FIRST QUARTER REPORT

SEPTEMBER, 2026



SITARA ENERGY LIMITED



Sitara Energy Limited

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COMPANY INFORMATION

BOARD OF DIRECTORS

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

CHIEF FINANCIAL OFFICER

Mr. Ijaz A. Babar - FCA

COMPANY SECRETARY

Mr. Mazhar Ali Khan

LEGAL ADVISOR

Sahibzada Muhammad Arif

SHARE REGISTRAR

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

REGISTERED OFFICE

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

AUDIT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

AUDITORS

RSM Avais Hyder Liaquat Nauman
(Chartered Accountants)

BANKERS

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

PLANT

33 K.M., Sheikhupura Road, Faisalabad

WEB SITE

http://www.sitara.pk

DIRECTORS' REVIEW

The Board of Directors of Sitara Energy Limited (the Company) is pleased to present their report together with the Condensed Interim Financial Information and its subsidiary for 1st Quarter ended on September 30, 2026.

Financial Results:

The financial results for 1st Quarter of the current financial year, in comparison with 1st Quarter of the last financial year, are as under: -

Financial Highlights	**July – September 2026**	July – September 2025
	Rupees in thousand	
Sales – net	**15,613**	7,967
Cost of generation	**11,280**	10,221
Gross profit / (loss)	**4,333**	(2,254)
Profit / (Loss) after tax	**(969)**	1,860
Earnings/(loss) per share – Basic & diluted (Rs.)	**(0.05)**	0.10

The sales revenue of the Company increased to Rs. 15.613 Mln during 1st Quarter of the current financial year in comparison with Rs. 7.967 Mln during 1st Quarter of the last financial year due to increase in solar installation and extensive measures on repair & maintenance . Accordingly, the Company earned gross profit to Rs. 4.333 Mln during 1st Quarter of the current financial year in comparison with gross loss of Rs. 2.254 Mln during 1st Quarter of the last financial year.

During 1st Quarter of the current financial year, the Company disposed of certain investment properties to repay rescheduled credit facilities which resulted into reduction in finance cost to Rs 5.558 Mln in comparison with finance cost of Rs 10.739 Mln during 1st Quarter of the last financial year. The management of the Company is also applying strict control over operating expenses.

Resultantly, the Company suffered nominal loss of Rs 0.969 Mln during 1st Quarter of the current financial year as compared with net profit of Rs. 1.860 Mln during 1st Quarter of the last financial year.

The profitability of the Company shall remain dependent upon viable prices of fuels to offer competitive tariff to all BPCs and addition of solar power generation, subject to conducive regulatory frame work and timely approval by the regulator.

We extend our heartiest gratitude to all our lenders, suppliers and dedicated employees to stand by the management of the Company during difficult time in the larger interest of all stakeholders.

By order of the board

Director
Sheikh Javaid Islam

Chief Executive Officer
Javed Iqbal

Faisalabad
October 30, 2026

ڈائریکٹرز رپورٹ

ستارہ انرجی لمیٹڈ کا بورڈ آف ڈائریکٹرز اور اس کے ذیلی ادارے کی پہلی سہ ماہی 30 ستمبر 2026ء کی ملخص عبوری مالیاتی معلومات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

مالی نتائج:

گزشتہ مالی سال کی پہلی سہ ماہی کے مقابلے میں رواں مالی سال کی پہلی سہ ماہی کے مالیاتی نتائج کا حساب ذیل ہیں۔

مالیاتی اعداد و شمار

تفصیل	جولائی تا ستمبر 2026ء	جولائی تا ستمبر 2025ء
	پاکستانی روپے ہزاروں میں	
فروخت آمدنی	15,613	7,967
پیداواری لاگت	11,280	10,221
مجموعی منافع / (نقصان)	4,333	(2,254)
ٹیکسیشن کے بعد منافع / (نقصان)	(969)	1,860
فی شیئر نقصان / منافع (Diluted and Basic)	(0.05)	0.10

موجودہ مالی سال کی پہلی سہ ماہی کے دوران کمپنی کی فروخت آمدنی بڑھ کر 15.613 ملین روپے ہوگئی ہے۔ جبکہ گزشتہ مالی سال کی پہلی سہ ماہی کے دوران یہ 7.967 ملین روپے تھی۔ اس کی وجہ سولر تنصیبات میں اضافے اور مرمت و دیکھ بھال کے وسیع تر اقدامات کی بدولت ہے۔ اس کے مطابق، کمپنی نے رواں مالی سال کی پہلی سہ ماہی کے دوران 4.333 ملین روپے کا مجموعی منافع حاصل کیا۔ جبکہ گزشتہ مالی سال کی پہلی سہ ماہی میں 2.254 ملین روپے تھا۔

