



**Sitara Energy Limited**

**Quarterly Report  
March 31, 2017 (Un-Audited)**





## Sitara Energy Limited

Company Information	02
Director Report	03
Balance Sheet	05
Profit and Loss Account	06
Statement of Comprehensive Income	07
Cash Flow Statement	08
Statement of Changes in Equity	09
Notes to Financial Statement	10

## Consolidated Accounts (Sitara Energy Ltd and Its Subsidiary Company)

Consolidated Balance Sheet	14
Consolidated Profit and Loss Account	15
Consolidated Statement of Comprehensive Income	16
Consolidated Cash Flow Statement	17
Consolidated Statement of Changes in Equity	18
Consolidated Notes to Financial Statement	19

## Company Information

### 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**

1st Floor, 40-C, Block-6,  
P.E.C.H.S, Karachi - 75400.  
UAN : +92 (21) 111-000-322  
Ph: +92 (21) 34168270  
Fax: +92 (21) 34168271

### 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, alongwith its subsidiary, for the third quarter ended March 31, 2017.

### Operational Financial Results:

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

Financial Highlights	July – March 2017	July – March 2016
	Rupees in thousand	Rupees in thousand
Sales – net	<b>1,505,413</b>	2,200,460
Cost of generation	<b>1,422,191</b>	1,963,444
Gross profit	<b>83,222</b>	237,016
Gross profit ratio to revenue	<b>5.53%</b>	10.77%
(Loss) / profit after tax	<b>(83,726)</b>	91,981
(Loss) / earnings per share – Basic & diluted (Rs.)	<b>(4.39)</b>	4.82

The sales of the Company during the nine months of the current financial year decreased to Rs. 1,505.413 Million as compared with Rs. 2,200.460 Million during the nine months of last financial year due to lower load demand by Bulk Power Consumers (BPCs). The main reason of lower demand is higher price of RFO and LNG as compared to nine months of the last financial year. During the period under review, power plant generated 142,782 MWh of electricity by complying with all the operating standards as compared with 227,264 MWh generated during the nine months of the last financial year.

The management of the Company is pursuing all the possible opportunities to increase the load demand from the existing BPCs as well as connecting fresh BPCs including establishment of a new project, as an additional BPC, within the group. In this respect two (2) BPCs, with the due support of the Company, have been able to get Zero Rating Facility from FBR and efforts are in process to extend such facility to more BPCs which will attract more load from SEL being comparable facility with DISCO. In addition, the management is taking the requisite measures to ensure efficiency in operation and reduction in cost leading to economical and viable operations.

The combined effect of the aforesaid measures will result in the increase in load demand and viable operation of the Company in the foreseeable future.

The profitability of the Company during the last quarter of the current financial year 2016-17 will largely depends upon the implementation status of the aforesaid measures and availability of Natural Gas / LNG & RFO at viable price to remain competitive and the growth of the industrial sector in the area of supply.

We extend our gratitude to all our stakeholders for their continued support and the management & staff for their dedication in work in the larger interest of the Company.

By order of the board



Javed Iqbal  
Chief Executive Officer

Faisalabad:  
April 24, 2017

ستارہ انرجی کا بورڈ آف ڈائریکٹرز تیسری سہ ماہی 31 مارچ 2017ء کی ملخص عبوری مالیاتی معلومات، بعد ازاں ذیلی ادارے کی معلومات پیش کرتے ہوئے خوشی محسوس کر رہا ہے۔

عملیاتی مالی نتائج:

گزشتہ سال کے نومبر کے مقابلے میں رواں مالی سال کے نومبر کے مالیاتی نتائج حسب ذیل ہیں۔

مالیاتی اعداد و شمار		
جولائی-مارچ 2016ء	جولائی-مارچ 2017ء	
پاکستانی روپے ہزاروں میں	پاکستانی روپے ہزاروں میں	
2,200,460	1,505,413	فروخت آمدنی
1,963,444	1,422,191	پیداواری لاگت
237,016	83,222	مجموعی منافع
10.77%	5.53%	آمدنی میں مجموعی منافع کا تناسب
91,981	(83,726)	ٹیکسیشن کے بعد (نقصان)/منافع
4.82	(4.39)	نیٹ سبزر (نقصان)/آمدنی Basic & diluted (Rs.)

