

**CONDENSED INTERIM
FINANCIAL STATEMENTS
DECEMBER 31, 2024**



SITARA ENERGY LIMITED

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Consolidated Accounts

(Sitara Energy Ltd and Its Subsidiary Company)

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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

Plant

33 K.M., Sheikhpura Road, Faisalabad

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

WEB SITE

<http://www.sitara.pk>

Directors' Report

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 duly reviewed by the statutory auditors for the half year ended on December 31, 2024.

Financial Results:

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

Financial Highlights	July – December 2024	July – December 2023
	Rupees in thousand	Rupees in thousand
Sales – net	162,382	47,284
Cost of generation	186,161	80,061
Gross (loss)	(23,779)	(32,777)
Gross (loss) ratio to revenue	(14.64%)	(69.32%)
(Loss) after tax	(89,257)	(43,597)
(Loss) per share – Basic & diluted (Rs.)	(4.68)	(2.28)

The sales revenue of the Company increased to Rs. 162.382 Million during the half year of the current financial year in comparison with Rs. 47.284 Million during the half year of the last financial year due to higher generation and sales and accordingly charged higher tariff to Bulk Power Consumers (BPCs).

However, gross loss reduced to Rs. 23.779 Million during the half year of the current financial year in comparison with Rs. 32.777 Million during the half year of the last financial year due to controlling overall generation cost.

Although, there is substantial reduction in finance cost as a result of rescheduling of financing facilities at cost of fund and regular repayments during the half year, yet the net loss for the half year of the current financial year increased to Rs. 89.257 Million as compared with Rs 43.597 Million during the half year of last financial year due to decrease in Other income.

The viability of the company for the remaining period of current financial year 2024-25 will be dependent upon operation based on affordable prices of fuels (RLNG & RFO), solar power generation and load demand by our BPCs.

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:
February 26, 2025



Sheikh Javaid Islam
Director

ڈائریکٹرز رپورٹ

ستارہ انرجی لمیٹڈ اور اس کی ذیلی کمپنی کا بورڈ آف ڈائریکٹرز کی پہلی ششماہی 31 دسمبر 2024ء کی رپورٹ بمعہ ملخص عبوری مالیاتی معلومات اور نظر ثانی شدہ بمطابق سچو ریزی آڈیٹر پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

عملیاتی مالی نتائج:

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

مالیاتی اعداد و شمار	جولائی تا دسمبر 2024ء	جولائی تا دسمبر 2023ء
پاکستانی روپے ہزاروں میں	پاکستانی روپے ہزاروں میں	پاکستانی روپے ہزاروں میں
فروخت آمدنی	162,382	47,284
پیداواری لاگت	186,161	80,061
مجموعی نقصان	(23,779)	(32,777)
آمدنی میں مجموعی نقصان کا تناسب	(14.64%)	(69.32%)
ٹیکسیشن کے بعد (نقصان)	(89,257)	(43,597)
فی شیئر نقصان (Basic and Diluted)	(4.68)	(2.28)

رواں مالی سال کی پہلی ششماہی کی فروخت آمدنی 162.382 ملین روپے ہے۔ جب کہ گذشتہ مالی سال کی فروخت آمدنی 47.284 ملین روپے تھی۔ اسکی بڑی وجہ زیادہ پیداوار اور فروخت اور اس کے مطابق بلک پاور کنزیومرز (BPCs) کو اضافی ٹیرف لگایا گیا۔

تاہم پیداواری لاگت کو کنٹرول کرنے کی وجہ سے مجموعی نقصان کم ہو کر 23.779 ملین روپے ہو گیا ہے۔ جبکہ اس کے مقابلے میں پہلی ششماہی میں 32.777 ملین روپے تھا۔

اگرچہ رواں مالی سال کی پہلی ششماہی کے دوران فنڈز کی لاگت پر فنانسنگ سہولیات کی روشیڈ ونگ اور باقاعدہ ادائیگیوں کے نتیجے میں مالی لاگت میں خاطر خواہ کمی واقع ہو ہے۔ اس کے باوجود موجودہ مالی سال کی پہلی ششماہی میں صافی نقصان بڑھ کر 89.257 ملین روپے ہے۔ جب کہ گذشتہ مالی سال کی پہلی ششماہی کے دوران 43.597 ملین روپے تھا۔ اسکی بڑی وجہ دیگر آمدنی میں کمی ہے۔

مالی سال 2024-25ء کے بقیہ عرصے کا منافع کا انحصار بہت حد تک مناسب قیمتوں پر فیول کی فراہمی، شمسی توانائی سے بجلی کی پیداوار اور بلک پاور کنزیومرز (BPCs) کی طرف سے طلب پر منحصر ہوگا۔

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

بجکم بورڈ
جاوید اقبال
چیف ایگزیکٹو آفیسر

جاوید اسلام
ڈائریکٹر

فیصل آباد
26 فروری 2025ء

Auditors' Report

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF SITARA ENERGY LIMITED REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Sitara Energy Limited ("the Company") as at December 31, 2024 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and selected explanatory notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

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

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three-month period ended December 31, 2024 and 2023 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended December 31, 2024.

