

# SITARA ENERGY LIMITED



DECEMBER, 2023  
**HALF YEARLY REPORT**  
(UNAUDITED)



## Sitara Energy Limited

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### BOARD OF DIRECTORS

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

### 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  
Askari Bank Limited  
Bank Makramah Limited  
Habib Bank Limited

### WEBSITE

<http://www.sitara.pk>

**DIRECTORS' REVIEW**

The Board of Directors of Sitara Energy Limited (the Company) is pleased to present their report together with the Condensed Interim Financial Information and its subsidiary, duly reviewed by the statutory auditors for the half year ended on December 31, 2023.

**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 2023	July – December 2022
	Rupees in thousand	Rupees in thousand
Sales – net	47,284	215,762
Cost of generation	80,061	222,163
Gross (loss)	(32,777)	(6,401)
Gross (loss) ratio to revenue	(69.32%)	(2.97%)
(Loss) after tax	(43,597)	(82,088)
(Loss) per share – Basic & diluted (Rs.)	(2.28)	(4.30)

The sales revenue of the Company decreased to Rs. 47.284 Million during the half year of the current financial year in comparison with Rs. 215.762 Million during the half year of the last financial year on account of substantial decrease in demand by our Bulk Power Consumers (BPCs). Resultantly, gross loss of the company substantially increased to Rs. 32.777 Million during the half year of the current financial year in comparison with Rs. 6.401 Mln during the half year of the last financial year.

The net loss for the half year of the current financial year decreased to Rs. 43.597 Million as compared with Rs 82.088 Million during the half year of last financial year due to disposal of land and capital gain thereon for the sake of repayment to the banks.

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), continuous 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.



**SHEIKH JAVAID ISLAM**  
Director



**JAVED IQBAL**  
Chief Executive Officer

**February 26, 2024**

Faisalabad

ستارہ انرجی لمیٹڈ اور اسکی ذیلی کمپنی کا بورڈ آف ڈائریکٹرز کمپنی کی پہلی ششماہی 31 دسمبر 2023ء کی رپورٹ بمعہ تلخیص عبوری مالیاتی معلومات اور نظر ثانی شدہ ہر بلاقی سچہ ریزی آڈیٹرز 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 - دسمبر 2023ء	جولائی - دسمبر 2022ء
	پاکستانی روپے ہزاروں میں	پاکستانی روپے ہزاروں میں
فروخت آمدنی	47,284	215,762
پیداواری لاگت	80,061	222,163
مجموعی نقصان	(32,777)	(6,401)
آمدنی میں مجموعی نقصان کا تناسب	(69.32%)	(2.97%)
لیکسیشن کے بعد (نقصان)	(43,597)	(82,088)
فی شیئر نقصان (Basic and Diluted)	(2.28)	(4.30)

رواں مالی سال کی پہلی ششماہی کی فروخت آمدنی 47,284 ملین روپے ہے۔ جبکہ گذشتہ مالی سال کی فروخت آمدنی 215,762 ملین روپے تھی۔ جسکی بڑی وجہ بلک پاور کنزرویٹرز (BPCs) کی طرف سے ڈیمانڈ میں نمایاں کمی ہے۔ نتیجتاً کمپنی کا مجموعی نقصان بڑھ کر 32,777 ملین روپے ہو گیا ہے۔ اس کے مقابلے میں گذشتہ مالی سال کی پہلی ششماہی میں مقابلتا 6,401 ملین روپے تھا۔

پہلی ششماہی کے اختتام پر صاف نقصان کم ہو کر 43,597 ملین روپے ہو گیا ہے۔ جبکہ اسکے مقابلے میں گذشتہ مالی سال کی پہلی ششماہی میں 82,088 ملین روپے تھا۔ اسکی وجہ زمین کی فروخت اور اس پر سرمایہ حاصل کو بینک کی ادائیگی کے لئے ہے۔

مالی سال 2023-24ء کے بقیہ عرصے کا منافع بہت حد تک منافع بخش فیول RILNG اور فرنس آئل کی مناسب قیمت اور بلک پاور کنزرویٹرز کی طرف سے مسلسل لوڈ پر منحصر ہے۔

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

بجکر بورڈ  
جاوید اقبال  
چیف ایگزیکٹو آفیسر

جاوید اسلام  
ڈائریکٹر

فیصل آباد  
26 فروری 2024ء

**INDEPENDENT AUDITOR'S REVIEW REPORT****To the members of Sitara Energy Limited****Report on Review of 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, 2023 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 notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these 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 financial statements based on our review.

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended December 31, 2023 and 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

**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 statements 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.


**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 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 Hamid Masood.



