



**Sitara Chemical
Industries Limited**

Excellence, Quality, Trust.



HALF YEARLY REPORT

DECEMBER 31, 2025

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COMPANY INFORMATION

Board of Directors

Chairman
Chief Executive Officer
Directors

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

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

Company Secretary

Chief Financial Officer

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 Board of Directors of Sitara Chemical Industries Limited is pleased to present the unaudited condensed interim financial statements of the Company for the half-year ended December 31, 2025, together with the Auditors' Review Report thereon.

FINANCIAL PERFORMANCE:

During the first half of the financial year 2025–26, the Company recorded net sales of PKR 15,685 million, compared to PKR 15,889 million in the corresponding period of the previous year, reflecting a marginal decline of 1.28%. The decrease in net sales is primarily attributable to reduced yarn sales in the textile segment due to prevailing economic conditions of textile sector in the country. Despite this decline, the Company achieved a notable improvement in profitability. Gross profit for the period under review amounted to PKR 3,026 million, compared to PKR 2,529 million in the corresponding period last year, representing an increase of PKR 497 million. The improvement in gross margin was mainly driven by a reduction in national grid electricity tariffs and a decline in international coal prices impacting reduction in captive electricity generation cost, which positively impacted overall production costs.

The increase in distribution expenses during the period under review is primarily attributable to higher average POL prices, which increased product delivery costs. Administrative expenses rose mainly due to an overall increase in salary costs and other general administrative overheads. Conversely, finance costs for the half-year declined as a result of lower average borrowing rates following the State Bank of Pakistan's monetary policy measures aimed at reducing benchmark interest rates.

The textile segment demonstrated stable operational performance. Although yarn sales volumes declined marginally but improved margins were achieved due to lower local and imported cotton procurement costs compared to the corresponding period of the previous financial year.

As a result of the above factors, the Company reported a profit after tax of PKR 725 million, compared to PKR 365 million in the corresponding period last year. This translated into an Earnings Per Share (EPS) of PKR 33.82 as against PKR 17.03 in the same period of the previous year.

FUTURE OUTLOOK:

The Company's 50 MW coal-fired power plant, which initially experienced delays due to technical and operational challenges during the start-up phase, is now in the final stages of commissioning. The remaining activities are being completed smoothly under the close supervision of a foreign technical commissioning firm. Management expects the commissioning process to be finalized in the near term.

Looking ahead, the Company anticipates a favorable business outlook, supported by reduced energy costs and a relatively stable monetary policy stance adopted by the State Bank of Pakistan. However, ongoing geopolitical, Iran–USA conflict, may pose potential risks to global and regional economic stability, including Pakistan.

ACKNOWLEDGMENT:

The Board of Directors expresses its sincere appreciation to the Company's shareholders, customers, suppliers, financial institutions, and employees, and all other stakeholders for their continued confidence, cooperation, and dedication. Their unwavering support remains instrumental in the Company's sustained growth and long-term success.



Muhammad Adrees
Chief Executive Officer
Date: February 26, 2026
Faisalabad.



Ijaz Hussain
Director

ڈائریکٹر 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 31 دسمبر 2025 کو ختم ہونے والی ششماہی کے کمپنی کے غیر آڈٹ شدہ عبوری مالیاتی گوشواروں کے ساتھ آڈیٹرز کی جائزہ رپورٹ پیش کرتے ہوئے پُر مسرت ہیں۔

کاروباری جائزہ:

مالی سال 2025-26 کی پہلی ششماہی کے دوران، آپ کی کمپنی نے 15,685 ملین روپے کی خالص فروخت ریکارڈ کی جبکہ گزشتہ سال اسی سہ ماہی میں خالص فروخت 15,889 ملین روپے تھی۔ جس سے خالص فروخت کی شرح میں 1.28 فیصد کی معمولی کمی دیکھی گئی۔ خالص فروخت میں کمی کی بنیادی وجہ ملک کے ٹیکسٹائل کے شعبے کے موجودہ معاشی حالات اور آپ کی کمپنی کے ٹیکسٹائل ڈویژن میں دھاگے کی فروخت میں کمی ہے۔ اس کمی کے باوجود آپ کی کمپنی نے قابل ذکر بہتر منافع حاصل کیا ہے۔ زیر جائزہ مدت کے دوران مجموعی منافع 3,026 ملین روپے رہا، جو کہ گزشتہ سال اسی سہ ماہی کے دوران 2,529 ملین روپے تھا۔ مجموعی منافع میں 497 ملین روپے کا اضافہ ہوا۔ مجموعی مارجن میں بہتری بنیادی طور پر موجودہ بجلی کے نرخوں میں کمی اور بین الاقوامی کونسلے کی قیمتوں میں کمی کی وجہ سے ہے۔ کمپنی نے اپنے کپیٹو پاور پلانٹس کو اپنی زیادہ سے زیادہ صلاحیت کے مطابق استعمال کرتے ہوئے توانائی کی مجموعی لاگت پرائز کو مؤثر طریقے سے کم کیا۔