Conclusion

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

Material Uncertainty relating to Going Concern

The company suffered financial and operational difficulties. These conditions as set forth in Note 1.3, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

The engagement partner on the audit resulting in this independent auditor's report is Inam ul Haque.



RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS

Place: Lahore

Date: February 26, 2025

UDIN: RR202410226SB0sEeQx3

SITARA ENERGY LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT DECEMBER 31, 2024

		(Un-audited) December 31, 2024	(Audited) June 30, 2024			(Un-audited) December 31, 2024	(Audited) June 30, 2024
Note		-----Rupees in '000'-----		Note		-----Rupees in '000'-----	
EQUITY AND LIABILITIES				ASSETS			
SHARE CAPITAL AND RESERVES				NON-CURRENT ASSETS			
Authorised capital 30,000,000 ordinary shares of Rs. 10/- each.		300,000	300,000	Property, plant and equipment	7	712,958	662,725
				Investment property	8	1,333,559	1,348,281
				Investment in subsidiary		50,000	50,000
				Long term loan		1,000	1,000
				Long term deposits		1,511	1,511
						2,099,028	2,063,517
Issued, subscribed and paid up capital		190,920	190,920				
Reserves							
Capital reserve - Share premium		143,190	143,190				
Revenue reserves							
General reserve		970,000	970,000				
Accumulated (loss)		(221,609)	(132,352)				
		1,082,501	1,171,758				
NON-CURRENT LIABILITIES							
Long term financing	4	206,647	258,854				
Deferred interest / markup	4.5	263,023	234,379				
		469,670	493,233				
CURRENT LIABILITIES				CURRENT ASSETS			
Trade and other payables		691,368	856,593	Stores, spares and loose tools		288,480	307,689
Unclaimed dividend		3,703	3,703	Stock of oil and lubricants	9	19,655	130,724
Interest / mark up payable		376,068	376,068	Trade debts		441,806	497,612
Short term bank borrowings	5	321,656	431,656	Loans and advances		5,445	7,236
Current portion of				Deposits and prepayments		33,902	33,590
Long term financing	4	168,393	160,065	Other receivables	10	80,084	131,345
Provision for taxation - income tax		26,345	26,982	Tax refunds			
		1,587,533	1,855,067	due from Government		56,416	58,528
				Short term investments		4,835	256
				Cash and bank balances	11	110,053	289,561
						1,040,676	1,456,541
CONTINGENCIES AND COMMITMENTS							
	6	-	-				
		3,139,704	3,520,058			3,139,704	3,520,058

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

SITARA ENERGY LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2024

		Half year ended December 31, 2024		Quarter ended December 31, 2024	
	Note	Rupees in '000'			
Sales - net	12	162,382	47,284	104,966	39,382
Cost of generation	13	186,161	80,061	122,081	54,899
Gross (loss)		(23,779)	(32,777)	(17,115)	(15,517)
Other income		40,544	106,939	29,644	105,062
		16,765	74,162	12,529	89,545
Operating expenses		55,260	32,289	36,209	22,028
Finance cost		47,430	84,654	13,986	42,668
		102,690	116,943	50,195	64,696
(Loss) / Profit for the period before income tax and levies		(85,925)	(42,781)	(37,666)	24,849
Levies	14	2,117	-	72	-
(Loss) / Profit for the period before income tax		(88,042)	(42,781)	(37,738)	24,849
Provision for taxation	15	1,215	816	585	410
(Loss) / Profit for the period		(89,257)	(43,597)	(38,323)	24,439
(Loss) / Profit per share - Basic and diluted (Rupees)		(4.68)	(2.28)	(2.01)	1.28

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

SITARA ENERGY LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	Half year ended December 31,		Quarter ended December 31,	
	2024	2023	2024	2023
	-----Rupees in '000'-----			
(Loss) / Profit for the period	(89,257)	(43,597)	(38,323)	24,439
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(89,257)</u>	<u>(43,597)</u>	<u>(38,323)</u>	<u>24,439</u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

SITARA ENERGY LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	Issued, subscribed and paid up capital	Capital reserve Share premium	Revenue reserves			Total
			General reserve	Accumulated (loss)	Sub total	
-----Rupees in '000'-----						
Balance as at July 01, 2023 - (Audited)	190,920	143,190	970,000	(174,343)	795,657	1,129,767
Total comprehensive (loss) for the period						
(Loss) for the period	-	-	-	(43,597)	(43,597)	(43,597)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	(43,597)	(43,597)	(43,597)
Balance as at December 31, 2023 - (Un-audited)	190,920	143,190	970,000	(217,940)	752,060	1,086,170
Total comprehensive income for the period						
Profit for the period	-	-	-	85,588	85,588	85,588
Other comprehensive income	-	-	-	-	-	-
	-	-	-	85,588	85,588	85,588
Balance as at June 30, 2024 - (Audited)	190,920	143,190	970,000	(132,352)	837,648	1,171,758
Total comprehensive (loss) for the period						
(Loss) for the period	-	-	-	(89,257)	(89,257)	(89,257)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	(89,257)	(89,257)	(89,257)
Balance as at December 31, 2024 - (Un-audited)	190,920	143,190	970,000	(221,609)	748,391	1,082,501

