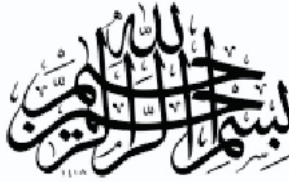




SEPTEMBER, 2021  
**QUARTERLY REPORT**  
(UNAUDITED)

**SITARA ENERGY LIMITED**



## Sitara Energy Limited

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## Consolidated Accounts

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### Board of Directors

Ms. Noreen Javed (Chairperson)  
Mr. Javed Iqbal (Chief Executive Officer)  
Mr. Abdullah Javed  
Mr. Shahid Hameed Sheikh  
Mst. Naseem Akhter  
Ms. Haniah Javed  
Mr. Mubashir Ahmed Zareen

### 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  
1st Floor, 40-C, Block-6,  
P.E.C.H.S, Karachi - 75400.  
UAN : +92 (21) 111-000-322  
Ph: +92 (21) 34168270  
Fax: +92 (21) 34168271  
E-mail: aa@thk.com.pk

### Registered Office

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

### Plant

33 K.M., Sheikhpura Road, Faisalabad

### Audit Committee

Mr. Shahid Hameed Sheikh (Chairman)  
Mr. Abdullah Javed  
Mr. Mubashir Ahmed Zareen

### Human Resource & Remuneration Committee

Mr. Mubashir Ahmed Zareen (Chairman)  
Mr. Javed Iqbal  
Mr. Abdullah 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  
Summit Bank Limited  
Habib Bank Limited

### Website

<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 the first quarter ended September 30, 2021.

**Financial Results:**

The financial results for the first quarter of the current financial year, in comparison with the first quarter of the last year, are as under:-

Financial Highlights	July – September 2021	July – September 2020
	Rupees in thousand	Rupees in thousand
Sales – net	69,066	205,508
Cost of generation	58,224	177,989
Gross profit	10,842	27,519
Gross profit ratio to revenue	15.70%	13.39%
(Loss) after tax	(26,264)	(22,863)
(Loss) per share – Basic & diluted (Rs.)	(1.38)	(1.20)

The sales of the Company is Rs. 69.066 Million during the first quarter of the current financial year in comparison with Rs. 205.508 Million during the first quarter of the last financial year. The reason for decrease in sales is lower load demand by Bulk Power Consumers (BPCs) due to unviable tariff as a result of higher prices of RFO and RLNG during the first quarter of the current financial year.

The gross profit of the company decreased to Rs. 10.842 Mln during the first quarter of the current financial year in comparison with Rs. 27.519 Mln during the first quarter of the last financial year due to decrease in sales volume and resultant increase in cost of generation. Accordingly, the net loss for the first quarter of the current financial year slightly increased to Rs. 26.264 Mln in comparison with Rs 22.863 Mln during the first quarter of the last financial year.

The profitability of the company during the financial year 2021-22 will largely depends upon viable prices of fuels (RLNG & RFO) and increase in the consumer end tariff and load demand by our customers. The current prices of RFO & RLNG are at its historically highest level.

We extend our heartiest gratitude to all our lenders and suppliers for their continuous support in difficult time and dedicated work by the management and all the employees in the larger interest of the Company.

By order of the board



Javed Iqbal  
Chief Executive Officer

Faisalabad:  
October 28, 2021

ستارہ انرجی لمیٹڈ کا بورڈ آف ڈائریکٹرز اور اس کے ذیلی ادارے کی پہلی سہ ماہی 30 ستمبر 2021ء کی مختص عبوری مالیاتی معلومات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

مالی نتائج:

گذشتہ مالی سال کی پہلی سہ ماہی کے مقابلے میں رواں مالی سال کی پہلی سہ ماہی کے مالیاتی نتائج حسب ذیل ہیں۔


مالیاتی اعداد و شمار	جولائی - ستمبر 2021ء	جولائی - ستمبر 2020ء
پاکستانی روپے ہزاروں میں	پاکستانی روپے ہزاروں میں	پاکستانی روپے ہزاروں میں
فروخت آمدنی	69,066	205,508
پیداواری لاگت	58,224	177,989
مجموعی منافع	10,842	27,519
آمدنی میں مجموعی منافع کا تناسب	15.70%	13.39%
ٹیکسیشن کے بعد (نقصان)	(26,264)	(22,863)
نیٹیشن (نقصان) Basic & diluted (Rs.)	(1.38)	(1.20)