زیر جائزہ مدت کے دوران تقسیم کے اخراجات میں اضافہ بنیادی طور پر POL کی قیمتوں میں اوسط اضافے سے مصنوعات کی ترسیل کے اخراجات میں اضافہ ہوا۔ انتظامی اخراجات میں اضافہ بنیادی طور پر تنخواہوں کے اخراجات اور دیگر عمومی اضافے کی وجہ سے ہوا۔ اسٹیٹ بینک آف پاکستان کی مانیٹری پالیسی کے بعد بینک سے قرض لینے کی اوسط شرح میں کمی واقع ہوئی ہے۔ ٹیکسٹائل کے شعبے نے مستحکم آپریشنل کارکردگی کا مظاہرہ کیا۔ اگرچہ دھاگے کی فروخت کے حجم میں گزشتہ سال کی اسی مدت کے مقابلے میں معمولی کمی واقع ہوئی، تاہم مقامی اور درآمدی کپاس کی خریداری کے اخراجات میں کمی کی وجہ سے گزشتہ سال کی نسبت بہتر مارجن حاصل کیا گیا۔

مندرجہ بالا عوامل کے نتیجے میں آپ کی کمپنی نے ٹیکس کے بعد 725 ملین روپے کا منافع کمایا، جس کی وجہ سے فی حصص آمدنی 33.82 روپے رہی، جبکہ گزشتہ سال اسی مدت کے دوران ٹیکس کے بعد منافع 365 ملین روپے رہا اور فی حصص آمدنی 17.03 روپے تھی۔

مستقبل پر نظر:

کمپنی کا کونسلے سے چلنے والے 50 میگا واٹ پاور پلانٹ، ابتدائی مرحلے کے دوران تکنیکی اور آپریشنل چیلنجز کی وجہ سے ابتدائی طور پر تاخیر ہوئی تھی، اب آخری مراحل میں ہیں۔ جس کی بقیہ سرگرمیاں غیر ملکی ٹیکنیکل فرم کی زیر نگرانی احسن طریقے سے مکمل کی جا رہی ہیں۔ انتظامیہ توقع کرتی ہے کہ کمیشننگ کے عمل کو جلد ہی حتمی شکل دے دی جائے گی۔ مستقبل کو دیکھتے ہوئے، توانائی کے اخراجات اور ایک نسبتاً مستحکم مانیٹری پالیسی کا موقف جو اسٹیٹ بینک نے اپنایا ہوا ہے کمپنی ایک سازگار کاروباری نقطہ نظر کی توقع کر رہی ہے۔ تاہم، جاری جغرافیائی سیاسی، ایران۔ امریکہ تنازعہ، پاکستان سمیت علاقائی معاشی استحکام عالمی سطح پر ممکنہ خطرات کا باعث بن سکتا ہے۔

اعترافات:

بورڈ آف ڈائریکٹرز کمپنی کے شیئرز ہولڈرز کے لیے اپنی مخلصانہ تعریف کا اظہار کرتا ہے اور اپنے قابل قدر صارفین، سپلائرز، مالیاتی ادارے اور ملازمین اور دیگر تمام اسٹیک ہولڈرز کے لیے ان کا مسلسل اعتماد، تعاون اور لگن اور صلاحیتوں کا معترف ہے اور اس پر فخر کرتا ہے۔ کمپنی کی مسلسل ترقی اور طویل مدتی کامیابی میں اہم کردار ادا کرتا ہے۔



محمد ادریس

چیف ایگزیکٹو آفیسر

26 فروری 2026



اعجاز حسین

ڈائریکٹر



ALHAMD SHARIAH ADVISORY SERVICES

(PVT) LIMITED

Shariah Review Report

For the period ended on Dec 31, 2025

We have conducted a Shariah review of Sitara Chemical Industries Limited (SCIL) for the period ending on Dec 31, 2025, in accordance with the Shariah Governance Regulations of 2023.

