
Profit received on bank deposits		-	4,923
Net cash generated/(used) in investing activities		291,757	(690,376)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		11,882	37,774
Repayment of long term financing		(562,241)	(248,958)
Short term borrowings - net		163,673	1,251,991
Net cash (used)/generated from financing activities		(386,686)	1,040,807
Net increase/(decrease) in cash and cash equivalents (A+B+C)		294,002	(73,838)
Cash and cash equivalents at beginning of the period		221,754	334,865
Cash and cash equivalents at end of the period		515,756	261,027

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


Chief Financial Officer


Chief Executive Officer


Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 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, Oleo chemical 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 and allied chemical products
Textile Division	Manufacturing of yarn and trading of fabric

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

2 BASIS OF PREPARATION

- 2.1 These condensed interim financial statements of the Company for the three months period ended September 30, 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 applicable in Pakistan for interim financial reporting comprise of:

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

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

- 2.2 These condensed interim financial statements should be read in conjunction with annual audited financial statements for the year ended June 30, 2026. Comparative statement of financial position is extracted from annual audited financial statements for the year ended June 30, 2026, whereas comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows are extracted from un-audited condensed interim financial statements for the three months period ended September 30, 2025.

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

The material accounting policies and methods of computation adopted in preparation of these condensed interim financial statements are the same as those applied in preparation of the annual audited financial statements of the Company for the year ended June 30, 2026.

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, 2026, however, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

4 ACCOUNTING ESTIMATES AND JUDGMENTS

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, 2026.

5 PROPERTY, PLANT AND EQUIPMENT

Operating assets
Capital work-in-progress
Capital stores

Note	Un-audited September 30, 2026	Audited June 30, 2026
	(Rupees in thousand)	
5.1	30,698,255	31,156,399
	1,173,655	1,088,528
	129,763	129,763
	<u>32,001,673</u>	<u>32,374,690</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2026**

5.1 Operating assets

	Un-audited September 30, 2026	Audited June 30, 2026
	(Rupees in thousand)	
Opening written down value	31,156,399	19,178,515
Additions/adjustments during the period / year:		
Freehold land	-	35,987
Buildings on freehold land - Mill	5,670	1,234,210
Plant and machinery	91,227	11,532,803
Factory equipment	3,050	59,380
Electric equipment	12,894	584,558
Office equipment	811	8,114
Furniture and fittings	-	1,954
Vehicles	29,044	41,281
	142,695	13,687,270
Written down value of assets disposed off during the period / year	(5,126)	(42,540)
Depreciation charged during the period / year	(595,714)	(1,666,845)
	<u>30,698,255</u>	<u>31,156,399</u>

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

Out of the total revaluation surplus of Rs. 3,894 million, Rs. 3,509 million net of tax (June 30, 2026: 3,556 million) remains undepreciated as at September 30, 2026.

Details of the Company's revalued assets and information about fair value hierarchy, as at September 30, 2026 are as follows:

	Un-audited September 30, 2026			Audited June 30, 2026		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	(Rupees in thousand)					
Land - freehold	-	1,560,990	-	-	1,560,990	-
Buildings on freehold land	-	3,001,852	-	-	3,073,222	-
Plant and machinery	-	23,910,997	-	-	24,278,980	-
	-	28,473,839	-	-	28,913,192	-

6 INVESTMENT PROPERTY

	Note	Un-audited September 30, 2026	Audited June 30, 2026
		(Rupees in thousand)	
Land	6.1	3,349,150	3,349,150
Buildings	6.2	67,911	69,832
		<u>3,417,061</u>	<u>3,418,982</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2026**

		Un-audited September 30, 2026	Audited June 30, 2026
		(Rupees in thousand)	
6.1 Land			
Balance at the beginning of the period / year		3,349,150	3,340,788
Additions during the period / year		-	8,362
Disposal during the period / year		-	-
Balance at end of the period / year		3,349,150	3,349,150
		Un-audited September 30, 2026	Audited June 30, 2026
		(Rupees in thousand)	
6.2 Buildings			
Cost:			
Balance at the beginning of the period / year		151,879	151,879
Additions during the period / year		-	-
Disposal during the period / year		-	-
Balance at the end of the period / year		151,879	151,879
Accumulated depreciation:			
At the beginning of the period / year		82,046	74,415
For the period / year		1,922	7,631
At the end of the period / year		83,968	82,046
Written down value at the end of the period / year		67,911	69,833
		Un-audited September 30, 2026	Audited June 30, 2026
		(Rupees in thousand)	
7 OTHER FINANCIAL ASSETS			
Investments classified as fair value through other comprehensive income (FVTOCI)			
Mutual funds		360,379	697,963
Equity investments		7,391	8,071
Investments classified as fair value through profit and loss (FVTPL)			
Equity investments		561,870	559,848
		929,640	1,265,882
7.1 Reconciliation between fair value and cost of investments classified at FVTOCI			
Fair value of investments			
- in listed equity securities		569,261	567,919
Gain on remeasurement of investments		515,098	513,755
Cost of investments		54,163	54,163