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

SITARA ENERGY LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2024

Half year ended December 31,	
2024	2023
-----Rupees in '000'-----	

a) CASH FLOWS FROM OPERATING ACTIVITIES

(Loss) for the period before levies and income tax	(85,925)	(42,781)
Adjustments for :		
Depreciation of property, plant and equipment	11,597	11,457
Depreciation of investment property	12,313	9,283
Provision for staff retirement benefits	543	482
Provision for doubtful receivables	18,290	-
(Gain) on disposal of investment property	(5,616)	(57,467)
(Gain) on disposal of vehicle	(2,401)	-
Balance written back	(18,778)	(45,363)
Dividend Income	(8,467)	-
Finance cost	47,430	84,654
Operating cash flows before working capital changes	(31,014)	(39,736)

Changes in working capital

Decrease / (Increase) in current assets

Stores, spares and loose tools	19,209	(8,282)
Stock of oil and lubricants	111,069	5,242
Trade debts	55,806	25,228
Loans and advances	283	235
Deposits and prepayments	1,795	(4,594)
Other receivables	32,971	(795)
Tax refunds due from government	2,298	2,089

(Decrease) / Increase in current liabilities

Trade and other payables	(165,241)	23,753
	58,190	42,876

Cash generated from operating activities	27,176	3,140
Staff retirement benefits paid	(527)	(475)
Finance cost paid	(8)	(3,202)
Income tax and levies paid	(4,753)	(1,161)
Net cash generated from / (used in) operating activities	21,888	(1,698)

SITARA ENERGY LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

Half year ended December 31,	
2024	2023
-----Rupees in '000'-----	

b) CASH FLOWS FROM INVESTING ACTIVITIES

Additions in property, plant and equipment	(54,105)	(43)
Additions in short-term investments	(4,579)	-
Proceeds from disposal of Vehicle	2,700	-
Dividend Income	8,467	-
Net cash (used in) investing activities	<u>(47,517)</u>	<u>(43)</u>

c) CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of long term financing	(43,879)	(37,316)
(Decrease) in short term bank borrowings	(110,000)	-
Net cash (used in) financing activities	<u>(153,879)</u>	<u>(37,316)</u>
Net (decrease) in cash and cash equivalents (a+b+c)	(179,508)	(39,057)
Cash and cash equivalents at the beginning of the period	289,561	303,403
Cash and cash equivalents at the end of the period	<u>110,053</u>	<u>264,346</u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

SITARA ENERGY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

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** These condensed interim financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency.
- 1.3** The company is suffering operational losses due to unviable prices of fuels. The prices of both RLNG and furnace oil remained unviable during the half year to produce and supply electricity at competitive tariff to its consumers. In view of the aforesaid circumstances, the company suffered a loss of Rs. 89.26 million.

There has been material uncertainty related to events and conditions which may cast significant doubt about 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.

However, the company is installing solar power plant to change the energy mix and produce electricity at a cheaper cost.

Other positive steps taken by the management and their impact is as under:

- In order to reduce burden of finance cost, the company's request to restructure /reschedule its credit facilities at cost of funds has been approved by the banks and repayments are being made as per the terms and conditions of the Settlement Agreements. The financial burden of the company will be considerably reduced as a result of restructuring.
- The management is trying its best to dispose off non-core assets such as investment properties and use the proceeds in operations. The company will be enhancing solar power plant capacity in the coming years through disposal proceeds of investment properties to make the operations of the project viable. The government policies are also supportive for renewable energy.

All these factors indicate that the company will continue as going concern.

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.

SITARA ENERGY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

2.1.2 These condensed interim financial statements are unaudited but subject to limited scope review by the auditors, 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, 2024.

2.1.3 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, 2024.

2.2 Application of new and revised International Financial Reporting Standards

2.2.1 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, 2024 but are considered not to be relevant or have any significant effect on the Company's financial reporting.

2.2.2 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, 2025 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, 2024.

2.3 Basis of measurement

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

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

3. MATERIAL ACCOUNTING POLICIES INFORMATION

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the published audited financial statements for the year ended June 30, 2024.

3.1 Estimates, judgments and risk management policies

3.1.1 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, 2024.

3.1.2 Risk management policies and procedures are consistent with those disclosed in the published audited financial statements for the year ended June 30, 2024.

SITARA ENERGY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

		(Un-audited) December 31, 2024	(Audited) June 30, 2024
	Note	----- Rupees in '000' -----	
4. Long term financing			
Secured			
From banking company			
Under mark up arrangements			
Term Finance	4.1	43,748	72,916
Demand Finance	4.2	222,577	289,700
Diminishing Musharakah	4.3	152,594	152,594
		418,919	515,211
Less: Paid during the period / year		(43,879)	(96,292)
		375,040	418,919
Less: Current portion			
Installments overdue		(26,878)	(18,550)
Payable within one year		(141,515)	(141,515)
		(168,393)	(160,065)
		206,647	258,854

- 4.1** It represents the re-structuring of short term - Term finance. 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 diminishing musharakah, demand finance and running finances in short term borrowings and also by personal guarantee of chief executive of the company.

It is subject to mark up at the fixed rate of 4.76% per annum (June 2024: 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 commencing from March 31, 2026 and ending on December 31, 2026.