In our opinion:

- the transactions, the documentations and the procedures adopted have been in accordance with principles of Shariah;
- the business affairs have been carried out in accordance with rules and principles of Shariah;
- Further, the Shariah non-compliant income earned by the company during the period has been purified from the company's income.

Conclusion:

Based on the Review of SCIL's operations, transactions, related documentation, 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: Feb 4, 2026



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

+92 322 2671867 | www.alhamdshariahadvisory.com | info@alhamdshariahadvisory.com

**Auditor's Review Report
&
Condensed Interim Financial Statements**

**For the six months period ended
December 31, 2025**

INDEPENDENT AUDITOR'S REVIEW REPORT**To the Members of Sitara Chemical Industries Limited****Report on Review of Condensed Interim Financial Statements****Introduction**

We have reviewed the accompanying condensed interim statement of financial position of **Sitara Chemical Industries Limited** (the Company) as at December 31, 2025, the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cashflows and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

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

The engagement partner on the review resulting in this independent auditor's review report is Muhammad Sufyan.


Chartered Accountants**Lahore****Date: February 27, 2026****UDIN: RR2025101800fViEy8ow**

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2025

		Un-audited December 31, 2025	Audited June 30, 2025
		(Rupees in thousand)	
ASSETS	Note		
NON - CURRENT ASSETS			
Property, plant and equipment	5	32,208,043	29,901,980
Intangible assets		7,686	6,371
Investment property	6	3,414,435	3,418,251
Long-term investments		20,039	20,039
Long-term loans and advances		473,503	539,655
Long-term deposits		125,333	125,333
		36,249,039	34,011,629
CURRENT ASSETS			
Stores, spare parts and loose tools		1,794,133	1,710,214
Stock-in-trade		4,910,821	4,190,277
Trade debts		2,354,432	2,919,788
Loans and advances		862,519	956,327
Trade deposits, prepayments and other receivables		82,914	60,868
Advance income tax		2,258,433	2,550,093
Other financial assets	7	667,611	773,940
Cash and bank balances		609,269	334,865
		13,540,132	13,496,372
		49,789,171	47,508,001
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		214,294	214,294
Reserves		1,706,221	1,568,514
Unappropriated profit		14,019,253	13,404,338
Surplus on revaluation of property, plant and equipment		3,579,691	3,678,570
		19,519,459	18,865,716
NON - CURRENT LIABILITIES			
Long-term financing	8	7,792,668	8,021,931
Deferred taxation		3,844,232	3,770,611
Deferred liabilities	9	165,299	176,292
		11,802,199	11,968,834
CURRENT LIABILITIES			
Trade and other payables		4,955,758	4,463,874
Profit / financial charges payable		1,260,431	1,194,155
Short term borrowings		10,416,058	9,340,377
Provision for taxation		429,065	839,712
Unclaimed dividend		32,953	29,912
Current portion of long-term financing		1,373,248	805,421
		18,467,513	16,673,451
CONTINGENCIES AND COMMITMENTS	10	49,789,171	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 SIX MONTHS PERIOD ENDED DECEMBER 31, 2025**

		Six months period ended		Three months period ended	
		December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Note		(.....Rupees in thousand.....)			
Revenue from contract with customers - net	11	15,685,506	15,888,788	7,767,566	8,281,705
Cost of sales	12	(12,659,414)	(13,359,960)	(6,119,633)	(6,924,758)
Gross profit		3,026,092	2,528,828	1,647,933	1,356,947
Distribution cost		(379,012)	(256,704)	(191,679)	(128,497)
Administrative expenses		(644,633)	(597,411)	(341,515)	(307,789)
Other expenses		(244,268)	(113,549)	(210,104)	(98,360)
Finance cost		(686,365)	(1,142,578)	(337,687)	(534,793)
		(1,954,278)	(2,110,242)	(1,080,985)	(1,069,439)
Other income		126,587	167,452	56,564	93,586
Profit before income tax and final tax		1,198,401	586,038	623,512	381,094
Final tax and minimum tax differential		(879)	(879)	1,713	3,948
Profit before tax		1,197,522	585,159	625,225	385,042
Provision for taxation	13	(472,744)	(220,210)	(249,490)	(175,418)
Profit after taxation		724,778	364,949	375,735	209,624
Earnings per share - basic and diluted - (Rupees)		33.82	17.03	17.53	9.78