رواں مالی سال کے نومبر کی فروخت آمدنی گزشتہ مالی سال کے نومبر کی فروخت آمدنی 2,200,460 ملین روپے سے کم ہو کر 1,505,413 ملین روپے ہو گئی ہے۔ جسکی وجہ سے بڑے بجلی صارفین (BPCs) کی طرف سے کم لوڈ کی طلب ہے۔ طلب میں کمی کی بڑی وجہ فرنس آئل اور گیس کی قیمتوں میں نسبتاً گزشتہ مالیاتی سال کے نومبر کے مقابلے میں اضافہ ہے۔ زیر جائزہ مدت کے دوران کمپنی نے تمام عملیاتی معیارات کی تکمیل کرتے ہوئے گزشتہ مالی سال کے نومبر میں 227,264 میگا واٹ آورز کی نسبتاً 142,782 میگا واٹ آورز پیدا کئے۔

کمپنی کی انتظامیہ بجلی کی طلب میں اضافے کیلئے تمام ممکنہ مواقع سے استفادہ حاصل کرنے کے لئے بہترین کوشش کر رہی ہے۔ انتظامیہ کی کوشش ہے کہ موجودہ بڑے بجلی صارفین کی طلب میں بھی اضافہ ہو اور ساتھ ساتھ نئے بجلی صارفین، جس میں گروپ کے اندر، بطور اضافی BPCs، ایک نئے منصوبے کے قیام سے لوڈ کی طلب میں اضافہ ہو۔ اس ضمن میں دو بڑے بجلی صارفین کو کمپنی کی مدد سے سٹارٹ اپ کیا گیا ہے اور کمپنی کوشش کر رہی ہے کہ باقی صارفین کو بھی یہ منتہی مل جائے۔ اس سے ان کی بجلی کی طلب میں اضافہ ہوگا۔ کیونکہ کمپنی ہذا کی بجلی کی قیمت بجلی فراہم کرنے والے دوسرے اداروں کی بجلی کی قیمت کے قریب آجائے گی۔ اس کے علاوہ انتظامیہ بجلی کی پیداوار بڑھانے اور خرچے کو کم کرنے کے لئے اقدامات کر رہی ہے جس سے کافی بچت ہوگی اور کمپنی ایک نفع والی کمپنی بن جائے گی۔

ان تمام اقدامات کے نتیجے میں کمپنی سے بجلی کی طلب بڑھے گی اور مستقبل میں کمپنی نفع بھی کمائے گی۔

مالی سال 2016-17 کی آخری سہ ماہی کے منافع کا انحصار درج بالا اقدامات کے نفاذ اور قدرتی گیس ابلت اور فرنس آئل کی مناسب قیمت پر دستیابی اور علاقہ میں صنعتی ترقی پر منحصر ہے۔

ہم اپنے تمام سٹیک ہولڈرز اور انتظامیہ و عملہ کی ادارہ کے مفاد میں دلچسپی اور سخت محنت پر ان کے دل و جان سے مشکور ہیں۔

بکرم بورڈ



جاوید اقبال

چیف ایگزیکٹو آفیسر

فیصل آباد

24 اپریل 2017ء

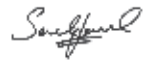
**SITARA ENERGY LIMITED**  
**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)**  
**AS AT MARCH 31, 2017**

	(Un-audited) March 31, 2017	(Audited) June 30, 2016		(Un-audited) March 31, 2017	(Audited) June 30, 2016
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>		
Authorised capital 30,000,000 ordinary shares of Rs. 10/- each.	300,000	300,000	Property, plant and equipment	1,641,145	1,657,401
			Investment in subsidiary	49,995	49,995
			Long term deposits	1,347	1,347
				1,692,487	1,708,743
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	920,000			
Unappropriated profit	663,636	835,545			
	1,967,746	2,089,655			
<b>NON-CURRENT LIABILITIES</b>					
Long term financing	-	-			
Liabilities against assets subject to finance lease	3,746	5,673			
	3,746	5,673			
<b>CURRENT LIABILITIES</b>			<b>CURRENT ASSETS</b>		
Trade and other payables	506,899	462,022	Stores, spares and loose tools	272,662	252,832
Interest / mark up payable	28,819	26,127	Stock of oil and lubricants	108,988	55,046
Short term bank borrowings	988,681	771,874	Trade debts	1,057,015	862,430
Current portion of			Loans and advances	325,717	246,439
Long term financing	200,000	200,000	Deposits and prepayments	38,108	36,138
Liabilities against assets subject to finance lease	2,893	4,304	Other receivables	39,679	39,679
Provision for taxation - income tax	-	-	Tax refunds due from Government	57,730	39,700
	1,727,292	1,464,327	Cash and bank balances	106,398	318,648
				2,006,297	1,850,912
<b>CONTINGENCIES AND COMMITMENTS</b>					
	-	-			
	3,698,784	3,559,655		3,698,784	3,559,655