Effective mark up rate charged during the period is 4.76% per annum (June 2024: 4.76% per annum).

- 4.2** It represents the re-structuring of short term - running finance. 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 diminishing musharakah, term finance and running finances in short term borrowings, first ranking charge over fixed assets, and by personal guarantees of two directors of the company.

During the period the rate of markup has been changed to 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 June 11, 2028.

Effective rate of mark up charged during the period is 17.26 % per annum (June 2024: 10.72% per annum).

- 4.3** It represents the re-structuring of short term - morabaha finance-I and running finance. It is secured against first joint charge over current assets of the company ranking pari passu with the charges created in respect of term finance, demand finance and running finances in 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 demand finance and running finances in short term borrowings and by personal guarantees of two directors of the company.

During the period the rate of markup has been changed to cost of funds. Interest/markup past due till the date of re-structuring, along with future accrued rentals 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 period is 13.07% per annum (June 2024: 9.25% per annum).

SITARA ENERGY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

Effective rate of mark up charged during the period is 13.07% per annum (June 2024: 9.25% per annum).

4.4 Overdue Installments

On the period end date, the installments of principals amounting to Rs. 26.88 million were over due. These installments have been paid subsequently.

(Un-audited) December 31, 2024	(Audited) June 30, 2024
----- Rupees in '000' -----	

4.5 Deferred interest / markup

Opening balance	234,379	21,894
Mark-up on Long term financing - rescheduled	-	185,510
	234,379	207,404
Accrued for the period / year	28,644	26,975
	<u>263,023</u>	<u>234,379</u>

5. Short term bank borrowings

Secured - under mark up arrangements

Running finances	321,656	431,656
Running Finance	-	289,700
Transferred to long term financing- Demand Finance	-	(289,700)
	-	-
Morabaha finance I	-	114,000
Transferred to long term financing - Diminishing Musharakah	-	(114,000)
	-	-
Running finance	-	48,594
Transferred to long term financing- Diminishing Musharakah	-	(48,594)
	-	-
	<u>321,656</u>	<u>431,656</u>

6. CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

There are no significant changes in contingencies since the date of published audited financial statements for the year ended June 30, 2024 except the following:

6.1.1 Due to the proposed rescheduling/ restructuring with the lender, the markup for the current period amounting to Rs,(000): 20,088/- has not been acknowledged. The management is hopeful that the proposal will be approved by the bank.

6.2 Commitments

There is no material commitment at the period end.

SITARA ENERGY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

		(Un-audited) December 31, 2024	(Audited) June 30, 2024
	Note	Rupees in '000'	
7. Property, plant and equipment			
Operating assets	7.1	696,458	627,458
		-	18,767
Advance for purchase of land		16,500	16,500
		<u>712,958</u>	<u>662,725</u>
7.1 Operating assets			
Book value at beginning of period / year		627,458	629,478
Additions during the period / year	7.1.1	80,896	16,434
Disposal during the period / year		(299)	-
Depreciation charged during the period / year		<u>(11,597)</u>	<u>(18,454)</u>
		<u>696,458</u>	<u>627,458</u>
7.1.1 Additions to operating assets, during the period / year were as follows:			
Electric installations		80,896	-
Furniture and fixtures		-	100
Office equipment		-	125
Vehicles		-	16,210
		<u>80,896</u>	<u>16,434</u>
8. Investment property			
Cost		1,395,819	1,398,228
Accumulated depreciation		<u>(62,260)</u>	<u>(49,947)</u>
Net book value		<u>1,333,559</u>	<u>1,348,281</u>
8.1 Reconciliation of written down value for the period / year			
Book value at beginning of period / year		1,348,281	403,756
Additions during the year		-	1,059,518
Disposals during the period / year		(2,409)	(92,261)
Depreciation charged during the period / year		<u>(12,313)</u>	<u>(22,732)</u>
		<u>1,333,559</u>	<u>1,348,281</u>
9. Stock of oil and lubricants			
Furnace oil			
In hand		10,664	28,624
In transit		-	92,789
Diesel oil		5,146	6,617
Lube oil		3,782	2,641
Waste		63	54
		<u>19,655</u>	<u>130,724</u>

SITARA ENERGY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

(Un-audited) December 31, 2024	(Audited) June 30, 2024
----- Rupees in '000' -----	

10. Other receivables

Considered good

Receivable against:

Sale of investment property	26,245	73,966
Rent	252	3,691
Gas Infrastructure Development Cess	53,562	53,562
Others	25	126

Considered doubtful - Rent

Less: Provision for doubtful receivable

5,274	5,274
(5,274)	(5,274)

Considered doubtful - Receivable against sale of investment property

Less: Provision for doubtful receivable

18,290	-
(18,290)	-

-	-
80,084	131,345

11. Cash and bank balances

Cash in hand	99,210	1,590
Cash at banks		
In current accounts	10,843	287,971
	110,053	289,561

(Un-audited) Half year ended December 31,		(Un-audited) Quarter ended December 31,	
2024	2023	2024	2023
----- Rupees in '000' -----			