رواں مالی سال کی پہلی سہ ماہی کی فروخت آمدنی 69.066 ملین روپے ہے جبکہ گذشتہ مالی سال کی فروخت آمدنی 205.508 ملین روپے تھی۔ اس کی بڑی وجہ موجودہ مالی سال کی پہلی سہ ماہی میں بلک پاور کنزرویمر (BPCs) کی طرف سے طلب میں کمی، فرنس آئل اور RLNG کی قیمتوں میں بہت زیادہ اضافے کی وجہ اور غیر مناسب ٹیرف ہے۔

رواں مالی سال کی پہلی سہ ماہی کے اختتام پر مجموعی منافع کم ہو کر 10.842 ملین روپے ہو گیا ہے۔ جبکہ گذشتہ مالی سال کی پہلی سہ ماہی میں مقابلہ 27.519 ملین روپے تھا۔ اس کی بڑی وجہ فروخت کی کمی اور پیداواری لاگت میں اضافے کا باعث ہے۔ اس کے مطابق پہلی سہ ماہی کے اختتام پر صافی نقصان میں اضافہ ہو کر 26.264 ملین روپے ہو گیا ہے۔ جبکہ اس کے مقابلے میں گذشتہ مالی سال کی پہلی سہ ماہی میں 22.863 ملین روپے تھا۔

مالی سال 2021-22ء میں کمپنی کا منافع بہت حد تک ایک طرف تو مناسب قیمتوں پر فیول کی فراہمی (فرنس آئل اور مائع گیس) اور ٹیرف میں اضافے اور ہمارے کسٹمرز (Customers) کی طرف سے طلب میں اضافے پر ہے۔ موجودہ حالات میں فرنس آئل اور مائع گیس کی قیمتیں تاریخ کی بلند ترین سطح پر پہنچ چکی ہیں۔

ہم اپنے تمام قرض دہندہ سپلائرز کی مشکل وقت میں انتظامیہ اور عمل کی ادارے کے مفاد میں مجموعی، دلچسپی اور سخت محنت پر ان کے دل و جان سے مشکور ہیں۔

بجکم بورڈ  
  
 جاوید اقبال  
 چیف ایگزیکٹو آفیسر

فیصل آباد  
 28 اکتوبر 2021ء

# Statement of Financial Position

## Sitara Energy Limited Condensed Interim Statement of Financial Position (Unaudited) As at September 30, 2021

(Un-audited) September 30, 2021	(Audited) June 30, 2021
Note-----Rupees in '000'-----	

(Un-audited) September 30, 2021	(Audited) June 30, 2021
Note-----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	1,027,571	1,053,835
	1,361,681	1,387,945

### NON-CURRENT ASSETS

Property, plant and equipment  
Investment property  
Investment in subsidiary  
Long term loan  
Long term deposits

5	692,327	696,973
6	410,568	411,154
	50,000	50,000
	1,000	1,000
	1,511	1,511
	1,155,406	1,160,638

### NON-CURRENT LIABILITIES

Long term financing 4,167 8,333

### CURRENT LIABILITIES

Trade and other payables  
Unclaimed dividend  
Interest / mark up payable  
Short term bank borrowings  
Current portion of:  
Long term financing  
Provision for taxation - income tax

580,705	578,638
3,703	3,703
347,778	321,904
1,022,951	1,026,951
16,667	16,667
1,836	1,435
1,973,640	1,949,298

### CURRENT ASSETS

Stores, spares and loose tools  
Stock of oil and lubricants  
Trade debts  
Loans and advances  
Deposits and prepayments  
Other receivables  
Tax refunds due from Government  
Cash and bank balances

273,659	273,898
29,287	31,349
573,385	539,778
621,095	618,962
31,056	32,834
351,075	339,147
113,251	114,795
191,274	234,175
2,184,082	2,184,938

### CONTINGENCIES AND COMMITMENTS

4 - -

3,339,488	3,345,576
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3,339,488	3,345,576
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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, 2021**