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

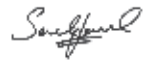
**SITARA ENERGY LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2017**

		Nine month ended		Quarter ended	
		March 31,		March 31,	
		2017	2016	2017	2016
		----- Rupees in '000' -----			
	<b>Note</b>				
Sales - net	5	1,505,413	2,200,460	482,516	637,241
Cost of generation	6	1,422,191	1,963,444	460,004	575,788
Gross profit		83,222	237,016	22,512	61,453
Other income		2,016	14,045	581	13,113
		85,238	251,061	23,093	74,566
Operating expenses		82,888	74,384	26,842	26,850
Other operating expense		-	4,841	-	1,088
Finance cost		86,076	79,855	29,522	25,538
		168,964	159,080	56,364	53,476
(Loss) / profit for the period before taxation		(83,726)	91,981	(33,271)	21,090
Provision for taxation	9.1	-	-	-	-
(Loss) / profit for the period		(83,726)	91,981	(33,271)	21,090
(Loss) / earnings per share -		(4.39)	4.82	(1.74)	1.10
		Basic and diluted (Rupees)			

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

**SITARA ENERGY LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2017**

	Nine month ended		Quarter ended	
	March 31,		March 31,	
	2017	2016	2017	2016
	----- Rupees in '000' -----			
(Loss) / profit for the period	(83,726)	91,981	(33,271)	21,090
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / income for the period	(83,726)	91,981	(33,271)	21,090

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



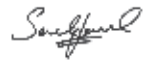
**SITARA ENERGY LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2017**

	Nine month ended March 31,	
	2017	2016
	Rupees in '000'	
<b>a) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) / profit for the period before taxation	(83,726)	91,981
Adjustments for :		
Depreciation of property, plant and equipment	24,694	82,772
Provision for staff retirement benefits	2,272	2,245
(Gain) on disposal of:		
Property, plant and equipment	-	(254)
Non operating land	-	(12,330)
Finance cost	86,076	79,855
Operating cash flows before working capital changes	29,316	244,269
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(19,830)	19,457
Stock of oil and lubricants	(53,942)	(27,361)
Trade debts	(194,585)	(56,687)
Loans and advances	(80,958)	(87,787)
Deposits and prepayments	(1,970)	(41,209)
Other receivables	-	(17,590)
Tax refunds due from Government	(12,495)	-
Increase in current liabilities		
Trade and other payables	44,334	29,116
	(319,446)	(182,061)
Cash (used in) / generated from operating activities	(290,130)	62,208
Staff retirement benefits paid	(2,257)	(1,951)
Finance cost paid	(83,384)	(84,327)
Income tax paid	(3,855)	(2,590)
Net cash (used in) operating activities	(379,626)	(26,660)
<b>b) CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions in property, plant and equipment	(8,438)	(45,822)
Proceeds from disposal of:		
Property, plant and equipment	-	5,460
Non operating land	-	92,200
Addition in long term deposits	-	(633)
Net cash (used in) / generated from investing activities	(8,438)	51,205
<b>c) CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of:		
Liabilities against assets subject to finance lease	(3,338)	(1,842)
Increase in short term bank borrowings - net	216,807	8,456
Dividend paid	(37,655)	(23,567)
Net cash generated from / (used in) financing activities	175,814	(16,953)
Net (decrease) / increase in cash and cash equivalents (a+b+c)	(212,250)	7,592
Cash and cash equivalents at the beginning of the period	318,648	38,938
Cash and cash equivalents at the end of the period	106,398	46,530

