



## QUARTERLY REPORT

UNAUDITED

2022

SITARA **ENERGY** LIMITED



## Sitara Energy Limited

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### BOARD OF DIRECTORS

Ms. Noreen Javed (Chairperson)

Mr. Javed Iqbal (Chief Executive Officer)

Mr. Shahid Hameed Sheikh

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

### PLANT

33 K.M., Sheikhpura Road, Faisalabad

### AUDIT COMMITTEE

Mr. Shahid Hameed Sheikh (Chairman)

Mr. Sheikh Javaid Islam

Mr. Mubashir Ahmed Zareen

### HUMAN RESOURCE &

### REMUNERATION COMMITTEE

Mr. Mubashir Ahmed Zareen (Chairman)

Mr. Javed Iqbal

Mr. Sheikh Javaid Islam

### 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, 2022.

**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 2022	July – September 2021
	Rupees in thousand	
Sales – net	189,300	69,066
Cost of generation	188,420	58,224
Gross profit	880	10,842
Gross profit ratio to revenue	0.47%	15.70%
(Loss) after tax	(51,463)	(26,264)
(Loss) per share – Basic & diluted (Rs.)	(2.70)	(1.38)

The sales revenue of the Company increased to Rs. 189.300 Million during the first quarter of the current financial year in comparison with Rs. 69.066 Million during the first quarter of the last financial year due to higher price of RFO and accordingly charging of higher tariff to Bulk Power Consumers (BPCs). However, gross margin reduced due to higher consumption of fuel and stores, spares & loose tools. Accordingly, gross profit of the company decreased to Rs. 0.880 Mln during the first quarter of the current financial year in comparison with Rs. 10.842 Mln during the first quarter of the last financial year.

Accordingly, the net loss for the first quarter of the current financial year increased to Rs. 51.463 Mln in comparison with Rs 26.264 Mln during the first quarter of the last financial year due to increase in cost of generation and finance cost on account of rise in SBP policy rate.

The profitability of the company for the remaining period of current financial year 2022-23 will be dependent upon viable operation based on affordable prices of fuels (RLNG & RFO), increase in load demand by our BPCs and decrease in finance cost.

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.



**SHEIKH JAVAID ISLAM**  
Director



**JAVED IQBAL**  
Chief Executive Officer

**October 29, 2022**

Faisalabad

ستارہ انرجی لمیٹڈ اور اس کی ذیلی کمپنی کا بورڈ آف ڈائریکٹرز، کمپنی کی پہلی سہ ماہی 30 ستمبر 2022ء کی مختص 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 حسب ذیل ہیں۔

مالیاتی اعداد و شمار	جولائی - ستمبر 2022ء	جولائی - ستمبر 2021ء
پاکستانی روپے ہزاروں میں		
فروخت آمدنی	189,300	69,066
پیداواری لاگت	188,420	58,224
مجموعی منافع	880	10,842
آمدنی میں مجموعی منافع کا تناسب	0.47%	15.70%
ٹیکسیشن کے بعد (نقصان)	(51,463)	(26,264)
ٹی ٹیسٹر (نقصان) Basic & diluted (Rs.)	(2.70)	(1.38)

رواں مالی سال کی پہلی سہ ماہی کی فروخت آمدنی 189.300 ملین روپے ہے۔ جبکہ گزشتہ مالی سال کی فروخت آمدنی 69.066 ملین روپے تھی۔ اسکی وجہ فرس آئل کی زیادہ قیمت اور اسی کے مطابق بلک پاور کنزرومر (BPCs) کو اضافی ٹیرف لگایا گیا۔ تاہم فیول اور سپیئر پارٹس کی زیادہ کنزپشن کی وجہ سے مجموعی منافع کا تناسب کم ہو گیا۔ اسی طرح رواں مالی سال پہلی سہ ماہی کے اختتام پر مجموعی منافع کم ہو کر 0.880 ملین روپے رہا۔ جبکہ گزشتہ مالی سال کی پہلی سہ ماہی میں مقابلتاً 10.842 ملین روپے تھا۔