موجودہ مالی سال کی پہلی سہ ماہی کے دوران کمپنی نے کریڈٹ سہولیات کی ادائیگی کے لیے کچھ سرمایہ کاری جائیدادیں فروخت کر دیں، جس کے نتیجے میں مالیاتی لاگت کم ہو کر 5.558 ملین روپے رہ گئی۔ جبکہ گزشتہ مالی سال کی پہلی سہ ماہی کے دوران یہ لاگت 10.739 ملین روپے تھی۔ کمپنی کی انتظامیہ آپریٹنگ اخراجات کو سخت کنٹرول کر رہی ہے۔

نتیجتاً، کمپنی کو رواں مالی سال کی پہلی سہ ماہی کے دوران 0.969 ملین روپے کا معمولی نقصان ہوا. جبکہ گزشتہ مالی سال کی پہلی سہ ماہی میں اسے 1.860 ملین روپے کا خالص منافع ہوا تھا۔

کمپنی کے منافع کا انحصار تمام BPCs کو مسابقتی ٹیرف فراہم کرنے کے ساتھ ایندھن کی مناسب قیمتوں اور شمسی توانائی کی پیداوار میں اضافے پر منحصر رہے گا۔ بشرطیکہ ریگولیٹری فریم ورک سازگار رہو اور ریگولیٹر کی جانب سے بروقت منظوری حاصل ہو۔

ہم اپنے تمام قرض دہندگان، سپلائرز اور مخلص ملازمین کا تہہ دل سے شکریہ ادا کرتے ہیں کہ انہوں نے کمپنی کے تمام اسٹیک ہولڈرز کے وسیع تر مفاد میں مشکل وقت کے دوران کمپنی کی انتظامیہ کا ساتھ دیا۔

بحکم بورڈ

جاوید اقبال
چیف ایگزیکٹو آفیسر

شیخ جاوید اسلام
ڈائریکٹر

فیصل آباد
30 اکتوبر 2026

SITARA ENERGY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT SEPTEMBER 30, 2026

	Note	(Un-audited) September 30, 2026	(Audited) June 30, 2026
		--------Rupees in '000'--------	
SHARE CAPITAL AND RESERVES			
Authorised capital			
30,000,000 ordinary shares of Rs. 10/- each		300,000	300,000
Issued, subscribed and paid up capital		190,920	190,920
Capital reserve - share premium		143,190	143,190
Revenue reserves	3	1,040,105	1,041,074
		1,374,215	1,375,184
NON-CURRENT LIABILITIES			
Long term financing	4	38,149	38,149
Deferred interest / markup		312,617	307,063
Deferred Revenue		12,779	14,666
		363,545	359,878
CURRENT LIABILITIES			
Trade and other payables		622,664	649,924
Unclaimed dividend		3,703	3,703
Interest / mark up payable		79,001	79,001
Short term bank borrowings		-	-
Current portion of:			
Long term financing		102,322	112,322
Advance Rent		7,548	7,548
Provision for taxation - income tax		30,631	29,549
		845,869	882,047
CONTINGENCIES AND COMMITMENTS	5	-	-
		2,583,629	2,617,109

	Note	(Un-audited) September 30, 2026	(Audited) June 30, 2026
		---------Rupees in '000'----------	
NON-CURRENT ASSETS			
Property, plant and equipment	6	772,960	772,356
Investment property	7	765,291	789,915
Investment in subsidiary		50,000	50,000
Long term loan		5,000	5,000
Long term deposits		1,778	1,778
		1,595,029	1,619,049
CURRENT ASSETS			
Stores, spares and loose tools		285,960	285,972
Stock of oil and lubricants	8	10,069	10,757
Trade debts		361,277	362,517
Loans and advances		4,310	2,240
Deposits and prepayments		31,126	30,845
Other receivables		221,613	175,450
Tax refunds due from Government		57,765	58,194
Short term investment		289	283
Cash and bank balances	9	16,191	71,802
		988,600	998,060
		2,583,629	2,617,109

The annexed notes form an integral part of this condensed interim financial information.