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

**SITARA ENERGY LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2017**

	Issued, subscribed and paid up capital	Capital reserve  Share premium	Revenue reserve			Total
			General reserve	Unappropriated profit	Sub total	
----- Rupees -----						
Balance as at July 01, 2015 - (Audited)	190,920	143,190	920,000	696,991	1,616,991	1,951,101
Transaction with owners:						
Dividend for the year ended						
June 30, 2015: Rs. 1.25/- per share	-	-	-	(23,865)	(23,865)	(23,865)
Total comprehensive income for the period						
Profit for the period	-	-	-	91,981	91,981	91,981
Other comprehensive income	-	-	-	-	-	-
	-	-	-	91,981	91,981	91,981
Balance as at March 31, 2016 - (Un-audited)	190,920	143,190	920,000	765,107	1,685,107	2,019,217
Total comprehensive income for the period						
Profit for the period	-	-	-	70,439	70,439	70,439
Other comprehensive income	-	-	-	-	-	-
	-	-	-	70,439	70,439	70,439
Balance as at June 30, 2016 - (Audited)	190,920	143,190	920,000	835,546	1,755,546	2,089,656
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 income for the period						
(Loss) for the period	-	-	-	(83,726)	(83,726)	(83,726)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	(83,726)	(83,726)	(83,726)
Balance as at March 31, 2017 - (Un-audited)	190,920	143,190	970,000	663,636	1,633,636	1,967,746

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

**SITARA ENERGY LIMITED**  
**SELECTED EXPLANATORY NOTES TO THE**  
**CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 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. 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, 2016.

**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, 2016 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, 2016.

**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, 2016.

### 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, 2016.

### 2.5 Estimates, judgments and risk management policies

**2.5.1** The preparation of this condensed 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, 2016.

**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, 2016.

## 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, 2016 .

		(Un-Audited) March 31, 2017	(Audited) June 30, 2016
Note	----- Rupees in '000' -----		
<b>Commitments</b>			
	Under letters of credit for stores and spares	6,968	18,787
<b>4. Property, plant and equipment</b>			
	Operating assets	986,619	1,011,050
	Capital work in progress	139,026	139,026
	Non-operating land	515,500	507,325
		<u>1,641,145</u>	<u>1,657,401</u>

		(Un-Audited) March 31, 2017	(Audited) June 30, 2016
Note		Rupees in '000'	
<b>4.1 Operating fixed assets</b>			
		1,011,050	1,034,372
		264	78,288
	4.1.1	-	(5,639)
		(24,695)	(95,971)
		<u>986,619</u>	<u>1,011,050</u>
<b>4.1.1 Additions to operating assets, during the period / year were as follow</b>			
		-	42,400
		-	10,000
		90	178
		-	102
		34	340
		140	25,268
		<u>264</u>	<u>78,288</u>

	Nine months ended March 31,		Quarter ended March 31,	
	2017	2016	2017	2016
Note	(Rupees in '000')			

**5. Sales - net**

Electricity	1,732,899	2,580,074	548,483	742,639
Steam	30,524	30,876	10,451	10,798
	1,763,423	2,610,950	558,934	753,437
Less: Sales tax	(247,753)	(389,323)	(73,330)	(109,442)
	1,515,670	2,221,627	485,604	643,995
Less: Electricity duty	(10,257)	(21,167)	(3,088)	(6,754)
	<u>1,505,413</u>	<u>2,200,460</u>	<u>482,516</u>	<u>637,241</u>

**6. Cost of generation**

Cost of gas, oil and lubricants	6.1	1,266,866	1,718,391	400,979	487,835
Salaries, wages and benefits		53,736	55,331	17,831	18,578
Retirement benefits		1,422	1,428	474	473
Stores, spares and loose tools		57,082	87,616	24,784	27,802
Insurance		4,691	4,122	1,556	1,399
Repairs and maintenance		9,056	9,795	3,175	3,417
Depreciation		18,743	76,120	7,679	32,824
Other		10,595	10,641	3,526	3,460
		<u>1,422,191</u>	<u>1,963,444</u>	<u>460,004</u>	<u>575,788</u>

Nine months ended		Quarter ended	
March 31,		March 31,	
2017	2016	2017	2016
----- (Rupees in '000') -----			

### 6.1 Cost of gas, oil and lubricants

Gas	271,113	521,479	138,964	105,877
Oil and lubricants	995,753	1,196,912	262,015	381,958
	<u>1,266,866</u>	<u>1,718,391</u>	<u>400,979</u>	<u>487,835</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, key management personnel and post employment benefit plan. Significant transactions with related parties are as follows:-

Relationship with the Company	Nature of transaction	Nine months ended	
		March 31, 2017	2016
----- Rupees in '000' -----			
Subsidiary	Loan given	87,000	-
	Loan received	7,600	-
Associated undertakings	Sales	82,136	59,144
Key management personnel	Remuneration	19,425	14,827
Provident fund	Contribution for the period	2,272	2,245

### 8. Date of Authorisation for Issue

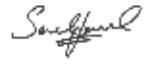
This condensed interim financial information was authorised for issue on April 24, 2017 by the Board of Directors of the Company.