**RSM AVAIS HYDER LIAQUAT NAUMAN**  
**CHARTERED ACCOUNTANTS**

**Place:** Faisalabad

**Date:** 26-02-2024

**UDIN:** RR202310194Ga1wTsV2h

# Statement of Financial Position

## SITARA ENERGY LIMITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT DECEMBER 31, 2023

			(Un-audited) December 31, 2023	(Audited) June 30, 2023				(Un-audited) December 31, 2023	(Audited) June 30, 2023
Note -----Rupees in '000'-----					Note -----Rupees in '000'-----				
<b>EQUITY AND LIABILITIES</b>					<b>ASSETS</b>				
<b>SHARE CAPITAL AND RESERVES</b>					<b>NON-CURRENT ASSETS</b>				
			<u>300,000</u>	<u>300,000</u>					
Authorised capital 30,000,000 ordinary shares of Rs. 10/- each.					Property, plant and equipment	6	650,564	661,978	
					Investment property	7	585,978	403,756	
					Investment in subsidiary		50,000	50,000	
					Long term loan		1,000	1,000	
					Long term deposits		1,511	1,511	
							<u>1,289,053</u>	<u>1,118,245</u>	
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)		(217,940)		(174,343)					
			<u>1,086,170</u>	<u>1,129,767</u>					
<b>NON-CURRENT LIABILITIES</b>					<b>CURRENT ASSETS</b>				
Long term financing	3	196,092		43,749	Stores, spares and loose tools		286,092	277,810	
Deferred interest / markup	3.3	143,002		21,894	Stock of oil and lubricants	8	95,604	100,846	
		<u>339,094</u>		<u>65,643</u>	Trade debts		463,349	674,357	
					Loans and advances		618,632	619,235	
<b>CURRENT LIABILITIES</b>					Deposits and prepayments		31,286	26,692	
Trade and other payables		777,136		753,378	Other receivables	9	257,701	205,164	
Unclaimed dividend		3,703		3,703	Tax refunds				
Interest / mark up payable		448,045		533,064	due from Government		72,360	74,546	
Short term bank borrowings	4	594,250		883,951	Cash and bank balances	10	264,346	303,403	
Current portion of							<u>2,089,370</u>	<u>2,282,053</u>	
Long term financing	3	129,209		29,167					
Provision for taxation - income tax	13	816		1,626					
		<u>1,953,159</u>		<u>2,204,888</u>					
<b>CONTINGENCIES &amp; COMMITMENTS</b>									
	5	-		-					
			<u>3,378,423</u>	<u>3,400,297</u>			<u>3,378,423</u>	<u>3,400,297</u>	

The annexed notes 1 to 16 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, 2023**

	Note	Half year ended		Quarter ended	
		December 31,		December 31,	
		2023	2022	2023	2022
----- Rupees in '000' -----					
Sales - net	11	47,284	215,762	39,382	26,462
Cost of generation	12	80,061	222,163	54,899	33,743
Gross (loss)		(32,777)	(6,401)	(15,517)	(7,281)
Other income		106,939	28,708	105,062	26,054
		74,162	22,307	89,545	18,773
Operating expenses		32,289	22,637	22,028	11,024
Finance cost		84,654	80,945	42,668	37,960
		116,943	103,582	64,696	48,984
(Loss) / Profit for the period before taxation		(42,781)	(81,275)	24,849	(30,211)
Provision for taxation	13	816	813	410	414
(Loss) / Profit for the period		(43,597)	(82,088)	24,439	(30,625)
(Loss) / Profit per share - Basic and diluted (Rupees)		(2.28)	(4.30)	1.28	(1.60)

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.



**CHIEF EXECUTIVE OFFICER**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**



# Statement of other Comprehensive Income

## SITARA ENERGY LIMITED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Half year ended		Quarter ended	
	December 31,		December 31,	
	2023	2022	2023	2022
	-----Rupees in '000'-----			
(Loss) / Profit for the period	(43,597)	(82,088)	24,439	(30,625)
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / profit for the period	<u>(43,597)</u>	<u>(82,088)</u>	<u>24,439</u>	<u>(30,625)</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.



**CHIEF EXECUTIVE OFFICER**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**

# Statement of Changes in Equity

## SITARA ENERGY LIMITED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Issued, subscribed and paid up capital	Capital reserve	Revenue reserves			Total
		Share premium	General reserve	Accumulated (loss)	Sub total	
-----Rupees in '000'-----						
Balance as at July 01, 2022 - (Audited)	190,920	143,190	970,000	(71,061)	898,939	1,233,049
Total comprehensive (loss) for the period						
(Loss) for the period	-	-	-	(82,088)	(82,088)	(82,088)
Other comprehensive income	-	-	-	(82,088)	(82,088)	(82,088)
Balance as at December 31, 2022 - (Un-audited)	190,920	143,190	970,000	(153,149)	816,851	1,150,961
Total comprehensive (loss) for the period						
(Loss) for the period	-	-	-	(21,194)	(21,194)	(21,194)
Other comprehensive income	-	-	-	-	-	-
Balance as at June 30, 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

The annexed notes 1 to 16 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, 2023**