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2026

7.2 FAIR VALUE OF FINANCIAL INSTRUMENTS

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:
Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

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

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

	Un-audited September 30, 2026			Audited June 30, 2026		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	(Rupees in thousand)					
Investments classified as						
- available for sale	929,640	-	-	1,265,882	-	-

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 approximate their fair values.

8 SHARE CAPITAL

Un-audited September 30, 2026	Audited June 30, 2026		Un-audited September 30, 2026	Audited June 30, 2026
..... No. of shares			(Rupees in thousand)	
		Authorized		
		Ordinary shares of Rs. 10 each		
40,000,000	40,000,000	Class "A"	400,000	400,000
20,000,000	20,000,000	Class "B"	200,000	200,000
		Issued, subscribed and paid up		
		Class "A" ordinary shares of Rs. 10/-		
8,640,000	8,640,000	- fully paid in cash	86,400	86,400
10,804,398	10,804,398	- issued as fully paid bonus shares	108,044	108,044
		- issued as fully paid under scheme of arrangement		
1,985,009	1,985,009	for amalgamation	19,850	19,850
21,429,407	21,429,407		214,294	214,294

8.1 Class "B" ordinary shares do not carry any voting rights.

8.2 Number of shares held by associated companies or related parties are 982,548 (June 30, 2026: 982,548).

8.3 The Company has no reserved shares under options or sales contracts.

9 LONG TERM FINANCING

Diminishing Musharka (from financial institutions - secured)

Balance at the beginning of the period / year

Availed during the period / year

Repaid during the period / year

Present value adjustment against subsidized rate long term loan

Less: Current portion

Balance at the end of the period / year

Note	Un-audited September 30, 2026	Audited June 30, 2026
	(Rupees in thousand)	
	8,670,598	8,827,352
	11,882	1,110,216
	(457,664)	(1,309,568)
	-	42,599
	8,224,816	8,670,598
	(2,321,152)	(2,216,575)
	5,903,664	6,454,023

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2026

10 CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

An amount of Rs. 125.6 million has been paid by the Company to the Punjab Revenue Authority ("PRA") in June 2023, under protest, and is accordingly reflected under "Advances". The brief facts are that the Commissioner, PRA Faisalabad Zone, vide Order dated March 10, 2020 (received by the Company on June 10, 2020), raised a demand of Rs. 168.9 million against the Company on account of alleged non-deduction of withholding taxes for the tax years 2015 to 2018, under the provisions of the Punjab Sales Tax on Services Act, 2012.

The Company, being aggrieved, preferred an appeal before the Appellate Tribunal, PRA on July 07, 2020. The Appellate Tribunal, vide its Order dated February 13, 2023, decided the matter against the Company. Consequently, the Company filed a Reference Petition before the Honorable Lahore High Court on March 15, 2023 against the Order of the Appellate Tribunal, which is currently pending adjudication. The Company, on legal advice, is confident that the matter will ultimately be adjudicated in its favor.

10.2 Commitments

Guarantees issued by banks on behalf of the Company

Outstanding letters of credit for plant and machinery, stores, spare parts and raw material

Un-audited September 30, 2026	Audited June 30, 2026
(Rupees in thousand)	
395,917	382,240
1,608,464	493,127

11 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

Local:

Chemicals
Yarn
Fabric
Waste

Export:

Chemicals

Less:

Commission and discount
Sales tax

Un-audited Three months period ended	
September 30, 2026	September 30, 2025
(Rupees in thousand)	
9,284,088	8,175,903
1,219,916	1,223,309
87,884	90,805
12,621	9,703
10,604,509	9,499,720
131,357	108,121
10,735,866	9,607,841
(262,749)	(229,934)
(1,606,665)	(1,459,967)
(1,869,415)	(1,689,901)
8,866,452	7,917,940