### 9. General

- 9.1** No provision for taxation has been made in this condensed Interim financial information as the profits and gains derived by the Company from electric power generation project are exempt from levy of Income tax under clause (132) of Part-I and clause 11A (v) of Part-IV of the Second Schedule to the Income Tax Ordinance, 2001.
- 9.2** There is no unusual item included in this condensed interim financial information which is affecting equity, liabilities, assets, profit, comprehensive income or cash flows of the Company.
- 9.3** Figures have been rounded off to the nearest thousand of Rupees except earnings per share which is in Rupees.



CHIEF EXECUTIVE OFFICER



DIRECTOR

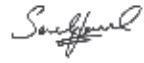
**SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY  
CONDENSED INTERIM CONSOLIDATED BALANCE SHEET  
AS AT MARCH 31, 2017**

	(Un-audited) March 31, 2017	(Audited) June 30, 2016		(Un-audited) March 31, 2017	(Audited) June 30, 2016
	Note ..... Rupees in '000' .....			Note ..... Rupees in '000' .....	
<b>SHARE CAPITAL AND RESERVES</b>			<b>NON-CURRENT ASSETS</b>		
Authorised capital 30,000,000 ordinary shares of Rs. 10/- each	300,000	300,000	Property, plant and equipment	5 1,637,624	1,653,883
			Long term deposits	1,347	1,347
				1,638,971	1,655,230
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	920,000			
Unappropriated profit	659,970	832,205			
	1,964,080	2,086,315			
Non-controlling interest	5	6			
	1,964,085	2,086,321			
<b>NON - CURRENT LIABILITIES</b>			<b>CURRENT ASSETS</b>		
Long term financing	-	-	Stores, spares and loose tools	272,662	252,832
Liabilities against assets subject to finance lease	3,746	5,673	Stocks	6 207,169	110,926
	3,746	5,673	Investment property	63,403	63,403
			Trade debts	1,057,015	862,430
<b>CURRENT LIABILITIES</b>			Loans and advances	7 187,508	148,221
Trade and other payables	507,482	463,120	Deposits and prepayments	38,108	36,138
Interest / mark up payable	28,819	26,127	Other receivables	39,679	39,679
Short term bank borrowings	988,681	771,874	Tax refunds due from Government	58,782	40,462
Current portion of			Cash and bank balances	132,409	348,098
Long term financing	200,000	200,000		2,056,735	1,902,189
Liabilities against assets subject to finance lease	2,893	4,304			
Provision for taxation - income tax	-	-			
	1,727,875	1,465,425			
<b>CONTINGENCIES AND COMMITMENTS</b>					
	4 -	-			
	3,695,706	3,557,419		3,695,706	3,557,419

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

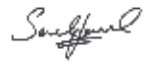
**SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY**  
**CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2017**

	Note	Nine month ended		Quarter ended	
		March 31,		March 31,	
		2017	2016	2017	2016
		Rupees in '000'			
Sales - net	8	1,505,413	2,216,320	482,516	653,101
Cost of generation and sales	9	1,422,191	1,978,667	460,004	591,011
Gross profit		83,222	237,653	22,512	62,090
Other income		2,016	14,045	581	13,113
		85,238	251,698	23,093	75,203
Operating expenses		83,214	75,350	27,168	27,203
Other operating expenses		-	4,841	-	1,088
Finance cost		86,076	79,857	29,522	25,539
		169,290	160,048	56,690	53,830
(Loss) / profit for the period before taxation		(84,052)	91,650	(33,597)	21,373
Provision for taxation	12.1	-	-	-	-
(Loss) / profit for the period		(84,052)	91,650	(33,597)	21,373
Attributable to:					
Shareholders of the Parent		(84,051)	91,651	(33,597)	21,373
Non-controlling interest		(1)	(1)	-	-
		(84,052)	91,650	(33,597)	21,373
(Loss) / earnings per share - Basic and diluted					
Attributable to shareholders of the Parent (Rupees)		(4.40)	4.80	(1.76)	1.12