Chief Executive Officer | Director | Chief Financial Officer

SITARA ENERGY LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2026

	Note	Quarter ended September 30, 2026	Quarter ended September 30, 2025
		---------- Rupees in '000'----------	
Sales - net	10	15,613	7,967
Cost of generation	11	11,280	10,221
Gross Profit / (loss)		4,333	(2,254)
Other income		17,052	31,596
		21,385	29,342
Operating expenses		15,714	15,867
Finance cost		5,558	10,739
		21,272	26,606
Profit for the period before levies and income tax		113	2,736
Levies		-	-
Profit for the period before income tax		113	2,736
Provision for taxation		1,082	876
Profit / (Loss) for the period		(969)	1,860
(Loss) / Earning per share - Basic and diluted		(0.05)	0.10

The annexed notes form an integral part of this condensed interim financial information.

Chief Executive Officer | Director | Chief Financial Officer

SITARA ENERGY LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2026

	Quarter ended September 30, 2026	Quarter ended September 30, 2025
	----------Rupees in '000'----------	
Profit / (Loss) for the period	(969)	1,860
Other comprehensive income for the period	-	-
Total comprehensive profit / (loss) for the period	(969)	1,860

The annexed notes form an integral part of this condensed interim financial information.

Chief Executive Officer | Director | Chief Financial Officer

SITARA ENERGY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2026

	Issued, subscribed and paid up capital	Capital reserve	Revenue reserve			Total
		Share premium	General reserve	Unappropriated profit	Sub total	
	----------Rupees in '000'----------					
Balance as at July 01, 2025	190,920	143,190	970,000	34,785	1,004,785	1,338,895
Total comprehensive profit for the period						
Profit for the period	-	-	-	1,860	1,860	1,860
Other comprehensive income	-	-	-	-	-	-
	-	-	-	1,860	1,860	1,860
Balance as at September 30, 2025	190,920	143,190	970,000	36,645	1,006,645	1,340,755
Total comprehensive profit for the period						
Profit for the period	-	-	-	34,429	34,429	34,429
Other comprehensive income	-	-	-	-	-	-
	-	-	-	34,429	34,429	34,429
Balance as at June 30, 2026	190,920	143,190	970,000	71,074	1,041,074	1,375,184
Total comprehensive (loss) for the period						
(Loss) for the period	-	-	-	(969)	(969)	(969)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	(969)	(969)	(969)
Balance as at September 30, 2026	190,920	143,190	970,000	70,105	1,040,105	1,374,215
	-	-		-		-

The annexed notes form an integral part of this condensed interim financial information.

Chief Executive Officer | Director | Chief Financial Officer

SITARA ENERGY LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOW STATEMENT (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2026

	Quarter ended September 30, 2026	Quarter ended September 30, 2025
	----------Rupees in '000'----------	
a) CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) for the period before taxation	113	2,736
Adjustments for :		
Depreciation of property, plant and equipment	5,078	4,439
Depreciation of investment property	4,987	6,156
Provision for staff retirement benefits	154	168
Loss / (Gain) on disposal of :		
Investment Property	(12,384)	-
Dividend income	(6)	(3,700)
Finance cost	5,558	10,739
Operating cash flows before working capital changes	3,500	20,538
Changes in working capital		
(Increase) / Decrease in current assets		
Stores, spares and loose tools	12	60
Stock of oil and lubricants	687	-
Trade debts	1,240	5,949
Loans and advances	(383)	735
Deposits and prepayments	(281)	-
Other receivables	(32,145)	105,113
Sales Tax refunds due from government	429	1,976
Increase in current liabilities		
Trade and other payables	(27,266)	33,470
	(57,707)	147,303
Cash (used in) / generated from operating activities	(54,207)	167,841
Income tax paid	(1,687)	(286)
Staff retirement benefits paid	(149)	(167)
Finance cost paid	(4)	-
Net cash (used in) / generated from operating activities	(56,047)	167,388
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of investment property	10,430	5,000
Decrease in long term deposits	-	10
Dividend Income	6	-
Net cash generated from investing activities	10,436	5,010
c) CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of:		
Long term financing	(10,000)	-
(Decrease) in short term bank borrowings - net	-	(193,750)
Net cash (used in) financing activities	(10,000)	(193,750)
Net (decrease) in cash and cash equivalents (a+b+c)	(55,611)	(21,352)
Cash and cash equivalents at the beginning of the period	71,802	25,961
Cash and cash equivalents at the end of the period	16,191	4,609

The annexed notes form an integral part of this condensed interim financial information.