اسی طرح پہلی سہ ماہی کے اختتام پر صافی نقصان بڑھ کر 51.463 ملین روپے ہو گیا ہے۔ جبکہ اس کے مقابلے میں گزشتہ مالی سال کی پہلی سہ ماہی میں 26.264 ملین روپے تھا۔ جس کی وجہ پیداواری لاگت اور سٹیٹ بینک کی طرف سے پالیسی ریٹ میں اضافے سے فنانس لاگت بھی بڑھ گئی۔

مالی سال 2022-23ء کے بقیہ عرصے کا منافع بہت حد تک منافع بخش آپریشن فیول کی مناسب قیمت، بلک پاور کنزرومر کی طرف سے طلب میں اضافے اور فنانس لاگت میں کمی منحصراً ہے۔

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

بجکم بورڈ  
جاوید اقبال  
چیف ایگزیکٹو آفیسر

جاوید اسلام  
ڈائریکٹر

فیصل آباد  
29 اکتوبر 2022ء

# Statement of Financial Position

## Sitara Energy Limited Condensed Interim Statement of Financial Position (Unaudited) As at September 30, 2022

(Un-audited)	(Audited)
September 30,	June 30,
2022	2022
Note-----Rupees in '000'-----	

(Un-audited)	(Audited)
September 30,	June 30,
2022	2022
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  
Capital reserve - share premium  
Revenue reserves

190,920	190,920
143,190	143,190
847,476	898,939
1,181,586	1,233,049

### NON-CURRENT ASSETS

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

5	665,589	669,854
6	408,282	408,809
	50,000	50,000
	1,000	1,000
	1,511	1,511
	1,126,382	1,131,174

### NON-CURRENT LIABILITIES

Long term financing

- -

### 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

611,457	605,334
3,703	3,703
481,527	439,722
993,951	993,951
4,167	8,333
1,867	1,468
2,096,672	2,052,511

### 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

272,980	273,368
35,194	107,774
579,367	481,792
619,750	625,844
33,735	27,882
217,334	219,841
88,377	118,722
305,139	299,163
2,151,876	2,154,386

### CONTINGENCIES AND COMMITMENTS

4 - -

3,278,258 3,285,560

3,278,258 3,285,560

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, 2022**

		Quarter ended September 30, 2022	Quarter ended September 30, 2021
Note		Rupees in '000'	
Sales - net	8	189,300	69,066
Cost of generation	9	188,420	58,224
Gross profit		<u>880</u>	<u>10,842</u>
Other operating income		<u>2,654</u>	<u>1,727</u>
		3,534	12,569
Operating expenses		<u>11,613</u>	<u>11,274</u>
Finance cost		<u>42,985</u>	<u>27,157</u>
		54,598	38,431
(Loss) for the period before taxation		<u>(51,064)</u>	<u>(25,862)</u>
Provision for taxation		399	402
(Loss) for the period		<u>(51,463)</u>	<u>(26,264)</u>
(Loss) per share - Basic and diluted		<u>(2.70)</u>	<u>(1.38)</u>

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



**CHIEF EXECUTIVE OFFICER**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**

## Statement of other Comprehensive Income

**Sitara Energy Limited**  
**Condensed Interim Statement of Comprehensive Income (Unaudited)**  
**For The First Quarter Ended September 30, 2022**

	Quarter ended September 30, 2022	Quarter ended September 30, 2021
	=====Rupees in '000'=====	
(Loss) for the period	(51,463)	(26,264)
Other comprehensive income for the period	-	-
Total comprehensive (loss) for the period	<u>(51,463)</u>	<u>(26,264)</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, 2022

