

Quarterly Financial Statements
September 2017
(Un-Audited)



Sitara Energy Limited



Sitara Energy Limited

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Consolidated Accounts

(Sitara Energy Ltd and Its Subsidiary Company)

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Board of Directors

Ms. Noureen Javed (Chairperson)
Mr. Javed Iqbal (Chief Executive Officer)
Mr. Sarosh Javed
Mr. Mukhtar A. Sheikh
Mr. Rana M. Arshad Iqbal
Ms. Haniah Javed
Mr. Mubashir Ahmed Zareen

Chief Financial Officer

Mr. Ijaz A. Babar - FCA

Company Secretary

Mr. Mazhar Ali Khan

Legal Advisor

Sahibzada Muhammad Arif

Share Registrar

THK Associates (Private) Limited
Ground Floor, State Life Building No. 3,
Dr. Ziauddin Ahmed Road, Karachi. 75530
P. O. Box No. 8533, UAN: +92(21)111-000-322
Fax: +92(21) 35655595
E-mail: secretariat@thk.com.pk

Registered Office

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

Plant

33 K.M., Sheikhpura Road, Faisalabad

Audit Committee

Mr. Rana M. Arshad Iqbal (Chairman)
Ms. Haniah Javed
Ms. Noureen Javed

Human Resource & Remuneration Committee

Mr. Mukhtar Ahmad Sheikh (Chairman)
Mr. Rana M. Arshad Iqbal
Ms. Noureen Javed

Auditors

M/s. RSM Avais Hyder Liaquat Nauman
(Chartered Accountants)

Bankers

Standrad Chartered Bank (Pak) Limited
Albaraka Bank (Pakistan) Limited
National Bank of Pakistan
First Women Bank Limited
Bank Alfalah Limited
Faysal Bank Limited
The Bank of Punjab
MCB Bank Limited
United Bank Limited
Meezan Bank Limited
Allied Bank Limited
Silk Bank Limited
Askari Bank Limited
Summit Bank Limited
Habib Bank Limited

Website

<http://www.sitara.pk>

DIRECTORS' REVIEW

The Board of Directors of Sitara Energy Limited (the Company) is pleased to present their report together with the Condensed Interim Financial Information and its subsidiary for the first quarter ended September 30, 2017.

Operational Financial Results:

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

Financial Highlights	July – September 2017	July – September 2016
	Rupees in thousand	Rupees in thousand
Sales – net	582,947	558,583
Cost of generation	543,772	529,529
Gross profit	39,175	29,054
Gross profit ratio to revenue	6.72%	5.20%
(Loss) after tax	(16,905)	(24,275)
(Loss) per share – Basic & diluted (Rs.)	(0.89)	(1.27)

The sales of the company during the first quarter of the current financial year increased to Rs. 582.947 Million as compared with Rs. 558.583 Million, whereas net loss decreased to Rs. 16.905 Million as compared with Rs. 24.275 Million during the first quarter of last financial year, as a result of strict monitoring over generation costs.

During the period under review, power plant generated 53,035 MWh of electricity by complying with all the operating standards as compared with 58,250 MWh generated during the first quarter of the last financial year.

The profitability of the company during the financial year 2017-18 will largely depends upon affordable prices of RFO and natural gas / liquefied natural gas to provide competitive tariff to its existing BPCs as well as attracting new Bulk Power Consumers (BPCs).

The company is taking all the measures to increase load demand which includes close coordination with existing Bulk Power Consumers (BPCs), negotiation with prospective BPCs, providing Zero Rating Facility to active BPCs, participation in the process of Upfront Tariff on RFO & Gas being determined by NEPRA for the long term sustainable viability and growth of the company.

We extend our deep gratitude to all our stakeholders, specially our bankers and suppliers, for their continued support. We appreciate the dedication and hard work of all the employees of the company.