Chief Executive Officer | Director | Chief Financial Officer

1. STATUS AND ACTIVITIES

1.1 Sitara Energy Limited (the company) is incorporated in Pakistan as a public limited company under the repealed Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act 2017 on May 30, 2017) and is listed on Pakistan Stock Exchange Limited. The main object of the company is generation and distribution of electricity. The registered office of the company is situated at 601-602 Business Centre, Mumtaz Hasan Road, Karachi in the province of Sindh. The generation plant is located at 33-K.M. Sheikhupura Road, Tehsil Jaranwala, District Faisalabad in the province of Punjab.

1.2 The Company is suffering operational losses Rs. 281,655 during the period. The prices of fuels remained unviable during the year to produce electricity at competitive tariff to its Bulk Power Consumers (BPCs) in comparison with DISCOs.

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

The company has formulated a multifaceted plan and is taking measures to address these adverse factors. These are described below;

- the Company is planning to enhance solar power plant to produce electricity at competitive tariff to increase its turnover and improve its operating results;

- the Company is hopeful that the available production capacity will be possibly used in near future resulting in improved generation and sales of electricity at reasonable profit margin;

- the Company has also entered into settlement / restructuring agreements with all of its lenders, resulting in conversion of short term finances into long term finances, with relief in accrued mark up and future pricing at cost of funds of the lenders. As a result, the finance cost is reducing from year to year moving the company towards sustainable operations in due course of time;

- The company is also making all efforts to dispose of non-core assets including investment properties to repay/prepay credit facilities and to further install solar plant which will result in improved sales and profitability. During the period the company has sold investment properties at a consideration of Rs. 32.022 million against which an amount of Rs. 10.430 million has been received.

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

1.3 The financial statements are presented in Pak Rupee, which is the company's functional and presentation currency.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.1.2 These condensed interim financial statements do not include all the information required for complete set of financial statements, and should be read in conjunction with the Company's published audited financial statements for the year ended June 30, 2026.

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

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

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

2.3 Basis of measurement

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

2.4 Accounting policies and methods of computation

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

2.5 Estimates, judgments and risk management policies

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

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on amounts recognized in these condensed interim financial statements are the same as those disclosed in the published audited financial statements for the year ended June 30, 2026.

2.5.2 Risk management policies and procedures are consistent with those disclosed in the published audited financial statements for the year ended June 30, 2026.

3. REVENUE RESERVES

	Note	(Un-audited) September 30, 2026	(Audited) June 30, 2026
		---------- Rupees in '000' ----------	
General reserve	3.1	970,000	970,000
Unappropriated profit			
Opening balance		71,074	34,785
Total comprehensive (loss) / profit for the period / year		(969)	36,289
		70,105	71,074
		1,040,105	1,041,074

4. Long term financing

Secured			
From banking company			
Under mark up arrangement			
Demand finance			
Term finance	4.1	-	14,580
Demand finance	4.2	74,174	148,377
Diminishing Musharakah	4.3	76,297	114,446
		150,471	277,403
Less: Paid during period/year		(10,000)	(126,932)
		140,471	150,471
Less: Current portion			
Instalment due		-	-
Payable within one year		(102,322)	(112,322)
		(102,322)	(112,322)
		38,149	38,149

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

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

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

It is subject to markup at cost of funds. Interest/markup past due till the date of re-structuring, along with future accrued markup is repayable in four equal quarterly installments commencing from September 11,2027 and ending on March 31, 2028.

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

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

Effective rate of mark up charged during the year ranges from 4.76 % to 16.51% per annum (2025: 4.76% to 17.26% per annum).

5. CONTINGENCIES AND COMMITMENTS

CONTINGENCIES AND COMMITMENTS

There are no significant changes in contingent liabilities since the date of published audited financial statements for the year ended June 30, 2026.