	Half year ended December 31,	
	2023	2022
	Rupees in '000'	
<b>a) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) for the period before taxation	(42,781)	(81,275)
Adjustments for :		
Depreciation of property, plant and equipment	11,457	12,501
Depreciation of investment property	9,283	1,055
Provision for staff retirement benefits	482	440
Gain on disposal of investment property	(57,467)	-
Balance written back	(45,363)	(24,033)
Finance cost	84,654	80,945
Operating cash flows before working capital changes	(39,736)	(10,367)
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(8,282)	(165)
Stock of oil and lubricants	5,242	22,695
Trade debts	25,228	(95,231)
Loans and advances	235	6,780
Deposits and prepayments	(4,594)	(3,588)
Other receivables	(795)	10,806
Tax refunds due from government	2,089	30,521
Increase in current liabilities		
Trade and other payables	23,753	55,197
	42,876	27,015
Cash generated from operating activities	3,140	16,648
Staff retirement benefits paid	(475)	(361)
Finance cost paid	(3,202)	(1,893)
Income tax paid	(1,161)	(868)
Net cash (used in) / generated from operating activities	(1,698)	13,526
<b>b) CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions in property, plant and equipment	(43)	-
Net cash (used in) investing activities	(43)	-

# Statement of Cash Flows

Half year ended  
December 31,  
**2023**                      **2022**  
-----Rupees in '000'-----

**c) CASH FLOWS FROM FINANCING ACTIVITIES**

Repayment of long term financing	(37,316)	(7,731)
Net cash (used in) financing activities	(37,316)	(7,731)
Net (decrease) / increase in cash and cash equivalents (a+b+c)	(39,057)	5,795
Cash and cash equivalents at the beginning of the period	303,403	299,163
Cash and cash equivalents at the end of the period	264,346	304,958

The annexed notes 1 to 16 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, 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** These condensed interim 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 unviable inputs cost. The prices of both RLNG and furnace oil remained on the higher side due to depreciation of PKR against USD and overall inflation. The Company has suffered loss of Rs. 43.60 million during the period (2022: 82.09 million), energy generation decreased upto 76% as compared to immediate preceding interim period due to adverse market conditions, as well as, surge in energy costs.

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.

The positive steps taken and their impact is as under:

The government has withdrawn subsidy on electricity tariff to export oriented sector all over Pakistan leading to increase in electricity tariff which is a good indicator in favour of our company during the coming period.

In order to reduce burden of finance cost, the Company is continuously pursuing the banks for restructuring / rescheduling of the credit facilities at cost of funds. Two lenders have accepted the request and approved rescheduling/restructuring as per their respective cost of funds while negotiations with other two lenders is in process of approval of rescheduling/restructuring. These positive developments will lead to substantial reduction in finance cost, repayment of credit facilities during next five (5) to six (6) years and eventually improve the operating results.

The management is making all out efforts to dispose off the non core assets such as investment properties and disposed partly out of them. The company is planning to add solar power plant in the coming years through disposal of investment properties to make the operations of the project viable.

The substantial reduction in finance cost and implementation of solar power plant during the foreseeable future will make the operation of the company viable. The government policies are also very favourable for the installation of solar power plants

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

## 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 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, 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

#### 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, 2023 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, 2024 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

These condensed interim financial statements have 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 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, 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.

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

	(Un-audited) December 31, 2023	(Audited) June 30, 2023
Note	Rupees in '000'	

### 3. Long term financing

#### Secured

From banking company  
Under mark up arrangement

Term Finance

Demand Finance

Paid during the period

3.1	72,916	-
3.2	289,701	100,000
	37,316	27,084
	325,301	72,916

Less: Current portion

Installment due

Payable within one year

	(25,842)	-
	(103,367)	(29,167)
	(129,209)	(29,167)
	196,092	43,749

**3.1** 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 morabaha finance-I and running finances in short term borrowings and by personal guarantee of chief executive of the Company.

It is repayable in 12 equal quarterly installments commenced from March 31, 2023 and ending on December 31, 2025, after the down payment of 12.5 million. It is subject to mark up at the fixed rate of 4.76% per annum (June 2022: 1 month KIBOR plus 2.5% 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 rate of mark up charged during the period is 4.76% per annum (June 2023: 2.36% to 4.76% per annum).

- 3.2** 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 morabaha finance-I and running finances in short term borrowings, first ranking charge over fixed assets, and by personal guarantees of two directors of the Company.

It is repayable in 14 equal quarterly installments commencing from December 31, 2023 and ending on March 31, 2027, after the down payment of 30.02 million. It is subject to mark up at the fixed rate ranges from 5.22% to 10.72% per annum (June 2023: 3 months KIBOR plus 2% 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 June 30, 2027 and ending on March 31, 2028.

Effective rate of mark up charged during the period is 10.72 % per annum (June 2023: 17.16% to 23.98% per annum).

### 3.3 Deferred interest / markup

Opening balance	21,894	-
Mark-up on Long term financing - rescheduled	104,308	21,894
	126,202	21,894
Accrued for the period	16,800	-
	<u>143,002</u>	<u>21,894</u>
	<b>(Un-audited)</b>	<b>(Audited)</b>
	<b>December 31,</b>	<b>June 30,</b>
	<b>2023</b>	<b>2023</b>

### 4. Short term bank borrowings

	----- Rupees in '000' -----	
Secured - under mark up		
Morabaha finance I	114,000	114,000
Term finance	-	100,000
Transferred to long term financing - Term Finance	-	(100,000)
	-	-
Running finances	769,951	769,951
Transferred to long term financing	(289,701)	-
	480,250	769,951
	<u>594,250</u>	<u>883,951</u>

## 5. CONTINGENCIES & COMMITMENTS

### 5.1 Contingencies

There are no significant changes in contingencies since the date of published audited financial statements for the year ended June 30, 2023 except the following:

Bank guarantee issued in favour of Sui Northern Gas Pipelines Limited for supply of gas amounting to (Rs;000) 90,000/- (2022 : (Rs;000) 90,000/-) has been expired.