By order of the board



Javed Iqbal
Chief Executive Officer

Faisalabad:
October 30, 2017

ستارہ انرجی کے بورڈ آف ڈائریکٹرز اور اسکے ذیلی ادارے کی پہلی سہ ماہی 30 ستمبر 2017ء کی ملخص عبوری مالیاتی معلومات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

عملیاتی مالی نتائج
گذشتہ 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 2017ء	جولائی - ستمبر 2016ء
		پاکستانی روپے ہزاروں میں	پاکستانی روپے ہزاروں میں
فروخت آمدنی		582,947	558,583
پیداواری لاگت		543,772	529,529
مجموعی منافع		39,175	29,054
آمدنی میں مجموعی منافع کا تناسب		6.72%	5.20%
ٹیکسیشن کے بعد (تقصان)		(16,905)	(24,275)
نیٹ سبیر (تقصان)	Basic & diluted (Rs.)	(0.89)	(1.27)

رواں مالی سال کی پہلی سہ ماہی کی فروخت آمدنی گذشتہ مالی سال کی فروخت آمدنی 558,583 ملین روپے سے زیادہ ہو کر 582,947 ملین روپے ہو گئی ہے۔ جبکہ پہلی سہ ماہی کے احتتام پر صافی نقصان 24.275 ملین روپے سے کم ہو کر 16.905 ملین روپے ہو گیا ہے۔ جو کہ پیداواری لاگت کوختی سے کنٹرول کے نتیجے میں ہے۔

زیر جائزہ مدت کے دوران کمپنی نے تمام عملیاتی معیارات کی تکمیل کرتے ہوئے گذشتہ مالی سال کی پہلی سہ ماہی میں پیدا ہونے والے 53,035 میگا واٹ آوزرزی نسبتاً 58,250 میگا واٹ آوزر پیدا کیے۔

مالی سال 18-2017ء میں کمپنی کا منافع بہت حد تک فرنس آئل اور قدرتی گیس/مائع قدرتی گیس کی مناسب قیمتوں پر فراہمی پر منحصر ہے تاکہ اپنے موجودہ بجلی صارفین کے ساتھ نئے بجلی صارفین کو مناسب قیمت پر بجلی فراہم کرنے کے لیے متوجہ کر سکے۔

کمپنی لوڈ کی ڈیمانڈ کو بڑھانے کے لیے تمام ضروری اقدامات کر رہی ہے جس میں موجودہ بجلی صارفین کے ساتھ قریبی روابط، ممکنہ بجلی صارفین کے ساتھ بات چیت، موجودہ بجلی صارفین کو زیرو ریٹنگ (Zero Rating Facility) مہیا کرنے، مچھرا کے اپ فرنٹ ٹیرف ڈفرمنیشن (Upfront Tariff Determination on RFO & Gas) برائے فرنس آئل اور گیس کے پراسس میں بھرپور شمولیت کرے تاکہ اس کمپنی کو عرصہ دراز تک منافع بخش اور ترقیاتی طریقے پر چلایا جاسکے۔

ہم اپنے تمام سٹیک ہولڈر، خصوصاً ہمارے بینک اور سپلائرز (Suppliers) کی مسلسل تہ دل سے حمایت پر ان کے قدردان ہیں، ہم کمپنی کے تمام عملے کی سخت محنت اور لگن پر ان کے مشکور ہیں۔

بجلم بورڈ



جاوید اقبال
چیف ایگزیکٹو آفیسر

فیصل آباد
30 اکتوبر 2017ء

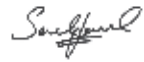
Condensed Interim Balance Sheet (Un-Audited) As at September 30, 2017

	(Un-audited) September 30, 2017	(Audited) June 30, 2017		(Un-audited) September 30, 2017	(Audited) June 30, 2017
Note Rupees in '000' Rupees in '000'	
SHARE CAPITAL AND RESERVES			NON-CURRENT ASSETS		
Authorised capital 300,000 ordinary shares of Rs. 10/- each	300,000	300,000	Property, plant and equipment	1,593,179	1,597,706
Issued, subscribed and paid up capital	190,920	190,920	Investment property	31,532	32,341
Capital reserve - share premium	143,190	143,190	Investment in subsidiary	49,995	49,995
Revenue reserves			Long term deposits	1,347	1,347
General reserve	970,000	970,000		1,676,053	1,681,389
Unappropriated profit	633,895	650,800			
	1,938,005	1,954,910			
NON-CURRENT LIABILITIES					
Long term financing	-	-			
Liabilities against assets subject to finance lease	2,609	2,461			
	2,609	2,461			
CURRENT LIABILITIES			CURRENT ASSETS		
Trade and other payables	693,231	747,659	Stores, spares and loose tools	282,391	277,916
Interest / mark up payable	29,909	29,367	Stock of oil and lubricants	130,021	263,302
Short term bank borrowings	1,116,147	1,036,617	Trade debts	843,027	749,630
Current portion of:			Loans and advances	621,993	591,957
Liabilities against assets subject to finance lease	1,818	2,595	Deposits and prepayments	42,499	33,674
Provision for taxation - income tax	-	-	Other receivables	41,454	41,679
	1,841,105	1,816,238	Tax refunds due from Government	72,293	71,581
			Cash and bank balances	71,988	62,481
				2,105,666	2,092,220
CONTINGENCIES AND COMMITMENTS					
	-	-			
	3,781,719	3,773,609		3,781,719	3,773,609

