

SITARA ENERGY LIMITED



SEPTEMBER, 2023
QUARTERLY REPORT
(UNAUDITED)

CONTENTS



Sitara Energy Limited

Company Information	02
Director Report	03
Condensed Interim Statement of Financial Position	05
Condensed Interim Statement of Profit or Loss Account	06
Condensed Interim Statement of Comprehensive Income	07
Condensed Interim Statement of Changes in Equity	08
Condensed Interim Statement of Cash Flows	09
Condensed Interim Notes to Financial Statements	10

Consolidated Accounts

(Sitara Energy Ltd and Its Subsidiary Company)

Condensed Interim Consolidated Statement of Financial Position	14
Condensed Interim Consolidated Statement of Profit or Loss Account	15
Condensed Interim Consolidated Statement of Comprehensive Income	16
Condensed Interim Consolidated Statement of Changes in Equity	17
Condensed Interim Consolidated Statement of Cash Flows	18
Condensed Interim Consolidated Notes to Financial Statements	19

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. 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

WEB SITE

<http://www.sitara.pk>

DIRECTORS' REVIEW

The Board of Directors of Sitara Energy Limited (the Company) is pleased to present their report together with the Condensed Interim Financial Information and its subsidiary for the first quarter ended September 30, 2023.

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 2023	July – September 2022
	Rupees in thousand	
Sales – net	7,902	189,300
Cost of generation	25,162	188,420
Gross (loss) /profit	(17,260)	880
(Loss) after tax	(68,036)	(51,463)
(Loss) per share – Basic & diluted (Rs.)	(3.56)	(2.70)

The sales revenue of the Company decreased to Rs. 7.902 Mln during the first quarter of the current financial year in comparison with Rs. 189.300 Mln during the first quarter of the last financial year due to lower demand by our Bulk Power Consumers (BPCs). Resultantly, company's gross profit converted into gross loss of Rs. 17.260 Mln during the first quarter of the current financial year in comparison with gross profit of Rs. 0.880 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. 68.036 Mln in comparison with Rs 51.463 Mln during the first quarter of the last financial year inspite of decrease in operating expenses and finance cost, as a result of rescheduling of financing facilities at cost of fund.

The profitability of the company for the remaining period of current financial year 2023-24 will be dependent upon viable operation based on affordable prices of fuels (RLNG & RFO), increase in 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.



Javaid Islam
Director

By order of the board



Javed Iqbal
Chief Executive Officer

Faisalabad:
October 30, 2023

DIRECTORS' REVIEW

ستارہ انرجی لمیٹڈ کا بورڈ آف ڈائریکٹرز اور اس کے ذیلی ادارے کی پہلی سہ ماہی 30 ستمبر 2023ء کی ملخص عبوری مالیاتی معلومات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

مالی نتائج:

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


مالیاتی اعداد و شمار	جولائی - ستمبر 2023ء	جولائی - ستمبر 2022ء
	پاکستانی روپے ہزاروں میں	
فروخت آمدنی	7,902	189,300
پیداواری لاگت	25,162	188,420
مجموعی نقصان	(17,260)	880
ٹیکسیشن کے بعد (نقصان)	(68,036)	(51,463)
فی سٹرن نقصان (Basic and Diluted)	(3.56)	(2.70)

رواں مالی سال کی پہلی سہ ماہی کی فروخت آمدنی 7.902 ملین روپے ہے جبکہ گذشتہ مالی سال کی فروخت آمدنی 189.300 ملین روپے تھی۔ اسکی بڑی وجہ موجودہ مالی سال کی پہلی سہ ماہی میں بلک پاور کنزیومر (BPCs) کی طرف سے طلب میں کمی ہے۔ نتیجتاً کمپنی کا مجموعی منافع مجموعی نقصان 17.260 ملین روپے میں تبدیل ہو گیا۔ اس کے مقابلے میں گذشتہ مالی سال کی پہلی سہ ماہی میں مجموعی منافع 0.880 ملین روپے تھا۔