### 5.2 Commitments

There is no material commitment at the period end.



		(Un-audited) December 31, 2023	(Audited) June 30, 2023 <small>(Restated)</small>
		Rupees in '000'	
<b>6. Property, plant and equipment</b>			
Operating assets	6.1	618,064	629,478
Advance for purchase of land		16,500	16,500
Advance for purchase of vehicle		16,000	16,000
		650,564	661,978
<b>6.1 Operating assets</b>			
Book value at beginning of period / year		629,478	653,353
Addition during the period	6.1.1	43	1,145
Depreciation charged during the period / year		(11,457)	(25,021)
		618,064	629,478
<b>6.1.1 Additions to operating assets, during the period / year were as follows:</b>			
Electric appliances		-	1,145
Office equipment		43	-
		43	1,145
<b>7. Investment property</b>			
Cost		622,476	430,971
Accumulated depreciation		(36,498)	(27,215)
Net book value		585,978	403,756
<b>7.1 Reconciliation of written down value for the period / year</b>			
Book value at beginning of period / year		403,756	408,809
Additions during the period	7.2	250,000	-
Disposals during the period / year		(58,495)	(2,943)
Depreciation charged during the period / year		(9,283)	(2,110)
		585,978	403,756
<b>7.2</b>	This investment property is obtained as a swap of consideration of receivables on account of sale of generators and electricity from Sitara Spinning Mills Limited.		
<b>8. Stock of oil and lubricants</b>			
Furnace oil			
In hand		21,143	23,728
In transit		67,651	67,651
Diesel oil		3,995	4,932
Lube oil		2,761	4,480
Waste		54	54
		95,604	100,846

# Notes to the Financial Statements

	Note	(Un-audited)	(Audited)
		December 31, 2023	June 30, 2023
----- Rupees in '000' -----			
<b>9. Other receivables</b>			
Considered good			
Receivable against:			
Sale of investment property		203,074	86,477
Rent		1,065	905
Gas Infrastructure Development Cess		53,562	53,562
Others	7.2	-	64,220
Considered doubtful - Rent		5,274	5,274
Less: Provision for doubtful receivable		(5,274)	(5,274)
		-	-
		<u>257,701</u>	<u>205,164</u>

## 10. Cash and bank balances

Cash in hand	16,897	5,572
Cash at banks		
In current accounts	247,449	297,831
	<u>264,346</u>	<u>303,403</u>

	(Un-audited) Half year ended December 31,		(Un-audited) Quarter ended December 31,	
	2023	2022	2023	2022
----- Rupees in '000' -----				

## 11. Sales - net

Electricity	56,353	252,582	46,936	30,813
Steam	-	2,360	-	452
	56,353	254,942	46,936	31,265
Less: Sales tax	(8,596)	(37,043)	(7,160)	(4,543)
	47,757	217,899	39,776	26,722
Less: Electricity duty	(473)	(2,137)	(394)	(260)
	<u>47,284</u>	<u>215,762</u>	<u>39,382</u>	<u>26,462</u>

## 12. Cost of generation

Cost of oil and lubricants	52,195	199,460	39,149	21,755
Salaries, wages and benefits	14,716	8,556	6,893	3,455
Retirement benefits	277	303	134	153
Stores, spares and loose tools	376	1,721	121	449
Insurance	1,776	1,718	888	859
Repairs and maintenance	680	712	380	309
Depreciation	8,245	8,606	6,565	6,289
Other	1,796	1,087	1,529	474
	<u>80,061</u>	<u>222,163</u>	<u>55,659</u>	<u>33,743</u>

### 13. Provision for taxation

Current					
For the period	13.1	816	813	410	414

- 13.1** 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 of 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 final tax under section 37 of Income Tax Ordinance, 2001.

### 14. 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 period	Un-Audited Half year ended December 31,	
			2023	2022
			----- Rupees in '000' -----	
Key management personnel	Chief Executive Officer	Remuneration	3,600	3,900
	Executives		3,414	3,382
Sitara Fabrics Limited	Associated company by virtue of common directorship	Sale of Electricity and steam	9,773	5,858
		Organisational expenses charged	-	2,400
Sitara Energy Limited Staff Provident Fund Trust	Other related party	Company's Contribution for the period	482	440

### 15. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 26TH February 2024 by the Board of Directors of the Company.

### 16. GENERAL

- 16.1** Provisions for taxation made in these condensed interim financial statements are subject to adjustment in annual financial statements.
- 16.2** 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.
- 16.3** Figures have been rounded off to the nearest thousand of Rupees except (loss) per share which is in Rupees.