12. Sales - net

Electricity	193,527	56,353	125,099	46,936
Less: Sales tax	(29,521)	(8,596)	(19,083)	(7,160)
	164,006	47,757	106,016	39,776
Less: Electricity duty	(1,624)	(473)	(1,050)	(394)
	162,382	47,284	104,966	39,382

SITARA ENERGY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

(Un-audited) Half year ended December 31,		(Un-audited) Quarter ended December 31,	
2024	2023	2024	2023
----- Rupees in '000' -----			

13. Cost of generation

Cost of oil and lubricants	152,324	52,195	102,982	39,149
Salaries, wages and benefits	18,534	14,716	9,439	6,893
Retirement benefits	337	277	166	134
Stores, spares and loose tools	2,067	376	1,233	121
Insurance	1,669	1,776	848	888
Repairs and maintenance	1,678	680	470	380
Depreciation	7,443	8,245	5,980	6,565
Other	2,109	1,796	963	1,529
	<u>186,161</u>	<u>80,061</u>	<u>122,081</u>	<u>55,659</u>

14. Levies

Final taxes	<u>2,117</u>	<u>-</u>	<u>72</u>	<u>-</u>
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- 14.1** This represents final tax paid under section 150 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/IAS 37.

(Un-audited) Half year ended December 31,		(Un-audited) Quarter ended December 31,	
2024	2023	2024	2023
----- Rupees in '000' -----			
Note			

15. Provision for taxation

Current					
For the period	15.1	1,213	816	583	410
For prior period		<u>2</u>	<u>-</u>	<u>2</u>	<u>-</u>
		<u>1,215</u>	<u>816</u>	<u>585</u>	<u>410</u>

- 15.1** The profits and gains derived by the company 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 except rental income which is subject to tax under normal tax regime and capital gain on disposal of investment property which is subject to tax under separate block of income.

SITARA ENERGY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

16. AGGREGATE TRANSACTIONS WITH RELATED PARTIES

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

Name of the related party	Relationship	Transactions during the period	Un-Audited Half year ended December 31,	
			2024	2023
			----- Rupees in '000' -----	
Key management personnel	Chief Executive Officer	Remuneration	3,900	3,600
	Executives		3,414	3,414
Sitara Fabrics Limited	Associated company by virtue of common directorship	Sale of electricity	31,101	9,773
Sitara Energy Limited Staff Provident Fund Trust	Other related party	Company's contribution for the period	543	482

17. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 26, 2025 by the Board of Directors of the company.

18. GENERAL

- 18.1** Provision for taxation made in these condensed interim financial statements is subject to adjustment in annual financial statements.
- 18.2** There is no unusual item included in these condensed interim financial statements which is affecting equity, liabilities, assets, (loss), comprehensive (loss) or cash flows of the company.
- 18.3** 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

	(Un-audited)	(Audited)		(Un-audited)	(Audited)
	December 31,	June 30,		December 31,	June 30,
	2024	2024		2024	2024
Note	-----Rupees in '000'-----		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
Reserves		
Capital reserve		
Share premium	143,190	143,190
Revenue reserves		
General reserve	970,000	970,000
Accumulated (loss)	(257,642)	(126,403)
	1,046,468	1,177,707

NON - CURRENT LIABILITIES

Long term financing	5	206,647	258,854
Deferred interest / markup	5.5	263,023	234,379
		469,670	493,233

CURRENT LIABILITIES

Trade and other payables		816,546	982,023
Unclaimed dividend		3,703	3,703
Interest / mark up payable		376,068	376,068
Short term bank borrowings	6	321,656	431,656
Current portion of :			
Long term financing	5	168,393	160,065
Provision for taxation - income tax		27,602	33,561
		1,713,968	1,987,077

NON-CURRENT ASSETS

Property, plant and equipment	8	712,972	662,740
Investment Property	9	1,313,975	1,328,697
Long term loan		1,000	1,000
Long term deposits		1,511	1,511
		2,029,458	1,993,948

CURRENT ASSETS

Stores, spares and loose tools		288,480	307,689
Stocks		148,201	259,271
Trade debts		441,806	538,994
Loans and advances		17,070	41,843
Deposits and prepayments		33,902	33,590
Other receivables	10	80,084	131,345
Tax refunds			
due from Government		60,615	60,403
Short term investments		4,835	256
Cash and bank balances	11	125,655	290,678
		1,200,648	1,664,069

CONTINGENCIES AND COMMITMENTS 7

7	-	-
	<u>3,230,106</u>	<u>3,658,017</u>

	3,230,106	3,658,017
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The annexed notes 1 to 18 form an integral part of these condensed interim consolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY
CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

		Half year ended December 31,		Quarter ended December 31,	
		2024	2023	2024	2023
Note		-----Rupees in '000'-----			
Sales - net	12	162,382	47,284	104,966	39,382
Cost of generation	13	186,161	80,061	122,081	54,899
Gross (loss)		(23,779)	(32,777)	(17,115)	(15,517)
Other income		40,544	106,939	29,644	105,062
		16,765	74,162	12,529	89,545
Operating expenses		97,242	32,388	77,991	22,059
Finance cost		47,430	84,654	13,986	42,668
		144,672	117,042	91,977	64,727
(Loss) / profit for the period before income tax and levies		(127,907)	(42,880)	(79,448)	24,818
Levies	14	2,117	-	72	-
(Loss) / profit for the period before income tax		(130,024)	(42,880)	(79,520)	24,818
Provision for taxation	15	1,215	816	585	410
(Loss) / Profit for the period		(131,239)	(43,696)	(80,105)	24,408
Attributable to:					
Shareholders of the Parent		(131,239)	(43,696)	(80,105)	24,408
(Loss) / Profit per share - Basic and diluted					
Attributable to shareholders of the Parent (Rupees)		(6.87)	(2.29)	(4.20)	1.28