اسی طرح پہلے سہ ماہی کے اختتام پر صافی نقصان بڑھ کر 68.036 ملین روپے ہو گیا ہے۔ جبکہ اس کے مقابلے میں گذشتہ مالی سال کی پہلی سہ ماہی میں 51.463 ملین روپے تھا۔ اس کے باوجود آپریٹنگ اخراجات اور مالیاتی لاگت میں کاسٹ آف فنڈ کی بنیاد پر ریڈیو لانگ کے نتیجے میں کمی آئی ہے۔

مالی سال 2023-24ء میں کمپنی کا منافع بہت حد تک ایک طرف تو مناسب قیمتوں پر فیول کی فراہمی (فرنس آئل اور مائع گیس) اور ٹیرف میں اضافے اور ہمارے بلک پاور کنزیومر (BPCs) کی طرف سے طلب میں اضافے پر ہے۔

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

بحکم بورڈ

 جاويد اقبال
 چیف ایگزیکٹو آفیسر


 جاويد اسلام
 ڈائریکٹر

فیصل آباد
 30 اکتوبر 2023ء

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AS AT SEPTEMBER 30, 2023

		(Un-audited) September 30, 2023	(Audited) June 30, 2023			(Un-audited) September 30, 2023	(Audited) June 30, 2023
Note		Rupees in '000'		Note		Rupees in '000'	
SHARE CAPITAL AND RESERVES				NON-CURRENT ASSETS			
Authorised capital 30,000,000 ordinary shares of Rs. 10/- each		<u>300,000</u>	<u>300,000</u>	Property, plant and equipment	5	658,736	661,978
Issued, subscribed and paid up capital		190,920	190,920	Investment property	6	653,281	403,756
Capital reserve - share premium		143,190	143,190	Investment in subsidiary		50,000	50,000
Revenue reserves	3	727,621	795,657	Long term loan		1,000	1,000
		<u>1,061,731</u>	<u>1,129,767</u>	Long term deposits		1,511	1,511
						<u>1,364,528</u>	<u>1,118,245</u>
NON-CURRENT LIABILITIES							
Long term financing		36,557	43,749				
Deferred interest / markup		22,769	21,894				
		<u>59,326</u>	<u>65,643</u>				
CURRENT LIABILITIES				CURRENT ASSETS			
Trade and other payables		759,908	753,378	Stores, spares and loose tools		277,656	277,810
Unclaimed dividend		3,703	3,703	Stock of oil and lubricants		83,487	100,846
Interest / mark up payable		574,001	533,063	Trade debts		495,573	674,357
Short term bank borrowings		883,951	883,951	Loans and advances		620,118	619,235
Current portion of:				Deposits and prepayments		29,918	26,692
Long term financing		29,167	29,167	Other receivables		134,239	205,164
Provision for taxation - income tax		2,032	1,626	Tax refunds due from Government		69,844	74,546
		<u>2,252,762</u>	<u>2,204,888</u>	Cash and bank balances	7	298,456	303,403
						<u>2,009,291</u>	<u>2,282,053</u>
CONTINGENCIES AND COMMITMENTS							
	4	-	-				
		<u>3,373,819</u>	<u>3,400,298</u>				
						<u>3,373,819</u>	<u>3,400,298</u>

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



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT (UNAUDITED)

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023

		Quarter ended September 30, 2023	Quarter ended September 30, 2022
Note	----- Rupees in '000'-----		
Sales - net	8	7,902	189,300
Cost of generation	9	25,162	188,420
Gross profit		<u>(17,260)</u>	<u>880</u>
Other operating income		1,877	2,654
		<u>(15,383)</u>	<u>3,534</u>
Operating expenses		10,261	11,613
Finance cost		41,986	42,985
		52,247	54,598
(Loss) for the period before taxation		<u>(67,630)</u>	<u>(51,064)</u>
Provision for taxation		406	399
(Loss) for the period		<u><u>(68,036)</u></u>	<u><u>(51,463)</u></u>
(Loss) per share - Basic and diluted		<u><u>(3.56)</u></u>	<u><u>(2.70)</u></u>

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



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023

	<u>Quarter ended September 30, 2023</u>	<u>Quarter ended September 30, 2022</u>
	<u>-----Rupees in '000'-----</u>	
(Loss) for the period	(68,036)	(51,463)
Other comprehensive income for the period	-	-
Total comprehensive (loss) for the period	<u>(68,036)</u>	<u>(51,463)</u>