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



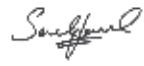
**SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2017**

	Nine month ended		Quarter ended	
	March 31,		March 31,	
	2017	2016	2017	2016
	----- Rupees in '000' -----			
(Loss) / profit for the period	(84,052)	91,650	(33,597)	21,373
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / income for the period	(84,052)	91,650	(33,597)	21,373
Attributable to:				
Shareholders of the Parent	(84,051)	91,651	(33,597)	21,374
Non-controlling interest	(1)	(1)	-	(1)
	(84,052)	91,650	(33,597)	21,373

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

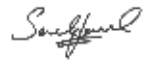
**SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY**  
**CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2017**

	Nine month ended	
	March 31,	
	2017	2016
	Rupees in '000'	
<b>a) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) / profit for the period before taxation	(84,052)	91,650
Adjustments for:		
Depreciation of property, plant and equipment	24,697	82,775
Provision for staff retirement benefits	2,272	2,245
(Gain) on disposal of:		
Property, plant and equipment	-	(254)
Non operating land	-	(12,330)
Finance cost	86,076	79,856
Operating cash flows before working capital changes	28,993	243,942
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(19,830)	19,457
Stocks	(96,243)	(38,971)
Trade debts	(194,585)	(56,687)
Loans and advances	(121,035)	(143,787)
Deposits and prepayments	(1,970)	(41,209)
Other receivables	-	(17,590)
Tax refunds due from Government	(12,785)	-
Increase in current liabilities		
Trade and other payables	123,886	103,565
	(322,562)	(175,222)
Cash (used in) / generated from operating activities	(293,569)	68,720
Staff retirement benefits paid	(2,257)	(1,951)
Finance cost paid	(83,384)	(84,328)
Income tax paid	(3,855)	(2,590)
Net cash (used in) operating activities	(383,065)	(20,149)
<b>b) CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions in property, plant and equipment	(8,438)	(45,822)
Proceeds from disposal of:		
Property, plant and equipment	-	5,460
Non operating land	-	92,200
Addition in long term deposits	-	(633)
Net cash (used in) / generated from investing activities	(8,438)	51,205
<b>c) CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of:		
Liabilities against assets subject to finance lease	(3,338)	(1,842)
Increase in short term bank borrowings - net	216,807	8,456
Dividend paid	(37,655)	(23,567)
Net cash generated from / (used in) financing activities	175,814	(16,953)
Net (decrease) / increase in cash and cash equivalents (a+b+c)	(215,689)	14,103
Cash and cash equivalents at the beginning of the period	348,098	44,340
Cash and cash equivalents at the end of the period	132,409	58,443

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

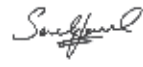
**SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2017**

	Issued, subscribed and paid up capital	Capital reserve Share premium	Revenue reserve			Total	Non controlling interest
			General reserve	Unappropriated profit	Sub total		
Balance as at July 01, 2015 - (Audited)	190,920	143,190	920,000	694,858	1,614,858	1,948,968	7
Transaction with owners:							
Dividend for the year ended							
June 30, 2015 : Rs.1.25/- per share	-	-	-	(23,865)	(23,865)	(23,865)	-
Total comprehensive income for the period							
Profit for the period	-	-	-	91,650	91,650	91,650	(1)
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	91,650	91,650	91,650	(1)
Balance as at March 31, 2016 - (Un-audited)	190,920	143,190	920,000	762,643	1,682,643	2,016,753	6
Total comprehensive income for the period							
Profit for the period	-	-	-	69,562	69,562	69,562	-
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	69,562	69,562	69,562	-
Balance as at June 30, 2016 - (Audited)	190,920	143,190	920,000	832,205	1,752,205	2,086,315	6
Transaction with owners:							
Dividend for the year ended							
June 30, 2016 : Rs. 2/- per share	-	-	-	(38,184)	(38,184)	(38,184)	-
Transfer to general reserves	-	-	50,000	(50,000)	-	-	-
Total comprehensive income for the period							
Profit for the period	-	-	-	(84,051)	(84,051)	(84,051)	(1)
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	(84,051)	(84,051)	(84,051)	(1)
Balance as at March 31, 2017 - (Un-audited)	190,920	143,190	970,000	659,970	1,629,970	1,964,080	5

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

**SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY  
SELECTED EXPLANATORY NOTES TO THE  
CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2017**

**1. Group Status and Activities**

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

The Parent is incorporated in Pakistan as a public limited company under the Companies Ordinance, 1984 and is listed on Pakistan Stock Exchange. The main object of the Parent is generation and distribution of electricity. The registered office of the Parent is situated at 601-602 Business centre, Mumtaz Hasan Road, Karachi, in the province of Sindh. The project is located at Tehsil Jaranwala, District Faisalabad in the province of Punjab.