The annexed notes 1 to 18 form an integral part of these condensed interim consolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY
CONDENSED INTERIM CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	Half year ended December 31, 20242023		Quarter ended December 31, 20242023	
	-----Rupees in '000'-----			
(Loss) / Profit for the period	(131,239)	(43,696)	(80,105)	24,408
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(131,239)</u>	<u>(43,696)</u>	<u>(80,105)</u>	<u>24,408</u>
Attributable to:				
Shareholders of the Parent	<u>(131,239)</u>	<u>(43,696)</u>	<u>(80,105)</u>	<u>24,408</u>

The annexed notes 1 to 18 form an integral part of these condensed interim consolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

Half year ended December 31,	
2024	2023
-----Rupees in '000'-----	

a) CASH FLOWS FROM OPERATING ACTIVITIES

(Loss) for the period before levies and income tax	(127,907)	(42,880)
Adjustments for :		
Depreciation of property, plant and equipment	11,598	11,458
Depreciation of investment property	12,313	9,283
Provision for staff retirement benefits	543	482
Provision for doubtful receivables	59,673	-
(Gain) on disposal of investment property	(5,616)	(57,467)
(Gain) on disposal of vehicle	(2,401)	-
Balance written back	(18,778)	(45,363)
Dividend Income	(8,467)	-
Finance cost	47,430	84,654
Operating cash flows before working capital changes	(31,612)	(39,833)
Changes in working capital		
Decrease / (Increase) in current assets		
Stores, spares and loose tools	19,209	(8,282)
Stocks	111,069	5,242
Trade debts	55,806	25,228
Loans and advances	15,618	235
Deposits and prepayments	1,796	(4,594)
Other receivables	32,971	(795)
Tax refunds due from Government	2,298	2,089
(Decrease) / Increase in current liabilities		
Trade and other payables	(165,494)	23,851
	73,273	42,974
Cash generated from operating activities	41,661	3,141
Staff retirement benefits paid	(527)	(475)
Finance cost paid	(8)	(3,202)
Income tax and levies paid	(4,753)	(1,161)
Net cash generated from / (used in) operating activities	36,373	(1,697)

SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	Half year ended December 31,	
	2024	2023
	-----Rupees in '000'-----	
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	(54,105)	(43)
Additions in short-term investments	(4,579)	-
Proceeds from disposal of Vehicle	2,700	-
Dividend Income	8,467	-
Net cash (used in) investing activities	<u>(47,517)</u>	<u>(43)</u>
c) CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	(43,879)	(37,316)
(Decrease) in short term bank borrowings	(110,000)	-
Net cash (used in) financing activities	<u>(153,879)</u>	<u>(37,316)</u>
Net (decrease) in cash and cash equivalents (a+b+c)	(165,023)	(39,056)
Cash and cash equivalents at the beginning of the period	290,678	308,401
Cash and cash equivalents at the end of the period	<u><u>125,655</u></u>	<u><u>269,344</u></u>

The annexed notes 1 to 18 form an integral part of these condensed interim consolidated financial statements.



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 HALF YEAR ENDED DECEMBER 31, 2024

	Issued, subscribed and paid up capital	Capital reserves Share premium	Revenue reserves			Total
			General reserve	Accumulated (loss)	Sub total	
<hr/> <hr/> Rupees in '000' <hr/> <hr/>						
Balance as at July 01, 2023 - (Audited)	190,920	143,190	970,000	(161,228)	808,772	1,142,882
Total comprehensive (loss) for the period						
(Loss) for the period	-	-	-	(43,696)	(43,696)	(43,696)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	(43,696)	(43,696)	(43,696)
Balance as at December 31, 2023 - (Un-audited)	190,920	143,190	970,000	(204,924)	765,076	1,099,186
Total comprehensive profit for the period						
Profit for the period	-	-	-	78,521	78,521	78,521
Other comprehensive income	-	-	-	-	-	-
	-	-	-	78,521	78,521	78,521
Balance as at June 30, 2024 - (Audited)	190,920	143,190	970,000	(126,403)	843,597	1,177,707
Total comprehensive (loss) for the period						
(Loss) for the period	-	-	-	(131,239)	(131,239)	(131,239)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	(131,239)	(131,239)	(131,239)
Balance as at December 31, 2024 - (Un-audited)	190,920	143,190	970,000	(257,642)	712,358	1,046,468

The annexed notes 1 to 18 form an integral part of these condensed interim consolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY
NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

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 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 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 is suffering operational losses only due to unviable prices of fuels. The prices of both RLNG and furnace oil remained unviable during the half year to produce and supply electricity at competitive tariff to its Bulk Power Consumers (BPCs) in comparison with DISCOs. In view of the aforesaid circumstances, the group suffered loss of Rs. 70.31 million.