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



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023

	Issued, subscribed and paid up capital	Capital reserve	Revenue reserve		Total	
		Share premium	General reserve	Unappropriated profit		Sub total
-----Rupees in '000'-----						
Balance as at July 01, 2022	190,920	143,190	970,000	(71,061)	898,939	1,233,049
Total comprehensive (loss) for the period						
(Loss) for the period	-	-	-	(51,463)	(51,463)	(51,463)
Other comprehensive income	-	-	-	-	-	-
Balance as at September 30, 2022	190,920	143,190	970,000	(122,524)	847,476	1,181,586
Total comprehensive (loss) for the period						
(Loss) for the period	-	-	-	(51,819)	(51,819)	(51,819)
Other comprehensive income	-	-	-	-	-	-
Balance as at June 30, 2023	190,920	143,190	970,000	(174,343)	795,657	1,129,767
Total comprehensive (loss) for the period						
(Loss) for the period	-	-	-	(68,036)	(68,036)	(68,036)
Other comprehensive income	-	-	-	-	-	-
Balance as at September 30, 2023	190,920	143,190	970,000	(242,379)	727,621	1,061,731
	-	-	-	-	-	-

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



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOW STATEMENT (UNAUDITED)

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023

Quarter ended September 30, 2023	Quarter ended September 30, 2022
-----Rupees in '000'-----	

a) CASH FLOWS FROM OPERATING ACTIVITIES

(Loss) for the period before taxation	(67,630)	(51,064)
Adjustments for :		
Depreciation of property, plant and equipment	3,284	4,265
Depreciation of investment property	475	527
Provision for staff retirement benefits	252	208
Finance cost	41,986	42,985
Operating cash flows before working capital changes	(21,633)	(3,079)

Changes in working capital

(Increase) / Decrease in current assets

Stores, spares and loose tools	154	388
Stock of oil and lubricants	17,359	72,581
Trade debts	178,784	(97,575)
Loans and advances	(869)	6,734
Deposits and prepayments	(3,226)	(5,853)
Other receivables	70,926	2,607
Sales Tax refunds due from government	4,702	30,346

Increase in current liabilities

Trade and other payables	6,500	6,069
	274,330	15,297

Cash generated from operating activities

Income tax paid	(14)	(742)
Staff retirement benefits paid	(221)	(154)
Finance cost paid	(174)	(1,179)

Net cash generated from operating activities

	252,288	10,143
--	---------	--------

b) CASH FLOWS FROM INVESTING ACTIVITIES

Additions in property, plant and equipment	(43)	-
Additions in Investment Property	(250,000)	-

Net cash (used in) / generated from investing activities

	(250,043)	-
--	-----------	---

c) CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of:		
Long term financing	(7,192)	(4,167)

Net cash (used in) financing activities	(7,192)	(4,167)
---	---------	---------

Net (decrease) / increase in cash and cash equivalents (a+b+c)	(4,947)	5,976
--	---------	-------

Cash and cash equivalents at the beginning of the period	303,403	299,163
--	---------	---------

Cash and cash equivalents at the end of the period	298,456	305,139
--	---------	---------

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



Chief Executive Officer



Director



Chief Financial Officer

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023

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.
- 1.3 The Company suffered financial and operational difficulties due to non availability of fuels at viable prices. The prices of both RLNG and furnace oil remained higher in country. The Company has suffered loss of Rs. 68,035,809 during the period, due to lower demand & adverse market conditions.

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.

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, 2023.

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, 2023.

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

There are other new standards, amendments and IFRIC interpretations that are mandatory for accounting periods of the Company beginning on or after July 01, 2023 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, 2023.

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, 2023.

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023

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, 2023.

Risk management policies and procedures are consistent with those disclosed in the published audited financial statements for the year ended June 30, 2023.

2.5.2

3. REVENUE RESERVES

		(Un-audited) September 30, 2023	(Audited) June 30, 2023
----- Rupees in '000' -----			
General reserve	Note 3.1	970,000	970,000
Unappropriated profit			
Opening balance		(174,343)	(71,061)
Total comprehensive loss for the period		(68,036)	(103,282)
		(242,379)	(174,343)
		727,621	795,657

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, 2023.