	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, 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
<b>Total comprehensive (loss) for the period</b>						
(Loss) for the period	-	-	-	(128,632)	(128,632)	(128,632)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	(128,632)	(128,632)	(128,632)
Balance as at June 30, 2022	190,920	143,190	970,000	(71,061)	898,939	1,233,049
<b>Total comprehensive (loss) for the period</b>						
(Loss) for the period	-	-	-	(51,463)	(51,463)	(51,463)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	(51,463)	(51,463)	(51,463)
Balance as at September 30, 2022	190,920	143,190	970,000	(122,524)	847,476	1,181,586

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

# Statement of Cash Flows

## Sitara Energy Limited Condensed Interim Statement of Cash Flow Statement (Unaudited) For The First Quarter Ended September 30, 2022

	Quarter ended September 30, 2022	Quarter ended September 30, 2021
	-----Rupees in '000'-----	
<b>a) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) for the period before taxation	(51,064)	(25,862)
Adjustments for :		
Depreciation of property, plant and equipment	4,265	4,646
Depreciation of investment property	527	586
Provision for staff retirement benefits	208	215
Finance cost	42,985	27,157
Operating cash flows before working capital changes	<u>(3,079)</u>	<u>6,742</u>
Changes in working capital		
(Increase) / Decrease in current assets		
Stores, spares and loose tools	388	239
Stock of oil and lubricants	72,581	2,061
Trade debts	(97,575)	(33,607)
Loans and advances	6,734	(2,658)
Deposits and prepayments	(5,853)	1,778
Other receivables	2,607	(11,928)
Sales Tax refunds due from government	30,346	1,544
Increase in current liabilities		
Trade and other payables	6,069	3,099
	<u>15,297</u>	<u>(39,472)</u>
Cash generated from / (used in) operating activities	12,218	(32,730)
Income tax paid	(742)	(551)
Staff retirement benefits paid	(154)	(170)
Finance cost paid	(1,179)	(1,283)
Net cash generated from / (used in) operating activities	<u>10,143</u>	<u>(34,734)</u>
<b>b) CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of :		
Property, plant and equipment	-	-
Net cash generated from investing activities	<u>-</u>	<u>-</u>
<b>c) CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of:		
Long term financing	(4,167)	(4,167)
(Decrease) in short term bank borrowings - net	-	(4,000)
Net cash (used in) financing activities	<u>(4,167)</u>	<u>(8,167)</u>
Net increase / (decrease) in cash and cash equivalents (a+b+c)	5,976	(42,901)
Cash and cash equivalents at the beginning of the period	299,163	234,175
Cash and cash equivalents at the end of the period	<u>305,139</u>	<u>191,274</u>

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, 2022****1. STATUS AND ACTIVITIES**

- 1.1 Sitara Energy Limited (the Company) is incorporated in Pakistan as a public limited Company under the Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act 2017 on May 30, 2017) and is listed on Pakistan stock exchange. 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 project is located at 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**

- 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, 2022.

**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, 2022.

## 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, 2022.

**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, 2022.

## 3. REVENUE RESERVES

		(Un-audited) September 30, 2022	(Audited) June 30, 2022
		----- Rupees in '000' -----	
General reserve	Note 3.1	970,000	970,000
Unappropriated profit			
Opening balance		(71,061)	83,835
Total comprehensive loss for the period		(51,463)	(154,896)
		(122,524)	(71,061)
		847,476	898,939