12 COST OF SALES

Raw material consumed
Fuel and power
Salaries, wages and benefits
Factory overheads

Work in process

Opening stock
Closing stock

Cost of goods manufactured

Finished goods

Opening stock - including waste
Closing stock - including waste

2,256,223	2,788,405
3,210,605	3,548,137
365,842	346,206
950,041	652,151
6,782,710	7,334,899
64,896	54,651
(53,280)	(52,162)
11,616	2,489
6,794,327	7,337,388
3,166,311	1,720,336
(2,578,209)	(2,517,943)
588,102	(797,607)
7,382,428	6,539,781

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2026**

13 PROVISION FOR TAXATION

Current - for the period
Deferred

Un-audited Three months period ended	
September 30, 2026	September 30, 2025
(Rupees in thousand)	
110,831	261,276
2,535	(38,022)
113,365	223,254

14 EARNINGS PER SHARE - BASIC AND DILUTED

Profit for the period

Weighted average number of ordinary shares outstanding
during the period (Number of shares in thousand)

Earnings per share (Rupees)

199,320	349,043
21,429	21,429
9.30	16.29

15 TRANSACTIONS WITH RELATED PARTIES

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

		Un-audited Three months period ended	
		September 30, 2026	September 30, 2025
		(Rupees in thousand)	
Relationship with the Company	Nature of transactions		
Associated undertakings	Sale of goods	2,489	408
	Donation	17,894	15,975
Key management personnel	Remuneration to Executives	89,749	91,802
Payable to Provident fund - related party	Employers Contribution	4,940	4,467

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

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

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

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

	 Operating segments					
	Chemical Division		Textile Division		Total	
	 Un-audited					
	 Three months period ended					
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
	(Rupees in thousand)					
Revenue from contracts with customers - net	7,752,737	6,806,443	1,113,715	1,111,497	8,866,452	7,917,940
Depreciation on property, plant and equipment	555,352	321,451	40,362	34,962	595,714	356,413
Segment profit / (loss)	292,336	558,292	49,194	50,759	341,529	609,053
	Un-audited September 30, 2026	Audited June 30, 2026	Un-audited September 30, 2026	Audited June 30, 2026	Total Un-audited September 30, 2026	Total Audited June 30, 2026
	(Rupees in thousand)					
Capital expenditure	135,945	3,985,503	6,750	255,922	142,695	4,241,425
Segment assets	46,619,279	40,114,868	1,911,480	4,780,181	48,530,759	44,895,049
Segment liabilities	19,526,329	25,256,786	5,131,968	223,502	24,658,297	25,480,288

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2026**

16.2 Reconciliations of reportable segments are as follows:

Revenue

Total revenue for reportable segments

Profit for the period

Total profit for reportable segments

Unallocated other expenses

Profit before income tax and final tax

Assets

Total assets for reportable segments

Other unallocated corporate assets

Company's assets

Liabilities

Total liabilities for reportable segments

Other unallocated corporate liabilities

Company's liabilities

Un-audited Three months period ended	
September 30, 2026	September 30, 2025
(Rupees in thousand)	
8,866,452	7,917,940
341,529	609,052
(28,844)	(34,163)
312,685	574,889
Un-audited September 30, 2026	
Audited June 30, 2026	
(Rupees in thousand)	
48,530,759	44,895,049
1,911,480	6,292,747
50,442,239	51,187,796
24,658,297	25,480,288
5,131,968	5,256,573
29,790,265	30,736,861

16.3 The Company has no reportable geographical segment.

17 WORKING CAPITAL CHANGES

(Increase)/decrease in current assets

Stores, spare parts and loose tools

Stock in trade

Trade debts

Advance Sales Tax

Loans and advances

Trade deposits, prepayments and other receivables

(Decrease)/increase in current liabilities

Trade and other payables

Un-audited Three months period ended	
September 30, 2026	September 30, 2025
(Rupees in thousand)	
(132,958)	(280,518)
252,220	(225,481)
(26,277)	144,738
-	82,632
(141,906)	(538,956)
(7,821)	(5,136)
(362,068)	(338,580)
(418,810)	(1,161,302)

18 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been approved by the Board of Directors of the Company and authorized for issue on October 29, 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 Industries Limited

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