	Note	(Un-audited) September 30, 2026	(Audited) June 30, 2026
		---------- Rupees in '000' ----------	
6. Property, plant and equipment			
Operating assets	6.1	715,500	720,579
Capital work in progress		40,960	35,277
Advance for purchase of land		16,500	16,500
		772,960	772,356
6.1 Operating fixed assets			
Book value at beginning of period / year		720,579	673,040
Add: Transfer / addition during the period / year	6.1.1	-	70,579
Depreciation charge during the period / year		(5,078)	(23,040)
		715,500	720,579
6.1.1 Additions to operating fixed assets, during the period / year were as follow			
Plant & Machinery		-	70,579
		-	70,579
7. Investment property			
Cost		867,014	886,651
Accumulated depreciation		(101,723)	(96,736)
Net book value		765,291	789,915
7.1 Reconciliation of written down value for the period / year			
Book value at beginning of period / year		789,915	1,120,866
Disposals in Freehold land		(19,637)	(308,788)
Depreciation charged during the period / year		(4,987)	(22,163)
		765,291	789,915
8. Stock of oil and lubricants			
Furnace oil		1,413	2,101
Diesel oil		4,874	4,874
Lube oil		3,782	3,782
		10,069	10,757

	Quarter ended September 30, 2026	Quarter ended September 30, 2025
	---------- Rupees in '000' ----------	
9. Cash and bank balances		
Cash in hand	6,121	135,447
Cash at banks		
In current accounts	10,070	30,741
	16,191	166,188

	Note	Quarter ended September 30, 2026	Quarter ended September 30, 2025
		---------- Rupees in '000' ----------	
10. Sales - net			
Electricity		18,608	9,434
Less: Sales tax		(2,839)	(1,439)
		15,769	7,995
Less: Electricity duty		(156)	(28)
		15,613	7,967
11. Cost of generation			
Cost of oil and lubricants		687	-
Salaries and wages and benefits		5,669	5,943
Staff retirement benefits		98	109
Stores, spares and loose tools		81	68
Travelling and conveyance		-	6
Vehicles running and maintenance		113	159
Insurance		-	-
Repairs and maintenance		304	380
Entertainment		117	204
Depreciation		4,129	3,273
Other		82	79
		11,280	10,221

12. AGGREGATE TRANSACTIONS WITH RELATED PARTIES

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

Name of the related party	Relationship and Percentage	Transactions during the year	Quarter ended September 30, 2026	Quarter ended September 30, 2025
			---------- Rupees in '000' ----------	
Sitara International (Pvt) Ltd	Subsidary company	Loan obtained	10,000	-
Sitara Energy Limited Staff Provident Fund Trust	Other related party	Contribution for the period	154	168

13. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial report was authorised for issue on October 30, 2026 by the Board of Directors of the Company.

14. GENERAL

14.1 No provision for taxation has been made in this condensed Interim financial report as the profits and gains derived by the Company from electric power generation project are exempt from levy of Income tax.

14.2 There is no unusual item included in this condensed interim financial report which is affecting equity, liabilities, assets, (loss), comprehensive (loss) or cash flows of the Company.

14.3 Figures have been rounded off to the nearest thousand of Rupees except (loss) per share which is in Rupees.

Chief Executive Officer | Director | Chief Financial Officer

Consolidated Financial Statements



SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT SEPTEMBER 30, 2026

	Note	(Un-audited) September 30, 2026	(Audited) June 30, 2026
		--------Rupees in '000'----------	
SHARE CAPITAL AND RESERVES			
Authorised capital			
30,000,000 ordinary shares of Rs. 10/- each		300,000	300,000
Issued, subscribed and paid up capital		190,920	190,920
Capital reserve - share premium		143,190	143,190
Revenue reserves	4	1,040,709	1,017,478
		1,374,819	1,351,588
NON-CURRENT LIABILITIES			
Long term financing		38,149	38,149
Deferred interest/markup		312,617	307,063
Deferred revenue		12,779	14,666
		363,545	359,878
CURRENT LIABILITIES			
Trade and other payables		715,877	758,011
Unclaimed dividend		3,703	3,703
Interest / mark up payable		79,001	79,001
Current portion of:			
Long term financing		102,322	112,322
Advance Rent		7,548	7,548
Provision for taxation - income tax		30,631	29,549
		939,082	990,134
CONTINGENCIES AND COMMITMENTS	5	-	-
		2,677,446	2,701,600

	Note	(Un-audited) September 30, 2026	(Audited) June 30, 2026
		----------Rupees in '000'---------	
NON-CURRENT ASSETS			
Property, plant and equipment	6	772,972	772,368
Investment property	7	745,707	770,332
Long term loan		5,000	5,000
Long term deposits		1,778	1,778
		1,525,457	1,549,478
CURRENT ASSETS			
Stores, spares and loose tools		285,960	285,972
Stocks		74,672	121,805
Trade debts		393,958	395,198
Loans and advances		17,402	5,331
Deposits and prepayments		31,126	30,845
Other receivables		221,613	175,450
Tax refunds due from Government		61,983	62,412
Short term investment		289	283
Cash and bank balances	8	64,986	74,826
		1,151,989	1,152,122
		2,677,446	2,701,600

The annexed notes form an integral part of this condensed interim consolidated financial information.