There has been material uncertainty related to events and conditions which may cast significant doubt about the parent's ability to continue as a going concern and therefore, the parent may not be able to realize its assets and discharge its liabilities in the normal course of business.

However, the group is installing solar power plant on trial basis to fulfil its in-house requirements at cheaper cost to reduce its operational losses.

The positive steps taken by the management and their impacts are as under:

- In order to reduce burden of finance cost, the group has already restructured/rescheduled its credit facilities at cost of funds and repayments are being made as per the terms and conditions of the Settlement Agreements. The group will be becoming debt free in ensuing four to five years and moving towards sustainable operations.
- The management is trying its best to dispose off non-core assets such as investment properties at promising consideration. The group will be enhancing solar power plant capacity in the coming year through disposal proceeds of investment properties to make the operations of the project viable. The government policies are also supportive for renewable energy.

All these factors indicate that the group will continue as going concern.

SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY
NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

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.

3. BASIS OF PREPARATION

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 but subject to limited scope review by the auditors, as required under section 237 of Companies Act, 2017 and should be read in conjunction with audited consolidated annual financial statements of the Group for the year ended June 30, 2024.

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, 2024.

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, 2024 but are considered not to be relevant or have any significant effect on the Group's financial reporting.

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, 2025 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 consolidated financial statements for the year ended June 30, 2024.

3.3 Basis of measurement

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

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

SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY
NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

4. MATERIAL ACCOUNTING POLICIES INFORMATION

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, 2024.

4.1 Estimates, judgments and risk management policies

4.1.1 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, 2024.

4.1.2 Risk management policies and procedures are consistent with those disclosed in the published audited consolidated financial statements for the year ended June 30, 2024.

5. Long term financing

Secured

From banking company

Under mark up arrangement

Term Finance

Demand Finance

Diminishing Musharakah

Less: Paid during the period / year

Less: Current portion

Installments overdue

Payable within one year

Note

	(Un-audited) December 31, 2024	(Audited) June 30, 2024
	----- Rupees in '000' -----	
	43,748	72,916
	222,577	289,700
	152,594	152,594
	418,919	515,211
	(43,879)	(96,292)
	375,040	418,919
	(26,878)	(18,550)
	(141,515)	(141,515)
	(168,393)	(160,065)
	206,647	258,854

5.1 It represents the re-structuring of short term - Term finance. 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 diminishing musharakah, demand finance and running finances in short term borrowings and also by personal guarantee of chief executive of the company.

It is subject to mark up at the fixed rate of 4.76% per annum (June 2024: 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 commencing from March 31, 2026 and ending on December 31, 2026.

Effective mark up rate charged during the period is 4.76% per annum (June 2024: 4.76% per annum).

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- 5.2** It represents the re-structuring of short term - running finance. 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 diminishing musharakah, term finance and running finances in short term borrowings, first ranking charge over fixed assets, and by personal guarantees of two directors of the company.

During the period the rate of markup has been changed to 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 June 11, 2028.

Effective rate of mark up charged during the period is 17.26% (June 2024: 10.72 % per annum).

- 5.3** It represents the re-structuring of short term - morabaha finance-I and running finance. It is secured against first joint charge over current assets of the company ranking pari passu with the charges created in respect of term finance, demand finance and running finances in 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 demand finance and running finances in short term borrowings and by personal guarantees of two directors of the company.

During the period the rate of markup has been changed to cost of funds. Interest/markup past due till the date of re-structuring, along with future accrued rentals 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 period is 13.07% per annum (June 2024: 9.25% per annum).

5.4 Overdue Installments

On the period end date, the installments of principals amounting to Rs. 26.88 million were over due. These installments have been fully paid subsequently.

(Un-audited) December 31, 2024	(Audited) June 30, 2024
----- Rupees in '000' -----	

5.5 Deferred interest / markup

Opening	234,379	21,894
Mark-up on Long term financing- rescheduled	-	185,510
	234,379	207,404
Accrued for the period / year	28,644	26,975
	<u>263,023</u>	<u>234,379</u>

6. Short term bank borrowings

Secured - under mark up arrangements

Running finances	321,656	431,656
Running Finance	-	289,700
Transferred to long term financing- Demand Finance	-	(289,700)
	-	-
Morabaha finance I	-	114,000
Transferred to long term financing - Diminishing Musharakah	-	(114,000)
	-	-
Running Finance	-	48,594
Transferred to long term financing- Diminishing Musharakah	-	(48,594)
	-	-
	<u>321,656</u>	<u>431,656</u>

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7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

There are no significant changes in contingencies since the date of published audited consolidated financial statements of the group for the year ended June 30, 2024.

7.1.1 In connection with the operations of the parent company:

Due to the proposed rescheduling / restructuring with the lender, the markup for the current period has not been acknowledged as the past markup accrued amounting to Rs, (000): 374,376 till the effective date will be waived off subject to the condition that the parent company makes no default in making payments of the principals and the markup agreed under the proposed rescheduling/restructuring arrangement which the management is hopeful of being sanctioned subsequently.

7.2 Commitments

There is no material commitment at the period end.