		Quarter ended September 30, 2021	Quarter ended September 30, 2020
Note----- Rupees in '000'-----			
Sales - net	8	69,066	205,508
Cost of generation	9	<u>58,224</u>	<u>177,989</u>
Gross profit		10,842	27,519
Other operating income		<u>1,727</u>	<u>1,448</u>
		12,569	28,967
Operating expenses		<u>11,274</u>	<u>14,660</u>
Other operating expenses		-	11,921
Finance cost		<u>27,157</u>	<u>24,857</u>
		38,431	51,438
(Loss) for the period before taxation		<u>(25,862)</u>	<u>(22,471)</u>
Provision for taxation		402	392
(Loss) for the period		<u><u>(26,264)</u></u>	<u><u>(22,863)</u></u>
(Loss) per share - Basic and diluted		<u><u>(1.38)</u></u>	<u><u>(1.20)</u></u>

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, 2021**

	Quarter ended September 30, 2021	Quarter ended September 30, 2020
	-----Rupees in '000'-----	
(Loss) for the period	(26,264)	(22,863)
Other comprehensive income for the period	-	-
Total comprehensive (loss) for the period	<u>(26,264)</u>	<u>(22,863)</u>

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, 2021**

	Quarter ended September 30, 2021	Quarter ended September 30, 2020
	-----Rupees in '000'-----	
<b>a) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) for the period before taxation	(25,862)	(22,472)
Adjustments for :		
Depreciation of property, plant and equipment	4,646	6,373
Depreciation of investment property	586	589
Provision for staff retirement benefits	215	230
Loss / (Gain) on disposal of :		
Property, plant and equipment	-	11,921
Finance cost	27,157	27,157
Operating cash flows before working capital changes	<u>6,742</u>	<u>23,798</u>
Changes in working capital		
(Increase) / Decrease in current assets		
Stores, spares and loose tools	239	(2,638)
Stock of oil and lubricants	2,061	(8,018)
Trade debts	(33,607)	(110,653)
Loans and advances	(2,658)	8,891
Deposits and prepayments	1,778	(3,808)
Other receivables	(11,928)	(77,131)
Sales Tax refunds due from government	1,544	27,004
Increase in current liabilities		
Trade and other payables	3,099	28,952
	<u>(39,472)</u>	<u>(137,401)</u>
Cash (used in) operating activities	(32,730)	(115,902)
Income tax paid	(551)	(670)
Staff retirement benefits paid	(170)	(173)
Finance cost paid	(1,283)	(1,794)
Net cash (used in) operating activities	<u>(34,734)</u>	<u>(118,539)</u>
<b>b) CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of :		
Property, plant and equipment	-	66,000
Net cash generated from investing activities	<u>-</u>	<u>66,000</u>
<b>c) CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of:		
Long term financing	(4,167)	-
(Decrease) in short term bank borrowings - net	(4,000)	(6,000)
Net cash (used in) financing activities	<u>(8,167)</u>	<u>(6,000)</u>
Net (decrease) in cash and cash equivalents (a+b+c)	(42,901)	(58,539)
Cash and cash equivalents at the beginning of the period	234,175	282,311
Cash and cash equivalents at the end of the period	<u>191,274</u>	<u>223,772</u>

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

# Statement of Changes in Equity

## Sitara Energy Limited Condensed Interim Statement of Changes in Equity (Unaudited) For The First Quarter Ended September 30, 2021

	Issued, subscribed and paid up capital	Capital reserve  Share premium	Revenue reserve			Total
			General reserve	Unappropriated profit	Sub total	
	-----Rupees in '000'-----					
Balance as at July 01, 2020	190,920	143,190	970,000	233,319	1,203,319	1,537,429
<b>Total comprehensive (loss) for the period</b>						
(Loss) for the period	-	-	-	(22,863)	(22,863)	(22,863)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	(22,863)	(22,863)	(22,863)
Balance as at September 30, 2020	190,920	143,190	970,000	210,456	1,180,456	1,514,566
<b>Total comprehensive (loss) for the period</b>						
(Loss) for the period	-	-	-	(126,621)	(126,621)	(126,621)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	(126,621)	(126,621)	(126,621)
Balance as at June 30, 2021	190,920	143,190	970,000	83,835	1,053,835	1,387,945
<b>Total comprehensive (loss) for the period</b>						
(Loss) for the period	-	-	-	(26,264)	(26,264)	(26,264)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	(26,264)	(26,264)	(26,264)
Balance as at September 30, 2021	190,920	143,190	970,000	57,571	1,027,571	1,361,681

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

**Sitara Energy Limited****Selected Explanatory Notes to The Condensed Interim Financial Information (Unaudited)  
For The First Quarter Ended September 30, 2021****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. Sheikhpura Road, Tehsil Jaranwala, District Faisalabad in the province of Punjab.
- 1.2 The financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency.