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 SIX MONTHS PERIOD ENDED DECEMBER 31, 2025**

	Six months period ended		Three months period ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	(.....Rupees in thousand.....)			
Profit after taxation	724,778	364,949	375,735	209,624
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	15,063	1,803
Gain/ (loss) on re-measurement of investments measured at FVTOCI	178,688	6,299	53,403	20,501
Related tax impact	(29,063)	(2,934)	(10,270)	(5,064)
Other comprehensive income	164,688	5,346	58,196	17,240
Total comprehensive income for the period	889,466	370,295	433,931	226,864

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



Chief Financial Officer



Chief Executive Officer

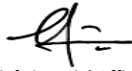


Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025**

Share Capital	Reserves							Total
	Capital				Revenue		Total Reserves	
	Share Premium	Reserve on re-measurement of equity instruments as at FVTOCI - net of tax	Reserve on re-measurement of post retirement benefits obligation- net of tax	Surplus on revaluation of property, plant and equipment	General Reserve	Unappropriated profit		
(..... Rupees in thousand)								
214,294	97,490	177,829	(8,454)	3,893,550	1,225,000	12,464,378	17,849,793	18,064,087
-	-	-	-	-	-	364,949	364,949	364,949
-	-	5,346	-	-	-	-	5,346	5,346
-	-	5,346	-	-	-	364,949	370,295	370,295
		(9,575)				9,575	-	-
-	-	-	-	(107,490)	-	107,490	-	-
-	-	-	-	-	-	(214,294)	(214,294)	(214,294)
214,294	97,490	173,600	(8,454)	3,786,060	1,225,000	12,732,098	18,005,794	18,220,088
214,294	97,490	258,328	(12,304)	3,678,570	1,225,000	13,404,338	18,651,422	18,865,716
-	-	-	-	-	-	724,778	724,778	724,778
-	-	164,688	-	-	-	-	164,688	164,688
-	-	164,688	-	-	-	724,778	889,466	889,466
		(26,981)	-	-	-	26,981	-	-
-	-	-	-	(98,879)	-	98,879	-	-
-	-	-	-	-	-	(235,723)	(235,723)	(235,723)
214,294	97,490	396,035	(12,304)	3,579,691	1,225,000	14,019,253	19,305,165	19,519,455

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 SIX MONTHS PERIOD ENDED DECEMBER 31, 2025**

	Six months period ended	
	December 31, 2025	December 31, 2024
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,197,522	585,159
Depreciation on property, plant and equipment	729,657	751,426
Depreciation on investment property	3,816	4,769
Amortization on intangible assets	389	339
Gain on investments measured at FVTPL	(2,003)	(6,627)
Finance cost	686,365	1,142,578
Loss on disposal of property, plant and equipment	9,665	1,441
Loss on disposal of stores		
Provision for employee benefits	24,364	20,954
Dividend income	(23,302)	(47,457)
Final tax and minimum tax differential	879	879
Unwinding of deferred receivable	-	(12,649)
Amortization of deferred grant	(29,677)	(38,075)
Impairment loss on financial assets	132,550	50,942
Profit on bank deposits	(11,925)	(14,217)
	1,520,778	1,854,303
Operating cash flows before working capital changes	2,718,300	2,439,462
Working capital changes	(79,640)	(145,011)
Cash generated from operations	2,638,660	2,294,451
Finance cost paid	(590,412)	(889,442)
Employee benefits paid	(5,680)	(8,894)
Taxes paid	(474,883)	(176,472)
	(1,070,975)	(1,074,808)
Net cash generated from operating activities	1,567,685	1,219,643
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment including capital work in progress	(2,847,057)	(4,281,132)
Proceeds from disposal of property, plant and equipment	4,097	51,972
Purchase of intangible assets	(1,703)	-
Purchase of other financial assets	(435,012)	(1,041,839)
Proceeds from disposal of other financial assets	747,257	1,348,967
Long-term deposits paid	-	(158)
Long-term loans and advances given	62,186	(236,943)
Profit received on bank deposits	11,925	14,217
Dividend income received	13,140	14,999
Net cash used in investing activities	(2,445,167)	(4,129,917)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term financing obtained	847,816	2,702,143
Repayment of long-term financing	(538,929)	(397,160)
Short term borrowing - net	1,075,681	784,114
Dividend paid	(232,682)	(212,503)
Net cash generated from financing activities	1,151,886	2,876,594
Net increase/(decrease) in cash and cash equivalents	274,404	(33,680)
Cash and cash equivalents at the beginning of the period	334,865	360,476
Cash and cash equivalents at the end of the period	609,269	326,796