Chief Executive Officer | Director | Chief Financial Officer

SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY
CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS ACCOUNT (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2026

	Note	Quarter ended September 30, 2026	Quarter ended September 30, 2025
		---------- Rupees in '000'----------	
Sales - net	9	86,383	16,192
Cost of generation and sales	10	57,725	16,321
Gross profit / (loss)		28,658	(129)
Other operating income		17,052	31,596
		45,710	31,467
Operating expenses		15,839	16,217
Finance cost		5,558	10,739
		21,397	26,956
Profit for the period before income tax and final tax		24,313	4,511
Levies		-	-
Profit for the period before income tax		24,313	4,511
Provision for taxation		1,082	876
Profit for the period		23,231	3,635
Earnings per share - Basic and diluted		1.22	0.19

The annexed notes form an integral part of this condensed interim consolidated financial information.

Chief Executive Officer | Director | Chief Financial Officer

SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2026

	Issued, subscribed and paid up capital	Capital reserve	Revenue reserve			Total
		Share premium	General reserve	Unappropriated (loss)	Sub total	
	----------Rupees in '000'----------					
Balance as at July 01, 2025	190,920	143,190	970,000	(11,090)	958,910	1,293,020
Total comprehensive (loss) for the period						
(Loss) for the period	-	-	-	3,635	3,635	3,635
Other comprehensive income	-	-	-	-	-	-
	-	-	-	3,635	3,635	3,635
Balance as at September 30, 2025	190,920	143,190	970,000	(7,455)	962,545	1,296,655
Total comprehensive (loss) for the period						
(Loss) for the period	-	-	-	54,933	54,933	54,933
Other comprehensive income	-	-	-	-	-	-
	-	-	-	54,933	54,933	54,933
Balance as at June 30, 2026	190,920	143,190	970,000	47,478	1,017,478	1,351,588
Total comprehensive (loss) for the period						
Profit for the period	-	-	-	23,231	23,231	23,231
Other comprehensive income						
	-	-	-	23,231	23,231	23,231
Balance as at September 30, 2026	190,920	143,190	970,000	70,709	1,040,709	1,374,819

The annexed notes form an integral part of this condensed interim consolidated financial information.

Chief Executive Officer | Director | Chief Financial Officer

SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2026

	Quarter ended September 30, 2026	Quarter ended September 30, 2025
	---------- Rupees in '000'----------	
Profit for the period	23,231	3,635
Other comprehensive income for the period	-	-
Total comprehensive profit for the period	23,231	3,635

The annexed notes form an integral part of this condensed interim consolidated financial information.

Chief Executive Officer | Director | Chief Financial Officer

SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOW STATEMENT (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2026

	Quarter ended September 30, 2026	Quarter ended September 30, 2025
	----------Rupees in '000'----------	
a) CASH FLOWS FROM OPERATING ACTIVITIES		
(loss) for the period before taxation	24,313	4,511
Adjustments for :		
Depreciation of property, plant and equipment	5,078	4,439
Depreciation of investment property	4,987	6,156
Provision for staff retirement benefits	154	168
Loss / (Gain) on disposal of :		
Investment property	(12,384)	-
Dividend income	(6)	(5,825)
Finance cost	5,558	10,739
Operating cash flows before working capital changes	27,700	20,188
Changes in working capital		
(Increase) / Decrease in current assets		
Stores, spares and loose tools	12	60
Stocks	47,132	-
Trade debts	1,240	5,949
Loans and advances	(10,383)	1,105
Deposits and prepayments	(281)	-
Other receivables	(32,145)	105,113
Sales Tax refunds due from government	429	1,976
Increase in current liabilities		
Trade and other payables	(42,140)	33,449
	(36,136)	147,652
Cash generated from operating activities	(8,436)	167,840
Income tax paid	(1,687)	(286)
Staff retirement benefits paid	(149)	(167)
Finance cost paid	(4)	-
Net cash (used in) / generated from operating activities	(10,276)	167,387
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of investment property	10,430	13,225
Decrease in long term deposits	-	10
Dividend income	6	-
Net cash generated from investing activities	10,436	13,235
c) CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Long term financing	(10,000)	-
(Decrease) in short term bank borrowings - net	-	(193,750)
Net cash (used in) financing activities	(10,000)	(193,750)
Net (decrease) in cash and cash equivalents (a+b+c)	(9,840)	(13,128)
Cash and cash equivalents at the beginning of the period	74,826	43,414
Cash and cash equivalents at the end of the period	64,986	30,286

The annexed notes form an integral part of this condensed interim consolidated financial information.