**2. SIGNIFICANT ACCOUNTING POLICIES****2.1 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 and directives issued under the Companies Act, 2017 differ from the IFRS's, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements are unaudited as required under section 237 of Companies Act, 2017 and should be read in conjunction with audited annual financial statements of the Company for the year ended June 30, 2021

**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**

The following standards, amendments to standards and interpretations have been effective and are mandatory for financial statements of the Company for the periods beginning on or after July 01, 2021 and therefore, have been applied in preparing these financial statements.

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform
- Amendments to IFRS 16 - Covid-19-Related Rent Concessions beyond 30 June 2021

The application of amendments has no material impact on the financial statements of the company.

**2.2.2 Standards, amendments to standards and interpretations becoming effective in current year but not relevant**

There are certain amendments to standards that became effective during the year and are mandatory for accounting periods of the Company beginning on or after July 01, 2021 but are considered not to be relevant to the Company's operations and are, therefore, not disclosed in these financial statements.

**2.3 Basis of preparation**

This condensed interim financial information has been prepared under the "historical cost convention".

**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, 2021.

## 2.5 Critical accounting estimates and judgments

**2.5.1** The preparation of financial statements in conformity with International Accounting Standards / International Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and 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 judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

Significant areas requiring the use of management estimates in these financial statements relate to the impairment of investments in subsidiary, contingencies, investment property valuation, useful life of depreciable assets, provision for taxation, doubtful receivables and slow moving inventory. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

Risk management policies and procedures are consistent with those disclosed in the published audited financial statements for the year ended June 30, 2021.

### 2.5.2

## 3. REVENUE RESERVES

General reserve  
Unappropriated profit  
Opening balance  
Total comprehensive loss for the period

Note  
3.1

(Un-audited) September 30, 2021	(Audited) June 30, 2021
Rupees in '000'	
970,000	970,000
83,835	233,319
(26,264)	(149,484)
57,571	83,835
1,027,571	1,053,835

3.1 The general reserve is an appropriation from accumulated profits and transferred to unappropriated profit for distribution as and when required.

## 4. CONTINGENCIES AND COMMITMENTS

There are no significant changes in contingent and commitments liabilities since the date of published audited financial statements for the year ended June 30, 2021.

## 5. Property, plant and equipment

Operating assets  
Advance for purchase of land

Note

(Un-audited) September 30, 2021	(Audited) June 30, 2021
Rupees in '000'	
675,827	680,473
16,500	16,500
692,327	696,973

### 5.1 Operating fixed assets

Book value at beginning of period / year  
Add: Transfer / addition during the period / year  
Less: Transfer / disposal during the period / year  
Depreciation charge during the period / year

5.1.1

680,473	754,882
-	31,213
-	(80,393)
(4,645)	(25,229)
675,827	680,473

#### 5.1.1 Additions to operating fixed assets,

during the period / year were as follow  
Vehicles

-	31,213
-	31,213

## 6. Investment property

Cost  
Transfer from Building freehold land  
Accumulated depreciation

Freehold land

44,872	42,400
-	2,472
(22,014)	(21,428)
22,858	23,444
387,710	387,710
410,568	411,154

### 6.1 Reconciliation of written down value for the period / year

Book value at beginning of period / year  
Transfer from Building freehold land  
Depreciation charged during the period / year