## 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, 2022.

		(Un-audited) September 30, 2022	(Audited) June 30, 2022
		----- Rupees in '000' -----	
<b>5. Property, plant and equipment</b>	Note		
Operating assets	5.1	649,089	653,354
Advance for purchase of land		16,500	16,500
		665,589	669,854
<b>5.1 Operating fixed assets</b>			
Book value at beginning of period / year		653,354	680,473
Add: Transfer / addition during the period / year	5.1.1	-	747
Less: Transfer / disposal during the period / year		-	(267)
Depreciation charge during the period / year		(4,264)	(27,599)
		649,089	653,354
<b>5.1.1 Additions to operating fixed assets, during the period / year were as follow</b>			
Electric appliances		-	114
Vehicles		-	633
		-	747
<b>6. Investment property</b>			
Cost		46,204	46,204
Accumulated depreciation		(25,632)	(25,105)
		20,572	21,099
Freehold land		387,710	387,710
		408,282	408,809
<b>6.1 Reconciliation of written down value for the period / year</b>			
Book value at beginning of period / year		21,099	23,443
Depreciation charged during the period / year		(527)	(2,344)
		20,572	21,099

# Notes to the Financial Statements

## 7. Cash and bank balances

	Quarter ended September 30, 2022	Quarter ended September 30, 2021
Cash in hand	41,722	38,463
Cash at banks		
In current accounts	263,417	152,811
	<u>305,139</u>	<u>191,274</u>

## 8. Sales - net

Electricity	221,769	80,685
Steam	1,908	922
	<u>223,677</u>	<u>81,607</u>
Less: Sales tax	(32,500)	(11,857)
	<u>191,177</u>	<u>69,750</u>
Less: Electricity duty	(1,877)	(684)
	<u>189,300</u>	<u>69,066</u>

## 9. Cost of generation

Cost of gas, oil and lubricants	177,705	48,941
Salaries and wages and benefits	5,101	4,935
Staff retirement benefits	150	134
Stores, spares and loose tools	1,272	296
Insurance	859	984
Repairs and maintenance	403	24
Depreciation	2,317	2,260
Other	613	650
	<u>188,420</u>	<u>58,224</u>

### 9.1 Cost of gas, oil and lubricants

Gas	-	-
Oil and lubricants	177,705	48,941
	<u>177,705</u>	<u>48,941</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, 2022	Quarter ended September 30, 2021
----- Rupees in '000' -----				
Sitara Fabrics Limited	Associated company by virtue of common directorship	Sale of Electricity & Steam	3,364	1,334
Sitara Energy Limited Staff Provident Fund Trust	Other related party	Contribution for the period	208	215

## 11. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial report was authorised for issue on October 29, 2022 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.

**SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
**AS AT SEPTEMBER 30, 2022**

(Un-audited)	(Audited)
September 30,	June 30,
2022	2022

Note-----Rupees in '000'-----

	(Un-audited) September 30, 2022	(Audited) June 30, 2022
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	860,760	912,301
	1,194,870	1,246,411

## NON-CURRENT ASSETS

6	665,606	669,871
7	408,282	408,809
	1,000	1,000
	1,511	1,511
	1,076,399	1,081,191

### NON-CURRENT LIABILITIES

Long term financing	-	-
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**CURRENT LIABILITIES**

Trade and other payables	705,956	699,766
Unclaimed dividend	3,703	3,703
Interest / mark up payable	481,527	439,722
Short term bank borrowings	993,951	993,951
Current portion of:		
Long term financing	4,167	8,333
Provision for taxation - income tax	1,867	1,468
	2,191,171	2,146,943

## CURRENT ASSETS

Stores, spares and loose tools	272,980	273,368
Stocks	664,347	736,928
Trade debts	620,750	523,175
Loans and advances	100,024	39,444
Deposits and prepayments	33,735	27,882
Other receivables	217,335	286,515
Tax refunds due from Government	90,251	120,597
Cash and bank balances	310,220	304,254
	2,309,642	2,312,163

## CONTINGENCIES AND COMMITMENTS

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3.386.041	3.393.354
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3.386.041	3.393.354
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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**

# Statement of Profit or Loss

## SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS ACCOUNT (UNAUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022