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 SIX MONTHS PERIOD ENDED DECEMBER 31, 2025**

1 LEGAL STATUS AND OPERATIONS

- 1.1** Sitara Chemical Industries Limited ("the Company") was incorporated in Pakistan on September 08, 1981 as a public limited company under the Companies Act, 1913 (now the Companies Act, 2017). The Company is currently listed on the Pakistan Stock Exchange. The Company is a Shariah Compliant Company certified by Securities & Exchange Commission of Pakistan (SECP) under Shariah Governance Regulation 2018. The principal activities of the Company are operating Chlor alkali plant, 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 six months period ended December 31, 2024

- 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.

5 PROPERTY, PLANT AND EQUIPMENT

	Note	Un-audited December 31, 2025 (Rupees in thousand)	Audited June 30, 2025
Operating assets	5.1	19,529,526	19,178,515
Capital work-in-progress	5.2	12,476,092	10,534,361
Capital stores		202,425	189,104
		<u>32,208,043</u>	<u>29,901,980</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025**

	Un-audited December 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	35,987	-
Buildings on freehold land - Mill	78,381	21,601
Plant and machinery	815,763	907,191
Grid station and electric installations	-	-
Factory equipment	19,268	20,616
Electric equipment	114,776	39,000
Office equipment	3,224	8,220
Furniture and fittings	1,381	6,338
	1,094,430	1,027,593
Written down value of assets disposed off during the period / year	(13,762)	(88,651)
Depreciation charged during the period / year	(729,657)	(1,520,653)
Written down value at the end of the period / year	19,529,526	19,178,515

5.2 Capital work-in-progress

Description	At July 01, 2025	Additions	Transfers	At December 31, 2025
	----- (Rupees in thousand) -----			
Civil works	1,316,452	95,976	(169,287)	1,243,141
Mechanical works	9,217,909	2,564,138	(549,096)	11,232,951
	10,534,361	2,660,114	(718,383)	12,476,092

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
	3,125,951	7,756,597	(348,187)	10,534,361

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

Out of the total revaluation surplus of Rs. 5,118 million, Rs. 3,580 million net of tax (June 30, 2025: 3,679 million) remains undepreciated as at December 31, 2025.

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

	Un-audited December 31, 2025			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	-	2,043,410	-	-	2,295,115	-
Plant and machinery	-	14,297,735	-	-	14,983,443	-
	-	17,902,448	-	-	18,803,626	-

		Un-audited December 31, 2025	Audited June 30, 2025
		(Rupees in thousand)	
6 INVESTMENT PROPERTY	Note		
Land		3,340,788	3,340,788
Buildings	6.1	73,647	77,463
		3,414,435	3,418,251

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025**

	Note	Un-audited December 31, 2025 (Rupees in thousand)	Audited June 30, 2025
6.1 Buildings			
Opening written down value		77,463	86,339
Depreciation charged during the period / year		(3,816)	(8,876)
Written down value at the end of the period / year		<u>73,647</u>	<u>77,463</u>
7 OTHER FINANCIAL ASSETS			
Investments classified as fair value through other comprehensive income (FVTOCI)			
Equity investments	7.1	503,857	359,664
Investments classified as fair value through profit and loss (FVTPL)			
Mutual Funds		163,754	414,276
		<u>667,611</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		503,857	359,664
Gain on remeasurement of investments		465,924	303,915
Cost of investment		<u>37,933</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 December 31, 2025	Audited June 30, 2025
		Level 1	Level 2
		Level 3	Level 3
		(Rupees in thousand)	
Equity instruments at fair value:			
Investments - FVTOCI		503,857	-
Investments - FVTPL		163,754	20,039
Total assets at fair value		<u>667,611</u>	<u>20,039</u>
		Level 1	Level 2
		Level 3	Level 3
		(Rupees in thousand)	
Investments - FVTOCI		503,857	-
Investments - FVTPL		163,754	20,039
Total assets at fair value		<u>667,611</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.			
8 LONG-TERM FINANCING	Note	Un-audited December 31, 2025 (Rupees in thousand)	Audited June 30, 2025
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)		6,865,916	6,527,352
		<u>9,165,916</u>	<u>8,827,352</u>
Less: Current portion of long term financing		<u>(1,373,248)</u>	<u>(805,421)</u>
		<u>7,792,668</u>	<u>8,021,931</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025**