23,444	23,576
-	2,472
(586)	(2,604)
22,858	23,444

# Notes to the Financial Statements

	Quarter ended September 30, 2021	Quarter ended September 30, 2020
<b>7. Cash and bank balances</b>		
Cash in hand	38,463	104,236
Cash at banks		
In current accounts	152,811	111,867
	<u>191,274</u>	<u>216,103</u>
<b>8. Sales - net</b>		
Electricity	80,685	237,044
Steam	922	5,754
	81,607	242,798
Less: Sales tax	(11,857)	(35,278)
	69,750	207,520
Less: Electricity duty	(684)	(2,012)
	<u>69,066</u>	<u>205,508</u>
<b>9. Cost of generation</b>		
Cost of gas, oil and lubricants	48,941	152,010
Salaries and wages and benefits	4,935	8,094
Staff retirement benefits	134	155
Stores, spares and loose tools	296	10,293
Insurance	984	719
Repairs and maintenance	24	352
Depreciation	2,260	5,267
Other	650	1,099
	<u>58,224</u>	<u>177,989</u>
<b>9.1 Cost of gas, oil and lubricants</b>		
Gas	-	123,747
Oil and lubricants	48,941	28,263
	<u>48,941</u>	<u>152,010</u>

## 10. 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, 2021	Quarter ended September 30, 2020
			----- Rupees in '000' -----	
Sitara Fabrics Limited	Associated company by virtue of common directorship	Sale of Electricity & Steam	1,334	18,679
Sitara Energy Limited Staff Provident Fund Trust	Other related party	Contribution for the period	215	230

## 11. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial report was authorised for issue on October 28, 2021 by the Board of Directors of the Company.

## 12. GENERAL

**12.1** 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.

**12.2** 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.

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

# Statement of Financial Position

## SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED) AS AT SEPTEMBER 30, 2021

	(Un-audited) September 30, 2021	(Audited) June 30, 2021
Note	-----Rupees in '000'-----	

	(Un-audited) September 30, 2021	(Audited) June 30, 2021
Note	-----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	1,041,607	1,067,907
	1,375,717	1,402,017

### NON-CURRENT LIABILITIES

Long term financing	4,167	8,333
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### CURRENT LIABILITIES

Trade and other payables	694,964	692,971
Unclaimed dividend	3,703	3,703
Interest / mark up payable	347,778	321,904
Short term bank borrowings	1,022,951	1,026,951
Current portion of:		
Long term financing	16,667	16,667
Provision for taxation - income tax	3,883	3,481
	2,089,946	2,065,677

### NON-CURRENT ASSETS

Property, plant and equipment  
Investment property  
Long term loan  
Long term deposits

6	692,347	696,993
7	410,568	411,154
	1,000	1,000
	1,511	1,511
	1,105,426	1,110,658

### CURRENT ASSETS

Stores, spares and loose tools  
Stocks  
Trade debts  
Loans and advances  
Deposits and prepayments  
Other receivables  
Tax refunds due from Government  
Cash and bank balances

	273,659	273,898
	658,440	660,502
	629,268	595,660
	110,819	38,363
	31,056	32,834
	351,075	409,471
	115,125	116,669
8	194,962	237,972
	2,364,404	2,365,369

### CONTINGENCIES AND COMMITMENTS

5	-	-
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3,469,830	3,476,027
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3,469,830	3,476,027
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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, 2021**

		Quarter ended September 30, 2021	Quarter ended September 30, 2020
Note		Rupees in '000'	
Sales - net	9	69,066	205,508
Cost of generation and sales	10	58,224	177,989
Gross profit		10,842	27,519
Other operating income		1,727	1,448
		12,569	28,967
Operating expenses		11,310	14,661
Other operating expense		-	11,921
Finance cost		27,157	24,857
		38,467	51,439
(Loss) for the period before taxation		(25,898)	(22,472)
Provision for taxation		402	392
(Loss) for the period		(26,300)	(22,864)
(Loss) per share - Basic and diluted		(1.38)	(1.20)

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

## Statement of other Comprehensive Income

### SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021

	Quarter ended September 30, 2021	Quarter ended September 30, 2020
	Rupees in '000'	
(Loss) for the period	(26,300)	(22,864)
Other comprehensive income for the period	-	-
Total comprehensive (loss) for the period	<u>(26,300)</u>	<u>(22,864)</u>

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



# Statement of Cash Flows

## SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOW STATEMENT (UNAUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021