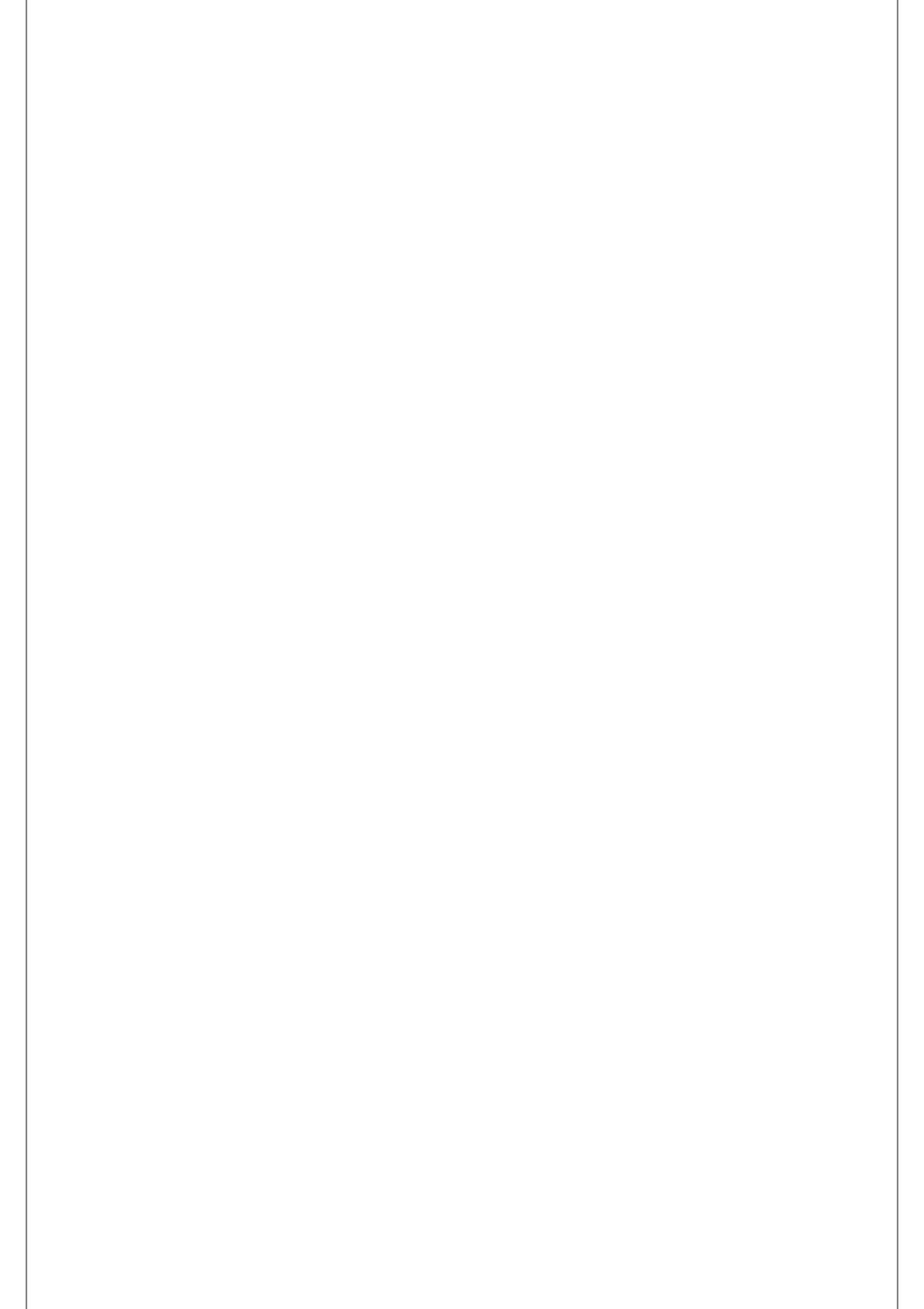
**CHIEF EXECUTIVE OFFICER**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**



# Statement of Financial Position

## SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT DECEMBER 31, 2023

	(Un-audited) (Audited)		(Un-audited) (Audited)	
	December 31, 2023	June 30, 2023	December 31, 2023	June 30, 2023
Note	-----Rupees in '000'-----		-----Rupees in '000'-----	
<b>SHARE CAPITAL AND RESERVES</b>				
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)	(204,924)	(161,228)		
	1,099,186	1,142,882		
<b>NON - CURRENT LIABILITIES</b>				
Long term financing	4 196,092	43,749		
Deferred interest / markup	4.3 143,002	21,894		
	339,094	65,643		
<b>CURRENT LIABILITIES</b>				
Trade and other payables	871,818	847,961		
Unclaimed dividend	3,703	3,703		
Interest / mark up payable	448,045	533,064		
Short term bank borrowings	594,250	883,951		
Current portion of :				
Long term financing	4 129,209	29,167		
Provision for taxation - income tax	13 816	1,626		
	2,047,841	2,299,471		
<b>CONTINGENCIES &amp; COMMITMENTS</b>				
	-	-		
	3,486,121	3,507,996		
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	7 650,579	661,994		
Investment Property	8 585,978	403,756		
Long term loan	1,000	1,000		
Long term deposits	1,511	1,511		
	1,239,068	1,068,261		
<b>CURRENT ASSETS</b>				
Stores, spares and loose tools	286,092	277,810		
Stocks	724,757	729,999		
Trade debts	504,732	715,739		
Loans and advances	32,232	32,836		
Deposits and prepayments	31,286	26,692		
Other receivables	9 324,375	271,838		
Tax refunds				
due from Government	74,234	76,420		
Cash and bank balances	10 269,344	308,401		
	2,247,053	2,439,735		
	3,486,121	3,507,996		

The annexed notes 1 to 16 form an integral part of these condensed interim consolidated financial statements.