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

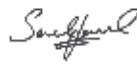
Condensed Interim Profit and Loss Account (Un-Audited) For the First Quarter ended September 30, 2017

		Quarter ended September 30, 2017	Quarter ended September 30, 2016
	Note Rupees in '000'	
Sales - net	5	582,947	558,583
Cost of generation	6	543,772	529,529
Gross profit		39,175	29,054
Other operating income		4,263	531
		43,438	29,585
Operating expenses		29,150	25,898
Finance cost		31,193	27,962
		60,343	53,860
(Loss) for the period before taxation		(16,905)	(24,275)
Provision for taxation		-	-
(Loss) for the period		(16,905)	(24,275)
(Loss) per share - Basic and diluted		(0.89)	(1.27)

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

**Condensed Interim Statement of Comprehensive Income (Un-Audited)
For the First Quarter ended September 30, 2017**

	Quarter ended September 30, 2017	Quarter ended September 30, 2016
 Rupees in '000'	
(Loss) for the period	(16,905)	(24,275)
Other comprehensive income for the period	-	-
Total comprehensive (loss) for the period	(16,905)	(24,275)

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

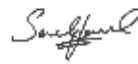
Condensed Interim Cash Flow Statement (Un-Audited) For the First Quarter ended September 30, 2017

	Quarter ended September 30, 2017	Quarter ended September 30, 2016
..... Rupees in '000'		
a) CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) for the period before taxation	(16,905)	(24,275)
Adjustments for :		
Depreciation of property, plant and equipment	10,024	8,374
Depreciation of investment property	809	-
Provision for staff retirement benefits	738	765
Gain on disposal of		
Property, plant and equipment	(2,583)	-
Finance cost	31,193	27,962
Operating cash flows before working capital changes	23,276	12,826
Changes in working capital		
(Increase) / Decrease in current assets		
Stores, spares and loose tools	(4,475)	(8,900)
Stock of oil and lubricants	133,281	(13,247)
Trade debts	(93,397)	(55,986)
Loans and advances	(30,793)	(92,361)
Deposits and prepayments	(8,825)	(14,995)
Other receivables	224	-
Tax refund due from government- Sales tax	(712)	-
(Decrease) / Increase in current liabilities		
Trade and other payables	(53,185)	(35,603)
	(57,882)	(221,092)
Cash (used in) operating activities	(34,606)	(208,266)
Income tax paid	(757)	(1,844)
Staff retirement benefits paid	(466)	(753)
Finance cost paid	(30,651)	(27,685)
Net cash (used in) operating activities	(66,480)	(238,548)
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	(15,815)	(7,360)
Proceeds from disposal of :		
Property, plant and equipment	12,900	-
Net cash (used in) investing activities	(2,915)	(7,360)
c) CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of:		
Liabilities against assets subject to finance lease	(628)	(1,118)
Increase in short term bank borrowings - net	79,530	58,182
Net cash generated from financing activities	78,902	57,064
Net increase / (decrease) in cash and cash equivalents (a+b+c)	9,507	(188,844)
Cash and cash equivalents at the beginning of the period	62,481	318,648
Cash and cash equivalents at the end of the period	71,988	129,804

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

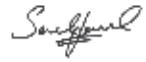
Condensed Interim Statement of Changes in Equity (Un-Audited) For the First Quarter ended September 30, 2017