	Quarter ended September 30, 2021	Quarter ended September 30, 2020
	-----Rupees in '000'-----	
<b>a) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(loss) for the period before taxation	(25,898)	(22,472)
Adjustments for :		
Depreciation of property, plant and equipment	4,646	6,374
Depreciation of investment property	586	589
Provision for staff retirement benefits	215	230
Loss / (Gain) on disposal of :		
Property, plant and equipment	-	11,921
Finance cost	27,157	24,857
Operating cash flows before working capital changes	6,706	21,499
Changes in working capital		
(Increase) / Decrease in current assets		
Stores, spares and loose tools	239	(2,638)
Stock of oil and lubricants	2,061	(8,018)
Trade debts	(33,607)	(110,653)
Loans and advances	(2,658)	8,891
Deposits and prepayments	1,778	(3,808)
Other receivables	(11,928)	(77,131)
Sales Tax refunds due from government	1,544	27,004
Increase in current liabilities		
Trade and other payables	3,026	28,952
	(39,545)	(137,401)
Cash (used in) operating activities	(32,839)	(115,902)
Income tax paid	(551)	(670)
Staff retirement benefits paid	(170)	(173)
Finance cost paid	(1,283)	(1,794)
Net cash (used in) operating activities	(34,843)	(118,539)
<b>b) CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of :		
Property, plant and equipment	-	66,000
Net cash generated from investing activities	-	66,000
<b>c) CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of:		
Long term financing	(4,167)	-
(Decrease) in short term bank borrowings - net	(4,000)	(6,000)
Net cash (used in) financing activities	(8,167)	(6,000)
Net (decrease) in cash and cash equivalents (a+b+c)	(43,010)	(58,539)
Cash and cash equivalents at the beginning of the period	237,972	282,311
Cash and cash equivalents at the end of the period	194,962	223,772

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

# Statement of Changes in Equity

## SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021

	Issued, subscribed and paid up capital	Capital reserve	Revenue reserve			Total
		Share premium	General reserve	Unappropriated profit	Sub total	
Balance as at July 01, 2020	190,920	143,190	970,000	237,392	1,207,392	1,541,502
<b>Total comprehensive (loss) for the period</b>						
(Loss) for the period	-	-	-	(22,864)	(22,864)	(22,864)
Other comprehensive income	-	-	-	-	-	-
Balance as at September 30, 2020	190,920	143,190	970,000	214,528	1,184,528	1,518,638
<b>Total comprehensive (loss) for the period</b>						
(Loss) for the period	-	-	-	(116,625)	(116,625)	(116,625)
Other comprehensive income	-	-	-	-	-	-
Transferred to unappropriated profit due to further acquisition	-	-	-	4	4	4
Balance as at June 30, 2021	190,920	143,190	970,000	97,907	1,067,907	1,402,017
<b>Total comprehensive (loss) for the period</b>						
(Loss) for the period	-	-	-	(26,300)	(26,300)	(26,300)
Other comprehensive income	-	-	-	(26,300)	(26,300)	(26,300)
Balance as at September 30, 2021	190,920	143,190	970,000	71,607	1,041,607	1,375,717

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  
SELECTED EXPLANATORY NOTES TO THE  
CONDENSED INTERIM FINANCIAL REPORT (UNAUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021**

**1. GROUP STATUS AND ACTIVITIES**

- 1.1** The Group consists of Sitara Energy Limited (the Parent) and Sitara International (Private) Limited (the Subsidiary).
- 1.2** 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. Sheikhpura 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 activities of the Subsidiary are 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.

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

**1.3**

**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. SIGNIFICANT ACCOUNTING POLICIES**

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

These condensed interim financial statements are unaudited as required under section 237 of Companies Act, 2017 and should be read in conjunction with audited annual financial statements of the Company for the year ended June 30, 2021.

**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 year**

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, 2021 and therefore, have been applied in preparing these financial statements.

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform
- Amendments to IFRS 16 - Covid-19-Related Rent Concessions beyond 30 June 2021

The application of amendments has no material impact on the group's financial statements.

**Standards, amendments to standards and interpretations becoming effective in current year but not relevant**

**3.2.2**

There are certain amendments to standards that became effective during the year and are mandatory for accounting periods of the Group beginning on or after July 01, 2021 but are considered not to be relevant to the Group's operations and are, therefore, not disclosed in these financial statements.

**3.3 Basis of preparation**

This condensed interim consolidated financial information has been prepared under the "historical cost convention" except investment property and investments which are carried at fair value.

# Notes to the Financial Statements

This condensed interim consolidated financial information has been prepared under the "historical cost convention" except investment property and investments which are carried at fair value.