**CHIEF EXECUTIVE OFFICER**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**

# Statement of Profit or Loss

## SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2023

Note	Half year ended		Quarter ended	
	December 31,		December 31,	
	2023	2022	2023	2022
-----Rupees in '000'-----				
Sales - net	47,284	215,762	39,382	26,462
Cost of generation	80,061	222,163	54,899	33,743
Gross (loss)	<u>(32,777)</u>	<u>(6,401)</u>	<u>(15,517)</u>	<u>(7,281)</u>
Other income	106,939	28,708	105,062	26,054
	<u>74,162</u>	<u>22,307</u>	<u>89,545</u>	<u>18,773</u>
Operating expenses	<u>32,388</u>	<u>22,720</u>	<u>22,059</u>	<u>11,029</u>
Finance cost	<u>84,654</u>	<u>80,945</u>	<u>42,668</u>	<u>37,960</u>
	<u>117,042</u>	<u>103,665</u>	<u>64,727</u>	<u>48,989</u>
(Loss) / Profit for the period before taxation	<u>(42,880)</u>	<u>(81,358)</u>	<u>24,818</u>	<u>(30,216)</u>
Provision for taxation	816	813	410	414
(Loss) / Profit for the period	<u>(43,696)</u>	<u>(82,171)</u>	<u>24,408</u>	<u>(30,630)</u>
Attributable to:				
Shareholders of the Parent	<u>(43,696)</u>	<u>(82,171)</u>	<u>24,408</u>	<u>(30,630)</u>
(Loss) / Profit per share - Basic and diluted				
Attributable to shareholders of the Parent (Rupees)	<u>(2.29)</u>	<u>(4.30)</u>	<u>1.28</u>	<u>(1.60)</u>

The annexed notes 1 to 16 form an integral part of these condensed interim consolidated financial statements.



**CHIEF EXECUTIVE OFFICER**



**DIRECTOR**



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# Statement of other Comprehensive Income

## SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Half year ended		Quarter ended	
	December 31, 2023	2022	December 31, 2023	2022
	-----Rupees in '000'-----			
(Loss) / Profit for the period	(43,696)	(82,171)	24,408	(30,630)
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / profit for the period	<u>(43,696)</u>	<u>(82,171)</u>	<u>24,408</u>	<u>(30,630)</u>
Attributable to:				
Shareholders of the Parent	<u>(43,696)</u>	<u>(82,171)</u>	<u>24,408</u>	<u>(30,630)</u>

The annexed notes 1 to 16 form an integral part of these condensed interim consolidated financial statements.



**CHIEF EXECUTIVE OFFICER**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**

# Statement of Changes in Equity

## SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Capital reserves		Revenue reserves		Sub total	Total
	Issued, subscribed and paid up capital	Share premium	General reserve	Accumulated (loss)		
-----Rupees in '000'-----						
Balance as at July 01, 2022 - (Audited)	190,920	143,190	970,000	(57,698)	912,302	1,246,412
Total comprehensive (loss) for the period						
(Loss) for the period	-	-	-	(82,171)	(82,171)	(82,171)
Other comprehensive income	-	-	-	-	-	-
Balance as at December 31, 2022 - (Un-audited)	190,920	143,190	970,000	(139,869)	830,131	1,164,241
Total comprehensive (loss) for the period						
(Loss) for the period	-	-	-	(21,358)	(21,358)	(21,358)
Other comprehensive income	-	-	-	-	-	-
Balance as at June 30, 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	-	-	-	-	-	-
Balance as at December 31, 2023 - (Un-audited)	190,920	143,190	970,000	(204,924)	765,076	1,099,186

The annexed notes 1 to 16 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, 2023**

	Half year ended	
	December 31,	
	2023	2022
	Rupees in '000'	
<b>a) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) for the period before taxation	(42,880)	(81,358)
Adjustments for :		
Depreciation of property, plant and equipment	11,458	12,502
Depreciation of investment property	9,283	1,055
Provision for staff retirement benefits	482	440
(Gain) on disposal of investment property	(57,467)	-
Balance written back	(45,363)	(24,033)
Finance cost	84,654	80,945
Operating cash flows before working capital changes	(39,833)	(10,449)
Changes in working capital		
(Increase) / Decrease in current assets		
Stores, spares and loose tools	(8,282)	(165)
Stocks	5,242	22,695
Trade debts	25,228	(95,231)
Loans and advances	235	6,780
Deposits and prepayments	(4,594)	(3,588)
Other receivables	(795)	10,806
Tax refunds due from Government	2,089	30,521
Increase in current liabilities		
Trade and other payables	23,851	55,266
	42,974	27,084
Cash generated from operating activities	3,141	16,635
Staff retirement benefits paid	(475)	(361)
Finance cost paid	(3,202)	(1,893)
Income tax paid	(1,161)	(868)
Net cash (used in) / generated from operating activities	(1,697)	13,513