8. PROPERTY, PLANT AND EQUIPMENT

		(Un-audited) December 31, 2024	(Audited) June 30, 2024
	Note	----- Rupees in '000' -----	
Operating assets	8.1	696,472	627,473
		-	18,767
Advance for purchase of land		16,500	16,500
		<u>712,972</u>	<u>662,740</u>

8.1 Operating assets

Book value at beginning of period / year	627,473	629,494
Additions during the period / year	80,896	16,434
Disposals during the period	(299)	-
Depreciation charged during the period / year	(11,598)	(18,455)
	<u>696,472</u>	<u>627,473</u>

9. Investment property

Cost	1,376,235	1,378,644
Accumulated depreciation	(62,260)	(49,947)
Net book value	<u>1,313,975</u>	<u>1,328,697</u>

9.1 Reconciliation of written down value for the period / year

Book value at beginning of period / year	1,328,697	403,756
Additions during the year	-	1,039,934
Disposals during the period / year	(2,409)	(92,261)
Depreciation charged during the period / year	(12,313)	(22,732)
	<u>1,313,975</u>	<u>1,328,697</u>

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	(Un-audited) December 31, 2024	(Audited) June 30, 2024
----- Rupees in '000' -----		
10. Other receivables		
Considered good		
Receivable against:		
Sale of investment property	26,245	73,966
Rent	252	3,691
Gas Infrastructure Development Cess	53,562	53,562
Others	25	126
Considered doubtful - Rent	5,274	5,274
Less: Provision for doubtful receivable	(5,274)	(5,274)
Considered doubtful - Receivable against sale of investment property	18,290	-
Less: Provision for doubtful receivable	(18,290)	-
	-	-
	<u>80,084</u>	<u>131,345</u>

11. Cash and bank balances

Cash in hand	113,728	1,608
Cash at banks		
In current accounts	11,927	289,070
	<u>125,655</u>	<u>290,678</u>

	(Un-audited) Half year ended December 31, 2024	(Un-audited) Quarter ended December 31, 2023	(Un-audited) Quarter ended December 31, 2024	(Un-audited) Quarter ended December 31, 2023
Note	2024	2023	2024	2023
	----- Rupees in '000' -----			

12. Sales - net

Electricity	193,527	56,353	125,099	46,936
Less: Sales tax	(29,521)	(8,596)	(19,083)	(7,160)
	<u>164,006</u>	<u>47,757</u>	<u>106,016</u>	<u>39,776</u>
Less: Electricity duty	(1,624)	(473)	(1,050)	(394)
	<u>162,382</u>	<u>47,284</u>	<u>104,966</u>	<u>39,382</u>

13. Cost of generation

Cost of generation	11.1	13.1	<u>186,161</u>	<u>80,061</u>	<u>122,081</u>	<u>55,659</u>
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13.1 Cost of generation

Cost of oil and lubricants	152,324	52,195	102,982	39,149
Salaries, wages and benefits	18,534	14,716	9,439	6,893
Retirement benefits	337	277	166	134
Stores, spares and loose tools	2,067	376	1,233	121
Insurance	1,669	1,776	848	888
Repairs and maintenance	1,678	680	470	380
Depreciation	7,443	8,245	5,980	6,565
Other	2,109	1,796	963	1,529
	<u>186,161</u>	<u>80,061</u>	<u>122,081</u>	<u>55,659</u>

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	(Un-audited) Half year ended December 31,		(Un-audited) Quarter ended December 31,	
	2024	2023	2024	2023
Note	-----Rupees in '000'-----			

14. Levies

Final taxes	2,117	-	72	-
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- 14.1** This represents final tax paid under section 150 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/IAS 37.

	(Un-audited) Half year ended December 31,		(Un-audited) Quarter ended December 31,	
	2024	2023	2024	2023
Note	-----Rupees in '000'-----			

15. Provision for taxation

Current				
For the period	113.11	1,213	816	583
For prior period		2	-	2
		1,215	816	585
				410

- 15.1** The profits and gains derived by the parent company 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 except rental income which is subject to tax under normal tax regime and capital gain on disposal of investment property which is subject to tax under separate block of income.

16. AGGREGATE TRANSACTIONS WITH RELATED PARTIES

The group in the normal course of business carries out transactions with various related parties which comprise of 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 period	Un-Audited Half year ended December 31,	
			2024	2023
			-----Rupees in '000'-----	
Key management personnel	Chief Executive Officer	Remuneration	3,900	3,900
	Executives		3,414	3,414
Sitara Fabrics Limited	Associated company by virtue of common directorship	Sale of Electricity	31,101	9,773
Sitara Energy Limited-Staff Provident Fund Trust	Other related party	Contribution for the period	543	482

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17. DATE OF AUTHORISATION FOR ISSUE

These condensed interim consolidated financial statements were authorised for issue on February 26, 2025 the Board of Directors of the Group.

18. GENERAL

- 18.1** Provision for taxation made in these condensed interim financial statements is subject to adjustment in annual financial statements.
- 18.2** There is no unusual item included in these condensed interim consolidated financial statements which is affecting equity, liabilities, assets, (loss), comprehensive (loss) or cash flows of the Group.
- 18.3** 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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