	Issued, subscribed and paid up capital	Capital reserve Share premium	Revenue reserve			Total
			General reserve	Unappropriated profit	Sub total	
Balance as at July 01, 2016	190,920	143,190	920,000	835,546	1,755,546	2,089,656
Total comprehensive (loss) for the period						
(Loss) for the period	-	-	-	(24,275)	(24,275)	(24,275)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	(24,275)	(24,275)	(24,275)
Balance as at September 30, 2016	190,920	143,190	920,000	811,271	1,731,271	2,065,381
Transaction with owners						
Dividend for the year ended June 30, 2016 : Rs.2/- per share	-	-	-	(38,184)	(38,184)	(38,184)
Transferred to general reserve	-	-	50,000	(50,000)	-	-
Total comprehensive (loss) for the period						
(Loss) for the period	-	-	-	(72,287)	(72,287)	(72,287)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	(72,287)	(72,287)	(72,287)
Balance as at June 30, 2017	190,920	143,190	970,000	650,800	1,620,800	1,954,910
Total comprehensive (loss) for the period						
(Loss) for the period	-	-	-	(16,905)	(16,905)	(16,905)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	(16,905)	(16,905)	(16,905)
Balance as at September 30, 2017	190,920	143,190	970,000	633,895	1,603,895	1,938,005

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

**Selected Explanatory Notes to the
Condensed Interim Financial Information (Un-audited)
For The First Quarter Ended September 30, 2017**

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 and is listed on Pakistan Stock Exchange Limited. The main object of the Company is generation and distribution of electricity. The registered office of the Company is situated at 601-602 Business Centre, Mumtaz Hasan Road, Karachi in the province of Sindh. The project is located at Tehsil Jaranwala, District Faisalabad in the province of Punjab.
- 1.2** The Company is implementing expansion project comprising electricity generation capacity of 21 MW.
- 1.3** This condensed interim financial information is presented in Pak Rupee, which is the Company's functional and presentation currency.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

- 2.1.1** This condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where the requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.
- 2.1.2** This condensed interim financial information is unaudited and is being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984.
- 2.1.3** This condensed interim financial information does 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, 2017.

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, amendments and International Financial Reporting Interpretations Committee (IFRIC) interpretations that became effective during the period and are mandatory for accounting periods of the Company beginning on or after July 01, 2017 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, 2017.

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, 2017 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, 2017.

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, 2017.

2.5 Estimates, judgments and risk management policies

2.5.1 The preparation of condensed interim financial information 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 financial information are the same as those disclosed in the published audited financial statements for the year ended June 30, 2017.

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, 2017.

3. CONTINGENCIES AND COMMITMENTS

Contingencies

There are no significant changes in contingent liabilities since the date of published audited financial statements for the year ended June 30, 2017.

	September 30, 2017 (Un-Audited)	June 30, 2017 (Audited)
Note	----- Rupees in '000' -----	

Commitments

Under letters of credit for stores and spares	5,633	3,550
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4. Property, plant and equipment

Operating assets	4.1	939,152	943,679
Capital work in progress		140,602	140,602
Non-operating land		513,425	513,425
		1,593,179	1,597,706

4.1 Operating fixed assets

Book value at beginning of period / year		943,679	1,011,050
Add: Addition during the period / year	4.1.1	15,815	3,516
Less: Transfer / disposal during the period / year		(10,317)	(35,092)
Depreciation charge during the period / year		(10,025)	(35,795)
		939,152	943,679

4.1.1 Additions to operating fixed assets, during the period / year were as follow

Electric appliances	326	341
Furniture and fixture	-	59
Office equipment	72	36
Vehicles	15,417	3,080
	15,815	3,516

	Quarter ended September 30, 2017	Quarter September 30, 2016
	----- Rupees in '000' -----	
5. Sales - net		
Electricity	661,829	648,558
Steam	4,076	9,839
	665,905	658,397
Less: Sales tax	(79,158)	(95,678)
	586,747	562,719
Less: Electricity duty	(3,800)	(4,136)
	<u>582,947</u>	<u>558,583</u>
6. Cost of generation		
Cost of fuel, oil and lubricants	295,329	373,944
Cost of gas	199,517	98,688
Salaries and wages and benefits	18,978	19,116
Staff retirement benefits	490	475
Stores, spares and loose tools	13,023	22,402
Insurance	1,527	1,605
Repairs and maintenance	2,894	3,243
Depreciation	8,001	6,403
Other	4,013	3,653
	<u>543,772</u>	<u>529,529</u>

7. 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, directors, key management personnel and post employment benefit plan. Significant transactions with related parties are as follows:-

Relationship with the Company	Nature of transaction	Quarter ended September 30, 2017	Quarter ended September 30, 2016
		----- Rupees in '000' -----	
Associated undertakings	Sales	27,782	25,394
Provident fund	Contribution for the period	739	766

8. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial report was authorised for issue on October 30, 2017 by the Board of Directors of the Company.