		(Un-audited) September 30, 2023	(Audited) June 30, 2023
----- Rupees in '000' -----			
5. Property, plant and equipment	Note		
Operating assets	5.1	626,236	629,478
Advance for purchase of land		16,500	16,500
Advance for purchase of vehicles		16,000	16,000
		658,736	661,978
5.1 Operating fixed assets			
Book value at beginning of period / year		629,478	653,354
Add: Transfer / addition during the period / year	5.1.1	43	1,145
Depreciation charge during the period / year		(3,284)	(25,021)
		626,236	629,478
5.1.1 Additions to operating fixed assets, during the period / year were as follow			
Electric appliances		-	1,145
Office equipment and appliances		43	-
		43	1,145

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023

	(Un-audited) September 30, 2023	(Audited) June 30, 2023
----- Rupees in '000' -----		
6. Investment property		
Cost	46,204	46,204
Addition in Investment property	250,000	-
Accumulated depreciation	(27,690)	(27,215)
	268,514	18,989
Freehold land	384,767	384,767
	653,281	403,756
----- Rupees in '000' -----		
7. Cash and bank balances		
Cash in hand	17,572	41,722
Cash at banks		
In current accounts	280,884	263,417
	298,456	305,139
8. Sales - net		
Electricity	9,417	221,769
Steam	-	1,908
	9,417	223,677
Less: Sales tax	(1,436)	(32,500)
	7,981	191,177
Less: Electricity duty	(79)	(1,877)
	7,902	189,300
9. Cost of generation		
Cost of oil and lubricants	13,046	177,705
Salaries and wages and benefits	7,823	5,101
Staff retirement benefits	143	150
Stores, spares and loose tools	255	1,272
Travelling and conveyance	33	9
Vehicles running and maintenance	568	243
Insurance	888	859
Repairs and maintenance	300	403
Entertainment	159	97
Depreciation	1,680	2,317
Other	267	264
	25,162	188,420

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, 2023	Quarter ended September 30, 2022
----- Rupees in '000' -----				
Sitara Fabrics Limited	Associated company by virtue of common directorship	Sale of Electricity & Steam	6,544	3,364
Sitara Energy Limited Staff Provident Fund Trust	Other related party	Contribution for the period	252	208

11. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial report was authorised for issue on October 28, 2023 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.



Chief Executive Officer



Director



Chief Financial Officer

CONSOLIDATED FINANCIAL STATEMENTS



CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AS AT SEPTEMBER 30, 2023

		(Un-audited) September 30, 2023	(Audited) June 30, 2023			(Un-audited) September 30, 2023	(Audited) June 30, 2023
Note		-----Rupees in '000'-----		Note		-----Rupees in '000'-----	
SHARE CAPITAL AND RESERVES				NON-CURRENT ASSETS			
Authorised capital 30,000,000 ordinary shares of Rs. 10/- each		<u>300,000</u>	<u>300,000</u>	Property, plant and equipment	6	658,752	661,994
Issued, subscribed and paid up capital		190,920	190,920	Investment property	7	653,281	403,756
Capital reserve - share premium		143,190	143,190	Long term loan		1,000	1,000
Revenue reserves	4	740,668	808,772	Long term deposits		1,511	1,511
		<u>1,074,778</u>	<u>1,142,882</u>			<u>1,314,544</u>	<u>1,068,261</u>
NON-CURRENT LIABILITIES							
Long term financing		36,557	43,749				
Deferred interest/markup		22,769	21,894				
		<u>59,326</u>	<u>65,643</u>				
CURRENT LIABILITIES				CURRENT ASSETS			
Trade and other payables		854,559	847,961	Stores, spares and loose tools		277,656	277,810
Unclaimed dividend		3,703	3,703	Stocks		712,640	729,999
Interest / mark up payable		574,001	533,064	Trade debts		536,956	715,740
Short term bank borrowings		883,951	883,951	Loans and advances		100,392	32,836
Current portion of:				Deposits and prepayments		29,918	26,692
Long term financing		29,167	29,167	Other receivables		134,239	271,838
Provision for taxation - income tax		2,032	1,626	Tax refunds due from Government		71,718	76,420
		<u>2,347,413</u>	<u>2,299,472</u>	Cash and bank balances	8	303,454	308,401
						<u>2,166,973</u>	<u>2,439,736</u>
CONTINGENCIES AND COMMITMENTS							
	5	-	-				
		<u>3,481,517</u>	<u>3,507,997</u>				
						<u>3,481,517</u>	<u>3,507,997</u>