Chief Executive Officer | Director | Chief Financial Officer

1. GROUP STATUS AND ACTIVITIES

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

The Parent is incorporated in Pakistan as a public limited company under the repealed Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act 2017 on May 30, 2017) and is listed on Pakistan Stock Exchange Limited. The main object of the Parent is generation and distribution of electricity. The registered office of the Parent is situated at 601-602 Business centre, Mumtaz Hasan Road, Karachi in the province of Sindh. The generation plant is located at 33-K.M. Sheikhupura Road, Tehsil Jaranwala, District Faisalabad in the province of Punjab

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

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

1.3 The Group earned profit of Rs. 23.231 million during the period. The prices of fuels remained unviable during the year to produce electricity at competitive tariff to its Bulk Power Consumers (BPCs) in comparison with DISCOs

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

The Parent company has formulated a multifaceted plan and is taking measures to address these adverse factors. These are described below;

- The parent Company is planning to enhance solar power plant to produce electricity at competitive tariff to increase its turnover and improve its operating results;
- The parent Company is hopeful that the available production capacity will be possibly used in near future resulting in improved generation and sales of electricity at reasonable profit margin;
- The parent Company has also entered into settlement / restructuring agreements with all of its lenders, resulting in conversion of short term finances into long term finances, with relief in accrued mark up and future pricing at cost of funds of the lenders. As a result, the finance cost is reducing from year to year moving the company towards sustainable operations in due course of time;
- The parent company is also making all efforts to dispose of non-core assets including investment properties to repay/prepay credit facilities and to further install solar plant which will result in improved sales and profitability.During the year the parent company has sold investment properties at a consideration of Rs. 457.60 million against which an amount of Rs. 326.40 million has been received.

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

1.4 The financial statements are presented in Pak Rupee, which is the Group's functional and presentation currency.

2. BASIS OF CONSOLIDATION

The financial statements of the Parent and Subsidiary are combined on a line by line basis. The financial statements of the Subsidiary are consolidated from the date on which more than 50% voting rights are transferred to or power to control the Subsidiary is established and are excluded from consolidation from the date of disposal or reduction of control.

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

3. BASIS OF PREPARATION

3.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS's) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017

Where provisions of, directives and notifications issued under the Companies Act, 2017 differ from the IFRS's, the provisions of, directives and notifications issued under the Companies Act, 2017 have been followed.

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

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

The following standards, amendments to standards and interpretations have been effective and are mandatory for financial statements of the Group for the periods beginning on or after July 01, 2026 and therefore, have been applied in preparing these financial statements.

3.2.2 Standards, amendments to standards and interpretations becoming effective in future period but not relevant

There are certain new standards, amendments to standards and interpretations that are effective from different future periods but are considered not to be relevant to the Group's operations, therefore, not disclosed in these financial statements.

3.3 Basis of measurement

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

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

3.4 Accounting policies and methods of computation

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

3.5 Estimates, judgments and risk management policies

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

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on amounts recognized in this condensed interim consolidated financial statements are the same as those disclosed in the published audited consolidated financial statements for the year ended June 30, 2026.

3.5.2 Risk management policies and procedures are consistent with those disclosed in the published audited consolidated financial statements for the year ended June 30, 2026.

4. REVENUE RESERVES

	Note	(Un-audited) September 30, 2026	(Audited) June 30, 2026
		---------- Rupees in '000' ----------	
General reserve	4.1	970,000	970,000
Unappropriated profit			
Opening balance		47,478	(11,090)
Total comprehensive profit for the period / year		23,231	58,568
		70,709	47,478
		1,040,709	1,017,478

5. Long term financing

Secured			
From banking company			
Under mark up arrangement			
Demand finance			
Term finance	5.1	-	14,580
Demand finance	5.2	74,174	148,377
Diminishing Musharakah	5.3	76,297	114,446
		150,471	277,403
Less: Paid during period/year		(10,000)	(126,932)
		140,471	150,471
Less: Current portion			
Instalment due		-	-
Payable within one year		(102,322)	(112,322)
		(102,322)	(112,322)
		38,149	38,149

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

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

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

It is subject to markup at cost of funds. Interest/markup past due till the date of re-structuring, along with future accrued markup is repayable in four equal quarterly installments commencing from September 11, 2027 and ending on March 31, 2028.