9. GENERAL

- 9.1** 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.
- 9.2** There is no unusual item included in this condensed interim financial report which is affecting liabilities, assets, profit, cash flows or equity of the Company.
- 9.3** Figures have been rounded off to the nearest thousand of Rupees.



CHIEF EXECUTIVE OFFICER



DIRECTOR

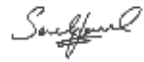
Condensed Interim Consolidated Balance Sheet (Un-Audited) As at September 30, 2017

	(Un-audited) September 30, 2017	(Audited) June 30, 2017	(Un-audited) September 30, 2017	(Audited) June 30, 2017
Note Rupees in '000' Rupees in '000'	
SHARE CAPITAL AND RESERVES				
Authorised capital 30,000,000 ordinary shares of Rs. 10/- each	300,000	300,000		
Issued, subscribed and paid up capital	190,920	190,920		
Capital reserve - share premium	143,190	143,190		
Revenue reserves				
General reserve	970,000	970,000		
Unappropriated profit	630,345	647,557		
	1,934,455	1,951,667		
Non-controlling interest	7	7		
	1,934,462	1,951,674		
NON-CURRENT LIABILITIES				
Long term financing	-	-		
Liabilities against assets subject to finance lease	2,609	2,461		
	2,609	2,461		
CURRENT LIABILITIES				
Trade and other payables	694,487	748,914		
Interest / mark up payable	29,909	29,367		
Short term bank borrowings	1,116,147	1,036,617		
Current portion of:				
Liabilities against assets subject to finance lease	1,818	2,595		
Provision for taxation - income tax	-	-		
	1,842,361	1,817,493		
CONTINGENCIES AND COMMITMENTS				
	-	-		
	3,779,432	3,771,628		
NON-CURRENT ASSETS				
Property, plant and equipment	1,589,659	1,594,186		
Investment property	31,532	32,341		
Long term deposits	1,347	1,347		
	1,622,538	1,627,874		
CURRENT ASSETS				
Stores, spares and loose tools	282,391	277,916		
Stock	529,998	663,278		
Investment Property	63,403	63,403		
Trade debts	843,027	749,630		
Loans and advances	173,344	173,713		
Deposits and prepayments	42,499	33,674		
Other receivables	41,454	43,179		
Tax refunds due from Government	73,345	72,633		
Cash and bank balances	107,433	66,328		
	2,156,894	2,143,754		
	3,779,432	3,771,628		

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

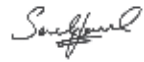
Condensed Interim Consolidated Profit and Loss Account (Un-Audited) For the First Quarter ended September 30, 2017

		Quarter ended September 30, 2017	Quarter ended September 30, 2016
	Note Rupees in '000'	
Sales - net	5	582,947	558,583
Cost of generation and sales	6	543,772	529,529
Gross profit		39,175	29,054
Other operating income		4,263	531
		43,438	29,585
Operating expenses		29,455	26,195
Finance cost		31,194	27,962
		60,649	54,157
(Loss) for the period before taxation		(17,211)	(24,572)
Provision for taxation		-	-
(Loss) for the period		(17,211)	(24,572)
Attributable to:			
Shareholders of the Parent		(17,211)	(24,572)
Non-controlling interest		-	-
		(17,211)	(24,572)
(Loss) per share - Basic and diluted		(0.90)	(1.29)

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

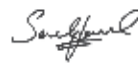
**Condensed Interim Consolidated Statement of Comprehensive Income (Un-Audited)
For the First Quarter ended September 30, 2017**

	Quarter ended September 30, 2017	Quarter ended September 30, 2016
 Rupees in '000'	
(Loss) for the period	(17,211)	(24,572)
Other comprehensive income for the period	-	-
Total comprehensive (loss) for the period	(17,211)	(24,572)
Attributable to:		
Shareholders of the Parent	(17,211)	(24,572)
Non-controlling interest	-	-
	(17,211)	(24,572)