- 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 at the rate of 3M KIBOR plus 1% was secured from National Bank of Pakistan for utilization in permanent working capital requirement of the Company which was fully utilized during the period.

	Un-audited December 31, 2025 (Rupees in thousand)	Audited June 30, 2025
9 DEFERRED LIABILITIES		
Gratuity payable	125,733	107,049
Deferred grant	39,566	69,243
	<u>165,299</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	2,349,722	2,816,389
Guarantees issued by banks on behalf of the Company	388,209	391,045

	Un-audited Six months period ended		Un-audited Three months period ended	
	December 31 2025	December 31 2024	December 31 2025	December 31 2024
	(.....Rupees in thousand.....)			
11 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET				
Local:				
Chemicals	16,301,628	16,103,927	8,125,725	8,466,984
Yarn	2,308,580	2,788,689	1,085,271	1,450,291
Fabric	217,674	177,190	126,869	87,124
Waste	21,890	13,689	12,187	3,900
Others - trading	-	157,890	-	100,889
	<u>18,849,772</u>	<u>19,241,385</u>	<u>9,350,052</u>	<u>10,109,188</u>
Export:				
Chemicals	176,895	113,193	68,774	9,675
Gross Sales	<u>19,026,667</u>	<u>19,354,578</u>	<u>9,418,826</u>	<u>10,118,863</u>
Less:				
Commission and discount	(446,671)	(449,605)	(216,737)	(225,523)
Sales tax	(2,894,490)	(3,016,185)	(1,434,523)	(1,611,635)
	<u>(3,341,161)</u>	<u>(3,465,790)</u>	<u>(1,651,260)</u>	<u>(1,837,158)</u>
	<u>15,685,506</u>	<u>15,888,788</u>	<u>7,767,566</u>	<u>8,281,705</u>
12 COST OF SALES				
Raw material consumed	4,909,702	4,581,709	2,121,297	2,198,676
Fuel and power	6,836,108	6,736,938	3,287,971	3,455,951
Salaries, wages and benefits	698,202	587,860	351,996	277,668
Factory overheads	1,277,226	1,283,665	625,075	634,767
	<u>13,721,238</u>	<u>13,190,172</u>	<u>6,386,339</u>	<u>6,567,062</u>
Work-in-process				
Opening stock	54,651	57,219	52,162	40,614
Closing stock	(50,782)	(42,576)	(50,782)	(42,576)
	<u>3,869</u>	<u>14,643</u>	<u>1,380</u>	<u>(1,962)</u>
Cost of goods manufactured	<u>13,725,107</u>	<u>13,204,815</u>	<u>6,387,719</u>	<u>6,565,100</u>
Finished goods				
Opening stock	1,720,336	2,363,522	2,517,943	2,568,035
Closing stock	(2,786,029)	(2,342,182)	(2,786,029)	(2,342,182)
	<u>(1,065,693)</u>	<u>21,340</u>	<u>(268,086)</u>	<u>225,853</u>
Cost of trading items	-	133,805		133,805
	<u>12,659,414</u>	<u>13,359,960</u>	<u>6,119,633</u>	<u>6,924,758</u>
13 PROVISION FOR TAXATION				
Current - for the period	428,186	280,314	166,910	180,426
Deferred	44,558	(60,104)	82,580	(5,008)
	<u>472,744</u>	<u>220,210</u>	<u>249,490</u>	<u>175,418</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025**

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	
		Six months period ended	
		December 31	December 31
		2025	2024
		(Rupees in thousand)	
Relationship with the Company	Nature of transactions		
Associated undertaking	Sale of goods	993	1,539
	Donation	31,604	31,689
	Loan and Advances	14,837	3,173
Key management personnel	Remuneration to Executives	173,045	144,212
Payable to Provident fund - related party	Employers Contribution	5,017	3,589