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

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

Effective rate of mark up charged during the year ranges from 4.76 % to 16.51% per annum (2025: 4.76% to 17.26% per annum).

6. Contingencies and Commitments

There are no significant changes in contingent liabilities since the date of published audited financial statements for the year ended June 30, 2026.

	Note	(Un-audited) September 30, 2026	(Audited) June 30, 2026
		---------- Rupees in '000' ----------	
7. Property, plant and equipment			
Operating assets	7.1	715,512	720,591
Capital work in progress		40,960	35,277
Advance for purchase of land		16,500	16,500
		772,972	772,368
7.1 Operating fixed assets			
Book value at beginning of period / year		720,591	673,053
Add: Addition during the period / year	7.1.1	-	70,579
Depreciation charge during the period / year		(5,078)	(23,041)
		715,512	720,591
7.1.1 Additions to operating fixed assets, during the period / year were as follow			
Plant & Machinery		-	70,579
		-	70,579
8. Investment property			
Cost		847,430	867,068
Accumulated depreciation		(101,723)	(96,736)
Net book value		745,707	770,332
8.1 Reconciliation of written down value for the period / year			
Book value at beginning of period / year		770,331	1,101,282
Disposals in Freehold land		(19,637)	(308,788)
Depreciation charged during the period / year		(4,987)	(22,163)
		745,707	770,331
9. Stock of oil and lubricants			
Furnace oil		1,413	2,101
Diesel oil		4,874	4,874
Lube oil		3,782	3,782
Land		64,603	111,048
		74,672	121,805

	Quarter ended September 30, 2026	Quarter ended September 30, 2025
	---------- Rupees in '000' ----------	
10. Cash and bank balances		
Cash in hand	6,305	13,551
Cash at banks		
In current accounts	58,681	16,735
	64,986	30,286
11. Sales - net		
Electricity	18,608	9,434
Less: Sales tax	(2,839)	(1,439)
	15,769	7,995
Less: Electricity duty	(156)	(28)
Land	70,770	8,225
	86,383	16,192

	Note	Quarter ended September 30, 2026	Quarter ended September 30, 2025
		---------- Rupees in '000' ----------	
12. Cost of generation and sales			
Cost of generation	12.1	11,280	10,221
Cost of sales- land		46,445	6,100
		57,725	16,321
12.1 Cost of generation			
Cost of gas, oil and lubricants		687	-
Salaries and wages and benefits		5,669	5,943
Staff retirement benefits		98	109
Stores, spares and loose tools		81	68
Travelling and conveyance		-	6
Vehicles running and maintenance		113	159
Repairs and maintenance		304	380
Entertainment		117	204
Depreciation		4,129	3,273
Other		82	79
		11,280	10,221

13. AGGREGATE TRANSACTIONS WITH RELATED PARTIES

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

Name of the related party	Relationship and Percentage	Transactions during the year	Quarter ended September 30, 2026	Quarter ended September 30, 2025
			---------- Rupees in '000' ----------	
Sitara International (Pvt) Ltd	Subsidary company	Loan obtained	10,000	-
Sitara Energy Limited Staff Provident Fund Trust	Other related party	Contribution for the period	168	273

14. DATE OF AUTHORISATION FOR ISSUE

This condensed interim consolidated financial information was authorised for issue on October 30, 2026 by the Board of Directors of the Group.

15. GENERAL

15.1 No provision for taxation has been made in this condensed interim consolidated financial information as the profits and gains derived by the Parent from electric power generation project are exempt from levy of Income tax under clause (132) of Part-I and clause 11A (v) of Part-IV of the Second Schedule to the Income Tax Ordinance, 2001. Provision for taxation of subsidiary is nill due to current loss during the period.

15.2 There is no unusual item included in this condensed interim consolidated financial information which is affecting equity, liabilities, assets, (loss), comprehensive (loss) or cash flows of the Group.

15.3 Figures have been rounded off to the nearest thousand of Rupees except (loss) per share which is in Rupees.

Chief Executive Officer | Director | Chief Financial Officer

If undelivered please return to:
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