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

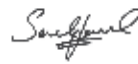
Condensed Interim Consolidated Cash Flow Statement (Un-Audited) For the First Quarter ended September 30, 2017

	Quarter ended September 30, 2017	Quarter ended September 30, 2016
..... Rupees in '000'		
a) CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) for the period before taxation	(17,211)	(24,572)
Adjustments for :		
Depreciation of property, plant and equipment	10,025	8,375
Depreciation of investment property	809	-
Provision for staff retirement benefits	738	765
Gain on disposal of :		
Property, plant and equipment	(2,583)	-
Finance cost	31,193	27,962
Operating cash flows before working capital changes	22,971	12,530
Changes in working capital		
(Increase) / Decrease in current assets		
Stores, spares and loose tools	(4,475)	(8,900)
Stocks	133,281	(13,247)
Trade debts	(93,397)	(55,986)
Loans and advances	1,111	107,821)
Deposits and prepayments	(8,825)	(14,995)
Other receivables	224	-
Tax refund due from government- Sales tax	(712)	-
(Decrease) / Increase in current liabilities		
Trade and other payables	(53,186)	(35,502)
	(25,979)	(236,451)
Cash (used in) operating activities	(3,008)	(223,921)
Income tax paid	(757)	(1,844)
Staff retirement benefits paid	(466)	(753)
Finance cost paid	(30,651)	(27,685)
Net cash (used in) operating activities	(34,882)	(254,203)
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	(15,815)	(7,360)
Proceeds from disposal of :		
Property, plant and equipment	12,900	-
Net cash (used in) investing activities	(2,915)	(7,360)
c) CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of:		
Liabilities against assets subject to finance lease	(628)	(1,118)
Increase in short term bank borrowings - net	79,530	58,182
Net cash generated from financing activities	78,902	57,064
Net increase / (decrease) in cash and cash equivalents (a+b+c)	41,105	(204,499)
Cash and cash equivalents at the beginning of the period	66,328	348,098
Cash and cash equivalents at the end of the period	107,433	143,599

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

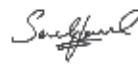
Condensed Interim Consolidated Statement of Changes in Equity (Un-Audited) For the First Quarter ended September 30, 2017

	Capital and reserves					Total	Non-Controlling Interest
	Issued, subscribed and paid up capital	Capital Reserve	Revenue Reserves				
		Share Premium	General Reserve	Unappropriated profit	Sub total		
----- Rupees -----							
Balance as at July 01, 2016	190,920	143,190	920,000	832,205	1,752,205	2,086,315	7
Total comprehensive (loss) for the period							
(Loss) for the period	-	-	-	(24,572)	(24,572)	(24,572)	-
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	(24,572)	(24,572)	(24,572)	-
Balance as at September 30, 2016	190,920	143,190	920,000	807,633	1,727,633	2,061,743	7
Transaction with owners							
Final dividend for the year ended June 30, 2016 : Rs. 2/- per share	-	-	-	(38,184)	(38,184)	(38,184)	-
Transferred to general reserve	-	-	50,000	(50,000)	-	-	-
Total comprehensive (loss) for the period							
(Loss) for the period	-	-	-	(71,893)	(71,893)	(71,893)	-
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	(71,893)	(71,893)	(71,893)	-
Balance as at June 30, 2017	190,920	143,190	970,000	647,556	1,617,556	1,951,666	7
Total comprehensive (loss) for the period							
(Loss) for the period	-	-	-	(17,211)	(17,211)	(17,211)	-
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	(17,211)	(17,211)	(17,211)	-
Balance as at September 30, 2017	190,920	143,190	970,000	630,345	1,600,345	1,934,455	7

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

Selected Explanatory Notes to the Condensed Interim Consolidated Financial Information (Un-Audited) For The First Quarter Ended September 30, 2017

1. GROUP STATUS AND ACTIVITIES

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

1.2 The Parent is incorporated in Pakistan as a public limited company under the Companies Ordinance, 1984 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 Companies Ordinance, 1984. The principal activities of the Subsidiary is trading in textile goods / machinery and real estate business. The registered office of the Subsidiary is situated at 601-602 Business centre, Mumtaz Hasan Road, Karachi in the province of Sindh.