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:

[Downloaded via SIMON1278 \(1/7/2024\) dated August 29, 2024.](#)

		Un-audited December 31, 2025	Audited June 30, 2025
		(Rupees in thousand)	
STATEMENT OF FINANCIAL POSITION			
Liabilities			
Long term Financing as per Islamic mode	8	9,165,916	8,827,352
Short term borrowing as per islamic mode		10,416,058	9,340,377
Profit / Financial Charges Payables on islamic Loans		1,260,431	1,194,155
Assets			
Shariah Compliant Bank Balances		546,459	278,262
Non- shariah Compliant Bank Balances		40,936	32,412
		Un-audited	
		Six months period ended	
		December 31 2025	December 31 2024
		(Rupees in thousand)	
STATEMENET OF PROFIT OR LOSS			
Sales - shariah compliant	11	15,685,506	15,888,788
Finance cost on islamic mode of financing		686,365	1,142,578
Finance cost paid on islamic mode of financing		590,412	889,442
Profit on Deposits			
Shariah compliant bank deposits		11,925	14,217
Conventional bank deposits		-	-
Scrap Sales			
Shariah compliant		12,224	14,117
Shariah non-compliant		-	-
Rental income			
Shariah compliant		29,430	23,269
Shariah non-compliant		-	-
Gain on sale of investments			
Shariah compliant		2,003	6,627
Shariah non-compliant		-	-
Dividend Income			
Shariah compliant		23,302	47,457
Shariah non-compliant		-	-

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025

16 SEGMENT REPORTING

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

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

16.1 Information about operating segments is as follows:

	Operating segments					
	Chemical Division		Textile Division		Total	Total
	Un-audited					
	Six months period ended					
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	(----- Rupees in thousand -----)					
Revenue from external customers - net	13,547,910	13,247,075	2,137,596	2,641,713	15,685,506	15,888,788
Depreciation on property, plant and equipment	654,201	675,942	75,456	75,484	729,657	751,426
Segment profit	1,328,017	612,378	114,653	87,209	1,442,670	699,587
	Un-audited December 31, 2025	Audited June 30 2025	Un-audited December 31 2025	Audited June 30 2025	Total Un-audited December 31 2025	Total Audited June 30 2025
	(----- Rupees in thousand -----)					
Capital expenditure	3,591,228	8,361,650	163,316	422,539	3,754,544	8,784,189
Segment assets	42,511,838	40,101,081	5,009,617	4,718,246	47,521,455	44,819,327
Segment liabilities	25,203,497	23,364,951	730,201	637,100	25,933,698	24,002,051

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025

		Un-audited Six months period ended	
		December 31, 2025	December 31, 2024
		(Rupees in thousand)	
16.2	Reconciliations of reportable segments are as follows:		
	Revenue		
	Total revenue for reportable segments	15,685,506	15,888,788
	Profit for the period		
	Total profit for reportable segments	1,442,670	699,587
	Unallocated other expenses	(245,148)	(114,428)
	Profit before tax	1,197,522	585,159
		Un-audited December 31, 2025	Audited June 30, 2025
		(Rupees in thousand)	
	Assets		
	Total assets for reportable segments	47,521,455	44,819,327
	Other unallocated corporate assets	2,267,716	2,688,674
	Company's assets	49,789,171	47,508,001
	Liabilities		
	Total liabilities for reportable segments	25,933,698	24,002,051
	Other unallocated corporate liabilities	4,336,014	4,640,234
	Company's liabilities	30,269,712	28,642,285
16.3	The Company has no reportable geographical segment.		

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025**

	Un-audited	
	Six months period ended	
	December 31, 2025	December 31, 2024
	(Rupees in thousand)	
17 WORKING CAPITAL CHANGES		
(Increase) / decrease in current assets	(286,344)	(90,206)
Stores, spare parts and loose tools	(720,544)	(539,993)
Stock-in-trade	432,806	53,516
Trade debts	102,056	(189,803)
Loans and advances	(22,046)	(38,430)
Trade deposits and short-term prepayments	(494,072)	(804,916)
Increase in current liabilities	414,432	659,905
Trade and other payables	(79,640)	(145,011)

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 February 26, 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
601-602 Business Centre, Mumtaz Hassan Road,
Opp U Chunditger Road, Daresnagar 74000
Td: 021-32420630, 32413944



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