## 3.4 Accounting policies and methods of computation

The accounting policies and methods of computation adopted in the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of the published audited consolidated financial statements for the year ended June 30, 2021.

## 3.5 Critical accounting estimates and judgments

**3.5.1** The preparation of financial statements in conformity with International Accounting Standards / International Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and 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 judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

Significant areas requiring the use of management estimates in these financial statements relate to the impairment of investments in subsidiary, contingencies, investment property valuation, useful life of depreciable assets, provision for taxation, doubtful receivables and slow moving inventory. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

Risk management policies and procedures are consistent with those disclosed in the published audited consolidated financial statements for the year ended June 30, 2021.

### 3.5.2

## 4. REVENUE RESERVES

		(Un-audited) September 30, 2021	(Audited) June 30, 2021
	Note	Rupees in '000'	
General reserve	4.1	970,000	970,000
Unappropriated profit			
Opening balance		97,907	237,392
Total comprehensive loss for the period		(26,300)	(139,485)
		71,607	97,907
		1,041,607	1,067,907

4.1 The general reserve is an appropriation from accumulated profits and transferred to unappropriated profit for distribution as and when required.

## 5. CONTINGENCIES AND COMMITMENTS

There are no significant changes in contingent and commitments liabilities since the date of published audited financial statements for the year ended June 30, 2021

## 6. Property, plant and equipment

		(Un-audited) September 30, 2021	(Audited) June 30, 2021
		Rupees in '000'	
Operating assets	6.1	675,847	680,493
Advance for purchase of land		16,500	16,500
		692,347	696,993
<b>6.1 Operating fixed assets</b>			
Book value at beginning of period / year		680,493	754,904
Add: Transfer / addition during the period / year	6.1.1	-	31,213
Less: Transfer / disposal during the period / year		-	(80,393)
Depreciation charge during the period / year		(4,645)	(25,231)
		675,847	680,493
<b>6.1.1 Additions to operating fixed assets,</b>			
<b>during the period / year were as follow</b>			
Vehicles		-	31,213
		-	31,213

# Notes to the Financial Statements

## 7. Investment property

	(Un-audited) September 30, 2021	(Audited) June 30, 2021
	Rupees in '000'	
Cost	44,872	42,400
Transfer from freehold land		2,472
Accumulated depreciation	(22,014)	(21,429)
	22,858	23,443
Freehold land	387,710	387,710
	410,568	411,153

### 7.1 Reconciliation of written down value for the period / year

Book value at beginning of period / year	23,443	23,576
Transfer from freehold land	-	2,472
Depreciation charged during the period / year	(585)	(2,605)
	22,858	23,443

Quarter ended September 30, 2021	Quarter ended September 30, 2020
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## 8. Cash and bank balances

Cash in hand	41,049	110,788
Cash at banks		
In current accounts	153,913	112,984
	194,962	223,772

## 9. Sales - net

Electricity	80,685	237,044
Steam	922	5,754
	81,607	242,798
Less: Sales tax	(11,857)	(35,278)
	69,750	207,520
Less: Electricity duty	(684)	(2,012)
	69,066	205,508

## 10. Cost of generation

Cost of gas, oil and lubricants	48,941	152,010
Salaries and wages and benefits	4,935	8,094
Staff retirement benefits	134	155
Stores, spares and loose tools	296	10,293
Insurance	984	719
Repairs and maintenance	24	352
Depreciation	2,260	5,267
Other	650	1,099
	58,224	177,989

### 10.1 Cost of gas, oil and lubricants

Gas	-	123,747
Oil and lubricants	48,941	28,263
	48,941	152,010

## 11. 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, 2021	Quarter ended September 30, 2020
Rupees in '000'				
Sitara Fabrics Limited	Associated company by virtue of common directorship	Sale of Electricity & Steam	1,334	18,679
Sitara Energy Limited Staff Provident Fund Trust	Other related party	Contribution for the period	215	230

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

### 12. DATE OF AUTHORISATION FOR ISSUE

This condensed interim consolidated financial information was authorised for issue on October 28, 2021 by the Board of Directors of the Group.

### 13. GENERAL

**13.1** 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 nil due to current loss during the period.

**13.2** 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.

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





If undelivered please return to:

**Sitara Energy Limited**

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

Tel: 021-32420620-32413944

Fax: 021-32415452