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

2. BASIS OF CONSOLIDATION

The financial statements of the Parent and Subsidiary are combined on a line by line basis. The financial statements of the Subsidiary are consolidated from the date on which more than 50% voting rights are transferred to or power to control the Subsidiary is established and are excluded from consolidation from the date of disposal or reduction of control.

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance

3.1.1 This condensed interim consolidated financial information has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where the requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

3.1.2 This condensed interim consolidated financial information is unaudited but subject to limited scope review by auditors and is being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984.

3.1.3 This condensed interim consolidated financial information does 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, 2017.

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, amendments and International Financial Reporting Interpretations Committee (IFRIC) interpretations that became effective during the period and are mandatory for accounting periods of the Company beginning on or after July 01, 2017 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, 2017.

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, 2017 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, 2017.

3.3 Basis of preparation

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

3.4 Accounting policies and methods of computation

The accounting policies and methods of computation adopted in the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of the published audited consolidated financial statements for the year ended June 30, 2017.

3.5 Estimates, judgments and risk management policies

3.5.1 The preparation of consolidated financial information 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 information are the same as those disclosed in the published audited consolidated financial statements for the year ended June 30, 2017.

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, 2017.

4. CONTINGENCIES AND COMMITMENTS

Contingencies

There are no significant changes in contingent liabilities since the date of published audited financial statements for the year ended June 30, 2017.

	September 30, 2017 (Un-Audited)	June 30, 2017 (Audited)
Note	----- Rupees in '000' -----	

Commitments

Under letters of credit for stores and spares	5,633	3,550
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5. Property, plant and equipment

Operating assets	5.1	939,152	943,679
Capital work in progress		140,602	140,602
Non-operating land		513,425	513,425
		1,593,179	1,597,706

5.1 Operating fixed assets

Book value at beginning of period / year		943,679	1,011,050
Add: Addition during the period / year	5.1.1	15,815	3,516
Less: Transfer / disposal during the period / year		(10,317)	(35,092)
Depreciation charge during the period / year		(10,025)	(35,795)
		939,152	943,679

September 30, 2017 (Un-Audited)	June 30, 2017 (Audited)
----- Rupees in '000' -----	

**5.1.1 Additions to operating fixed assets,
during the period / year were as follow**

Electric appliances	326	341
Furniture and fixture	-	59
Office equipment	72	36
Vehicles	15,417	3,080
	<u>15,815</u>	<u>3,516</u>

Quarter ended September 30, 2017	Quarter September 30, 2016
----- Rupees in '000' -----	

6. Sales - net

Electricity	661,829	648,558
Steam	4,076	9,839
	665,905	658,397
Less: Sales tax	(79,158)	(95,678)
	586,747	562,719
Less: Electricity duty	(3,800)	(4,136)
	<u>582,947</u>	<u>558,583</u>

7. Cost of generation

Cost of fuel, oil and lubricants	295,329	373,944
Cost of gas	199,517	98,688
Salaries and wages and benefits	18,978	19,116
Staff retirement benefits	490	475
Stores, spares and loose tools	13,023	22,402
Insurance	1,527	1,605
Repairs and maintenance	2,894	3,243
Depreciation	8,001	6,403
Other	4,013	3,653
	<u>543,772</u>	<u>529,529</u>

8. 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, directors, key management personnel and post employment benefit plan. Significant transactions with related parties are as follows:-

Relationship with the Company	Nature of transaction	Quarter ended	Quarter ended
		September 30, 2017	September 30, 2016
		----- Rupees in '000' -----	
Associated undertakings	Sales	27,782	25,394
Provident fund	Contribution for the period	739	766

9. DATE OF AUTHORISATION FOR ISSUE

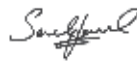
This condensed interim consolidated financial information was authorised for issue on October 30, 2017 by the Board of Directors of the Group.

10. GENERAL

- 10.1** 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.
- 10.2** There is no unusual item included in this condensed interim consolidated financial information which is affecting liabilities, assets, profit, cash flows or equity of the Group.
- 10.3** Figures have been rounded off to the nearest thousand of Rupees except earning per share which is in Rupees.



CHIEF EXECUTIVE OFFICER



DIRECTOR



If undelivered please return to:

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