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



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS ACCOUNT (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023

		Quarter ended September 30, 2023	Quarter ended September 30, 2022
	Note	----- Rupees in '000' -----	
Sales - net	9	7,902	189,300
Cost of generation and sales	10	25,162	188,420
Gross profit		<u>(17,260)</u>	<u>880</u>
Other operating income		1,877	2,654
		<u>(15,383)</u>	<u>3,534</u>
Operating expenses		10,329	11,691
Finance cost		41,986	42,985
		52,315	54,676
(Loss) for the period before taxation		<u>(67,698)</u>	<u>(51,142)</u>
Provision for taxation		406	399
(Loss) for the period		<u>(68,104)</u>	<u>(51,541)</u>
(Loss) per share - Basic and diluted		<u>(3.57)</u>	<u>(2.70)</u>

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



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023

	<u>Quarter ended September 30, 2023</u>	<u>Quarter ended September 30, 2022</u>
	<u>----- Rupees in '000'-----</u>	
(Loss) for the period	(68,104)	(51,541)
Other comprehensive income for the period	-	-
Total comprehensive (loss) for the period	<u>(68,104)</u>	<u>(51,541)</u>

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



Chief Executive Officer



Director



Chief Financial Officer

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

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023

	Issued, subscribed and paid up capital	Capital reserve	Revenue reserve		Total	
		Share premium	General reserve	Unappropriated profit		Sub total
-----Rupees in '000'-----						
Balance as at July 01, 2022	190,920	143,190	970,000	97,907	1,067,907	1,402,017
Total comprehensive (loss) for the period						
(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	46,366	1,016,366	1,350,476
Total comprehensive (loss) for the period						
(Loss) for the period	-	-	-	(207,594)	(207,594)	(207,594)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	(207,594)	(207,594)	(207,594)
Balance as at June 30, 2023	190,920	143,190	970,000	(161,228)	808,772	1,142,882
Total comprehensive (loss) for the period						
(Loss) for the period	-	-	-	(68,104)	(68,104)	(68,104)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	(68,104)	(68,104)	(68,104)
Balance as at September 30, 2023	190,920	143,190	970,000	(229,332)	740,668	1,074,778

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



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOW STATEMENT (UNAUDITED)

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023

	Quarter ended September 30, 2023	Quarter ended September 30, 2022
	-----Rupees in '000'-----	
a) CASH FLOWS FROM OPERATING ACTIVITIES		
(loss) for the period before taxation	(67,630)	(51,142)
Adjustments for :		
Depreciation of property, plant and equipment	3,284	4,265
Depreciation of investment property	475	527
Provision for staff retirement benefits	252	208
Finance cost	41,986	42,985
Operating cash flows before working capital changes	(21,633)	(3,157)
Changes in working capital		
(Increase) / Decrease in current assets		
Stores, spares and loose tools	154	388
Stock of oil and lubricants	17,359	72,581
Trade debts	178,784	(97,575)
Loans and advances	(869)	6,802
Deposits and prepayments	(3,226)	(5,853)
Other receivables	70,926	2,607
Sales Tax refunds due from government	4,702	30,346
Increase in current liabilities		
Trade and other payables	6,500	6,069
Cash generated from operating activities	252,697	12,208
Income tax paid	(14)	(742)
Staff retirement benefits paid	(221)	(154)
Finance cost paid	(174)	(1,179)
Net cash generated from operating activities	252,288	10,133
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	(43)	-
Additions in investment property	(250,000)	-
Net cash (used in) investing activities	(250,043)	-
c) CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Long term financing	(7,192)	(4,167)
Net cash (used in) financing activities	(7,192)	(4,167)
Net (decrease) / increase in cash and cash equivalents (a+b+c)	(4,947)	5,966
Cash and cash equivalents at the beginning of the period	308,401	304,254
Cash and cash equivalents at the end of the period	303,454	310,220

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



Chief Executive Officer



Director



Chief Financial Officer

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL REPORT (UNAUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023

1. GROUP STATUS AND ACTIVITIES

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

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.