Half year ended	
December 31,	
2023	2022
-----Rupees in '000'-----	

**b) CASH FLOWS FROM INVESTING ACTIVITIES**

Additions in property, plant and equipment	(43)	-
Net cash (used in) investing activities	<u>(43)</u>	<u>-</u>

**c) CASH FLOWS FROM FINANCING ACTIVITIES**

Repayment of long term financing	(37,316)	(7,731)
Net Cash (used in) financing activities	<u>(37,316)</u>	<u>(7,731)</u>
Net (decrease) / increase in cash and cash equivalents (a+b+c)	(39,056)	5,782
Cash and cash equivalents at the beginning of the period	308,401	304,254
	<u>269,344</u>	<u>310,036</u>
Cash and cash equivalents at the end of the period		

The annexed notes 1 to 16 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, 2023**

**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 Parent suffered financial and operational difficulties due to unviable inputs cost. The prices of both RLNG and furnace oil remained on the higher side due to depreciation of PKR against USD and overall inflation. The Group has suffered loss of Rs. 43.70 million during the period (2022: 82.17 million), energy generation decreased upto 76% as compared to immediate preceding interim period due to adverse market conditions, as well as surge in energy costs.

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

The positive steps taken and their impact is as under:

The government has withdrawn subsidy on electricity tariff to export oriented sector all over Pakistan leading to increase in electricity tariff which is a good indicator in favour of our company during the coming period.

In order to reduce burden of finance cost, the Parent Company is continuously pursuing the banks for restructuring / rescheduling of the credit facilities at cost of funds. Two lenders have accepted the request and approved rescheduling / restructuring as per their respective cost of funds while negotiations with other two lenders is in process of approval of rescheduling / restructuring. These positive developments will lead to substantial reduction in finance cost, repayment of credit facilities during next five (5) to six (6) years and eventually improve the operating results.

The management of the Parent Company is making all out efforts to dispose off the non-core assets such as investment properties and disposed partly out of them. The Parent Company is planning to add solar power plant in the coming years through disposal of investment properties to make the operations of the project viable.

The substantial reduction in finance cost and implementation of solar power plant during the foreseeable future will make the operation of the Parent Company viable. The government policies are also very favourable for the installation of solar power plants.

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

## 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 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, 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.

### 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, 2023 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, 2024 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, 2023.

### 3.3 Basis of preparation

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

### 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, 2023.

### 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.

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
Note		Rupees in '000'	
<b>4. Long term financing</b>			
Secured			
From banking company			
Under mark up arrangement			
Term Finance	4.1	72,916	100,000
Demand Finance	4.2	289,701	-
Paid during the period		37,316	27,084
		325,301	72,916
Less: Current portion			
Installments due		(25,842)	-
Payable within one year		(103,367)	(29,167)
		(129,209)	(29,167)
		196,092	43,749

**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 morabaha finance-I and running finances in short term borrowings and by personal guarantee of chief executive of the Company.

It is repayable in 12 equal quarterly installments commenced from March 31, 2023 and ending on December 31, 2025, after the down payment of 12.5 million. It is subject to mark up at the fixed rate of 4.76% per annum (June 2022: 1 month KIBOR plus 2.5% 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 rate of mark up charged during the period is 4.76% per annum (June 2023: 2.36% to 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 morabaha finance-I and running finances in short term borrowings, first ranking charge over fixed assets, and by personal guarantees of two directors of the Company.

It is repayable in 14 equal quarterly installments commencing from December 31, 2023 and ending on March 31, 2027, after the down payment of 30.02 million. It is subject to mark up at the fixed rate ranges from 5.22% to 10.72% per annum (June 2023: 3 months KIBOR plus 2% 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 June 30, 2027 and ending on March 31, 2028.

Effective rate of mark up charged during the period is 10.72 % per annum (June 2023: 17.16% to 23.98% per annum).

(Un-audited) December 31, 2023	(Audited) June 30, 2023
Rupees in '000'	

**4.3 Deferred interest / markup**

Opening	21,894	-
Mark-up on Long term financing- rescheduled	104,308	21,894
	126,202	21,894
Accrued for the period	16,800	-
	143,002	21,894

**5. Short term bank borrowings**

Secured - under mark up arrangements

Morabaha finance I	114,000	114,000
Term finance	-	100,000
Transferred to long term financing - Term Finance	-	(100,000)
	-	-
Running finances	769,951	769,951
Transferred to long term financing	(289,701)	-
	480,250	769,951
	594,250	883,951

**6. CONTINGENCIES & COMMITMENTS**

**6.1 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, 2023 except the following:

**6.1.1** In connection with the operations of the Parent Company:

Bank guarantee issued in favour of Sui Northern Gas Pipelines Limited for supply of gas amounting to (Rs;000) 90,000/- (2022 : (Rs;000) 90,000/-) has been expired.