		Quarter ended September 30, 2022	Quarter ended September 30, 2021
Note		Rupees in '000'	
Sales - net	9	189,300	69,066
Cost of generation and sales	10	188,420	58,224
Gross profit		880	10,842
Other operating income		2,654	1,727
		3,534	12,569
Operating expenses		11,691	11,310
Finance cost		42,985	27,157
		54,676	38,467
(Loss) for the period before taxation		(51,142)	(25,898)
Provision for taxation		399	402
(Loss) for the period		(51,541)	(26,300)
(Loss) per share - Basic and diluted		(2.70)	(1.38)

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, 2022**

	Quarter ended September 30, 2022	Quarter ended September 30, 2021
	----- Rupees in '000' -----	
(Loss) for the period	(51,541)	(26,300)
Other comprehensive income for the period	-	-
Total comprehensive (loss) for the period	<u>(51,541)</u>	<u>(26,300)</u>

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, 2022

	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, 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
<b>Total comprehensive (loss) for the period</b>						
(Loss) for the period	-	-	-	(129,306)	(129,306)	(129,306)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	(129,306)	(129,306)	(129,306)
Balance as at June 30, 2022	190,920	143,190	970,000	(57,699)	912,301	1,246,411
<b>Total comprehensive (loss) for the period</b>						
(Loss) for the period	-	-	-	(51,541)	(51,541)	(51,541)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	(51,541)	(51,541)	(51,541)
Balance as at September 30, 2022	190,920	143,190	970,000	(109,240)	860,760	1,194,870

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, 2022

	Quarter ended September 30, 2022	Quarter ended September 30, 2021
	-----Rupees in '000'-----	
<b>a) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(loss) for the period before taxation	(51,142)	(25,898)
Adjustments for :		
Depreciation of property, plant and equipment	4,265	4,646
Depreciation of investment property	527	586
Provision for staff retirement benefits	208	215
Finance cost	42,985	27,157
Operating cash flows before working capital changes	(3,157)	6,706
Changes in working capital		
(Increase) / Decrease in current assets		
Stores, spares and loose tools	388	239
Stock of oil and lubricants	72,581	2,061
Trade debts	(97,575)	(33,607)
Loans and advances	6,802	(2,658)
Deposits and prepayments	(5,853)	1,778
Other receivables	2,607	(11,928)
Sales Tax refunds due from government	30,346	1,544
Increase in current liabilities		
Trade and other payables	6,069	3,026
	15,365	(39,545)
Cash generated from / (used in) operating activities	12,208	(32,839)
Income tax paid	(742)	(551)
Staff retirement benefits paid	(154)	(170)
Finance cost paid	(1,179)	(1,283)
Net cash generated from / (used in) operating activities	10,133	(34,843)
<b>b) CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of :		
Property, plant and equipment	-	-
Net cash generated from investing activities	-	-
<b>c) CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of:		
Long term financing	(4,167)	(4,167)
(Decrease) in short term bank borrowings - net	-	(4,000)
Net cash (used in) financing activities	(4,167)	(8,167)
Net increase / (decrease) in cash and cash equivalents (a+b+c)	5,966	(43,010)
Cash and cash equivalents at the beginning of the period	304,254	237,972
Cash and cash equivalents at the end of the period	310,220	194,962

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, 2022

### 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 Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act 2017 on May 30, 2017) and is listed on Pakistan stock exchange. 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 project is located at Tehsil Jaranwala, District Faisalabad in the province of Punjab.

The Subsidiary is incorporated in Pakistan as a private limited company under the Companies Ordinance, 1984 (the Repealed Ordinance). The principal activity of the Subsidiary is trading in textile goods / machinery and 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.

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

### 2. BASIS OF CONSOLIDATION

These condensed interim consolidated financial statements includes the condensed interim financial statements of Sitara Energy Limited and its Subsidiary Sitara International (Private) Limited. The condensed interim consolidated financial statements of the Parent and Subsidiary are combined on a line by line basis.

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

Non-controlling is that part of the net results of the operations and net assets of the Subsidiary attributable to interest which are not owned by the Parent.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Statement of compliance

3.1.1 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

3.1.2 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.