- 1.2 The financial statements are presented in Pak Rupee, which is the Group's functional and presentation currency.
- 1.3 The Company suffered financial and operational difficulties due to non availability of fuels at viable prices. The prices of both RLNG and furnace oil remained higher in country. The Company has suffered loss of Rs. 68,103,309 during the period, due to lower demand & adverse market conditions.

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

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. 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, 2023.

- 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, 2023.

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL REPORT (UNAUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023

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.

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, 2023 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, 2022.

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, 2023.

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, 2023.

4. REVENUE RESERVES

		(Un-audited) September 30, 2023	(Audited) June 30, 2023
		----- Rupees in '000' -----	
	Note		
General ressrve	3.1	970,000	970,000
Unappropriated profit			
Opening balance		(161,228)	(57,699)
Total comprehensive loss for the period		(68,104)	(103,529)
		(229,332)	(161,228)
		740,668	808,772

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, 2023

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL REPORT (UNAUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023

		(Un-audited) September 30, 2023	(Audited) June 30, 2023
		----- Rupees in '000' -----	
6. Property, plant and equipment			
Operating assets	6.1	626,252	629,494
Advance for purchase of land		16,500	16,500
Advance for purchase of vehicles		16,000	16,000
		658,752	661,994
6.1 Operating fixed assets			
Book value at beginning of period / year		629,494	653,372
Add: Transfer / addition during the period / year	6.1.1	43	1,145
Depreciation charge during the period / year		(3,284)	(25,023)
		626,252	629,494
6.1.1 Additions to operating fixed assets, during the period / year were as follow			
Electric appliances		-	1,145
Office equipment and appliances		43	-
		43	1,145
7. Investment property			
Cost		46,204	46,204
Addition in Investment property		250,000	-
Accumulated depreciation		(27,690)	(27,215)
		268,514	18,989
Freehold land		384,767	384,767
		653,281	403,756
7.1 Reconciliation of written down value for the period / year			
Book value at beginning of period / year		18,989	21,099
Addition in Investment property		250,000	-
Depreciation charged during the period / year		(475)	(2,110)
		268,514	18,989
		Quarter ended September 30, 2023	Quarter ended September 30, 2022
		----- Rupees in '000' -----	
8. Cash and bank balances			
Cash in hand		18,390	6,389
Cash at banks			
In current accounts		285,064	302,012
		303,454	308,401
9. Sales - net			
Electricity		9,417	221,769
Steam		-	1,908
		9,417	223,677
Less: Sales tax		(1,436)	(32,500)
		7,981	191,177
Less: Electricity duty		(79)	(1,877)
		7,902	189,300

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL REPORT (UNAUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023

10. Cost of generation

	Quarter ended September 30, 2023	Quarter ended September 30, 2022
	----- Rupees in '000' -----	
Cost of gas, oil and lubricants	13,046	177,705
Salaries and wages and benefits	7,823	5,101
Staff retirement benefits	143	150
Stores, spares and loose tools	255	1,272
Travelling and conveyance	33	9
Vehicles running and maintenance	568	243
Insurance	888	859
Repairs and maintenance	300	403
Entertainment	159	97
Depreciation	1,680	2,317
Other	267	264
	<u>25,162</u>	<u>188,420</u>

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, 2023	Quarter ended September 30, 2022
			----- Rupees in '000' -----	
Sitara Fabrics Limited	Associated company by virtue of common directorship	Sale of Electricity & Steam	6,544	3,364
Sitara Energy Limited Staff Provident Fund Trust	Other related party	Contribution for the period	252	208

12. DATE OF AUTHORISATION FOR ISSUE

This condensed interim consolidated financial information was authorised for issue on October 30, 2023 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



If undelivered please return to:

Sitara Energy Limited

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

Tel: 021-32420620-32413944

Fax: 021-32415452