**6.2 Commitments**

There is no material commitment at the period end.

		(Un-audited) December 31, 2023	(Audited) June 30, 2023								
Note		Rupees in '000'									
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>											
Operating assets	7.1	618,079	629,494								
Advance for purchase of land		16,500	16,500								
Advance for purchase vehicle		16,000	16,000								
		650,579	661,994								
<b>7.1 Operating assets</b>											
Book value at beginning of period / year		629,494	653,371								
Addition during the period / year		43	1,145								
Disposals during the period / year		-	-								
Depreciation charged during the period / year		(11,458)	(25,023)								
		618,079	629,494								
<b>8. Investment property</b>											
Cost		622,476	430,971								
Accumulated depreciation		(36,498)	(27,215)								
Net book value		585,978	403,756								
<b>8.1 Reconciliation of written down value for the period / year</b>											
Book value at beginning of period / year		403,756	411,154								
Additions during the period	8.2	250,000	-								
Disposals during the period / year		(58,495)	(2,943)								
Depreciation charged during the period / year		(9,283)	(2,344)								
		585,978	405,866								
<b>8.2</b> This investment property is obtained as a swap of consideration of receivables on account of sale of generators and electricity from Sitara Spinning Mills Limited.											
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 10%;"></th> <th style="width: 15%; text-align: center; border-bottom: 1px solid black;">(Un-audited) December 31, 2023</th> <th style="width: 15%; text-align: center; border-bottom: 1px solid black;">(Audited) June 30, 2023</th> </tr> <tr> <th style="text-align: left;">Note</th> <th></th> <th colspan="2" style="text-align: center; border-bottom: 1px dashed black;">Rupees in '000'</th> </tr> </thead> </table>						(Un-audited) December 31, 2023	(Audited) June 30, 2023	Note		Rupees in '000'	
		(Un-audited) December 31, 2023	(Audited) June 30, 2023								
Note		Rupees in '000'									
<b>9. Other receivables</b>											
Considered good											
Receivable against:											
Sale of investment property		203,074	86,477								
Rent		1,065	905								
Gas Infrastructure Development Cess		53,562	53,562								
Others	8.2	66,674	130,894								
Considered doubtful - Rent		5,274	5,274								
Less: Provision for doubtful receivable		(5,274)	(5,274)								
		324,375	271,838								

# Notes to the Financial Statements

(Un-audited) December 31, 2023	(Audited) June 30, 2023
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Rupees in '000'

## 10. Cash and bank balances

Cash in hand	17,715	6,389
Cash at banks		
In current accounts	251,629	302,011
	269,344	308,401

(Un-audited) Half year ended December 31, 2023	(Un-audited) Quarter ended December 31, 2023
2022	2022
Note-----Rupees in '000'-----	

## 11. Sales - net

Electricity	56,353	252,582	46,936	# 30,813
Steam	-	2,360	-	# 452
	56,353	254,942	46,936	31,265
Less: Sales tax	(8,596)	(37,043)	(7,160)	(4,543)
	47,757	217,899	39,776	26,722
Less: Electricity duty	(473)	(2,137)	(394) #	(260)
	47,284	215,762	39,382	26,462

## 12. Cost of generation

Cost of generation	12.1	80,061	222,163	33,743	57,432
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### 12.1 Cost of generation

Cost of oil and lubricants	52,195	199,460	39,149	21,755
Salaries, wages and benefits	14,716	8,556	6,893	3,455
Retirement benefits	277	303	134	153
Stores, spares and loose tools	376	1,721	121	449
Insurance	1,776	1,718	888	859
Repairs and maintenance	680	712	380	309
Depreciation	8,245	8,606	6,565	6,289
Other	1,796	1,087	1,529	474
	80,061	222,163	55,659	33,743

## 13. Provision for taxation

Current					
For the period	13.1	816	813	410	414

13.1 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 of 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 final tax under section 37 of Income Tax Ordinance, 2001.



**14. 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,	
			2023	2022
			Rupees in '000'	
Key management personnel	Chief Executive Officer	Remuneration	3,900	3,900
	Executives		3,414	3,382
Sitara Fabrics Limited	Associated company by virtue of common directorship	Sale of Electricity and steam	9,773	5,858
		Organisational expenses charged	-	2,400
Sitara Energy Limited- Staff Provident Fund Trust	Other related party	Contribution for the period	482	440

**15. DATE OF AUTHORISATION FOR ISSUE**

These condensed interim consolidated financial statements were authorised for issue on \_\_\_\_\_ by the Board of Directors of the Group.

**16. GENERAL**

- 16.1** Provisions for taxation made in these condensed interim financial statements are subject to adjustment in annual financial statements.
- 16.2** 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.
- 16.3** Figures have been rounded off to the nearest thousand of Rupees except (loss) per share which is in Rupees.


**CHIEF EXECUTIVE OFFICER**

**DIRECTOR**

**CHIEF FINANCIAL OFFICER**





If undelivered please return to:

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