3.1.3 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, 2022.

3.1.4 These condensed interim consolidated financial statements do not include all the information required for complete set of consolidated financial statements, and should be read in conjunction with the Group's published audited consolidated financial statements for the year ended June 30, 2022.

#### 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

There are certain new standards, interpretations and amendments to approved accounting standards which are mandatory for the Company's accounting periods beginning on or after July 1, 2022 but are considered not to be relevant or have any significant effect on the Company's financial reporting, except as mentioned below:

##### 3.2.2 Standards, amendments to standards and interpretations becoming effective in future periods

There are other new standards, amendments and IFRIC interpretations that are mandatory for accounting periods of the Company beginning on or after July 01, 2022 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, 2022.

## 3.3 Basis of preparation

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

## 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, 2021.

## 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, 2022.

**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, 2022.

## 4. REVENUE RESERVES

		(Un-audited) September 30, 2022	(Audited) June 30, 2022
	Note	----- Rupees in '000' -----	
General reserve	3.1	970,000	970,000
Unappropriated profit			
Opening balance		(57,699)	97,907
Total comprehensive loss for the period		(51,541)	(155,606)
		(109,240)	(57,699)
		860,760	912,301

## 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, 2022

## 6. Property, plant and equipment

		(Un-audited) September 30, 2022	(Audited) June 30, 2022
		----- Rupees in '000' -----	
Operating assets	6.1	649,106	653,371
Advance for purchase of land		16,500	16,500
		665,606	669,871
<b>6.1 Operating fixed assets</b>			
Book value at beginning of period / year		653,371	680,493
Add: Transfer / addition during the period / year	6.1.1	-	747
Less: Transfer / disposal during the period / year		-	(268)
Depreciation charge during the period / year		(4,264)	(27,601)
		649,106	653,371
<b>6.1.1 Additions to operating fixed assets, during the period / year were as follow</b>			
Electric appliances		-	114
Vehicles		-	633
		-	747

## 7. Investment property

	(Un-audited) September 30, 2022	(Audited) June 30, 2022
	----- Rupees in '000' -----	
Cost	46,204	46,204
Accumulated depreciation	(25,632)	(25,105)
	20,572	21,099
Freehold land	387,710	387,710
	408,282	408,809

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

Book value at beginning of period / year	21,099	23,443
Depreciation charged during the period / year	(527)	(2,344)
	20,572	21,099

Quarter ended September 30, 2022	Quarter ended September 30, 2021
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## 8. Cash and bank balances

Cash in hand	42,551	41,049
Cash at banks		
In current accounts	267,669	153,913
	310,220	194,962

## 9. Sales - net

Electricity	221,769	80,685
Steam	1,908	922
	223,677	81,607
Less: Sales tax	(32,500)	(11,857)
	191,177	69,750
Less: Electricity duty	(1,877)	(684)
	189,300	69,066

## 10. Cost of generation

Cost of gas, oil and lubricants	177,705	48,941
Salaries and wages and benefits	5,101	4,935
Staff retirement benefits	150	134
Stores, spares and loose tools	1,272	296
Insurance	859	984
Repairs and maintenance	403	24
Depreciation	2,317	2,260
Other	613	650
	188,420	58,224

### 10.1 Cost of gas, oil and lubricants

Gas	-	-
Oil and lubricants	48,941	48,941
	48,941	48,941

## 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, 2022	Quarter ended September 30, 2021
			----- Rupees in '000' -----	
Sitara Fabrics Limited	Associated company by virtue of common directorship	Sale of Electricity & Steam	3,364	1,334
Sitara Energy Limited Staff Provident Fund Trust	Other related party	Contribution for the period	208	215

### 12. DATE OF AUTHORISATION FOR ISSUE

This condensed interim consolidated financial information was authorised for issue on October 29, 2022 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.



**CHIEF EXECUTIVE OFFICER**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**





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