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

- 1.2** This condensed interim consolidated financial information is presented in Pak Rupee, which is the Group's functional and presentation currency.

**2. Basis of Consolidation**

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

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

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

**3. Significant Accounting Policies**

**3.1 Statement of compliance**

**3.1.1** 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 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, 2016.

### **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, 2016 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, 2016.

#### **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, 2016.

### **3.3 Basis of preparation**

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

### **3.4 Accounting policies and methods of computation**

The accounting policies and methods of computation adopted in the preparation of 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, 2016.

### **3.5 Estimates, judgments and risk management policies**

**3.5.1** The preparation of this condensed 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, 2016.

**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, 2016.

#### 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, 2016.

		(Un-Audited) March 31, 2017	(Audited) June 30, 2016
	Note	----- Rupees in '000' -----	
<b>Commitments</b>			
Under letters of credit for stores and spares		6,968	18,787
Under agreement for purchase of land		93,491	93,491
<b>5. Property, Plant and Equipment</b>			
Operating assets	5.1	986,650	1,011,083
Capital work in progress		139,026	139,026
Non-operating land		511,948	503,774
		<u>1,637,624</u>	<u>1,653,883</u>
<b>5.1 Operating fixed assets</b>			
Book value at beginning of period / year		1,011,083	1,034,409
Add: Addition during the period / year	5.1.1	264	78,288
Less: disposal during the period / year		-	(5,639)
Depreciation charge during the period / year		(24,697)	(95,975)
		<u>986,650</u>	<u>1,011,083</u>
<b>5.1.1 Additions to operating fixed assets, including transfer from capital work in progress, during the period / year were as follow</b>			
Building on freehold land		-	42,400
Plant and machinery		-	10,000
Electric appliances		90	178
Furniture and fixture		-	102
Office equipment		34	340
Vehicles		140	25,268
		<u>264</u>	<u>78,288</u>

	Note	(Un-Audited)	(Audited)
		March 31, 2017	June 30, 2016
		Rupees in '000'	
<b>6. Stocks</b>	6.1	207,169	110,926
<b>6.1</b>	It includes advance of Rs 39.7 million to associated undertaking for purchase of land.		
<b>7. Loans and advances</b>	7.1	187,508	148,221
<b>7.1</b>	It includes advance of Rs. 147.7 million for purchase of land through associated undertakings for development project under joint venture arrangement.		

	Note	Nine months ended		Quarter ended	
		March 31, 2017	2016	March 31, 2017	2016
		(Rupees in '000')			
<b>8. Sales - net</b>					
Electricity		1,732,898	2,580,074	548,482	742,639
Steam		30,524	30,876	10,451	10,798
		1,763,422	2,610,950	558,933	753,437
Less: Sales tax		(247,753)	(389,323)	(73,330)	(109,442)
		1,515,669	2,221,627	485,603	643,995
Less: Electricity duty		(10,257)	(21,167)	(3,088)	(6,754)
		1,505,413	2,200,460	482,516	637,241
Land		-	15,860	-	15,860
		1,505,413	2,216,320	482,516	653,101

**9. Cost of generation and sales**

Cost of generation	9.1	1,422,191	1,963,444	460,004	575,788
Cost of sales - land		-	15,223	-	15,223
		1,422,191	1,978,667	460,004	591,011

**9.1 Cost of generation**

Cost of fuel, oil, gas and lubricants	1,266,866	1,718,391	400,979	487,835
Salaries, wages and benefits	53,736	55,331	17,831	18,578
Retirement benefits	1,422	1,428	474	473
Stores, spares and loose tools	57,082	87,616	24,784	27,802
Insurance	4,691	4,122	1,556	1,399
Repairs and maintenance	9,056	9,795	3,175	3,417
Depreciation	18,743	76,120	7,679	32,824
Other	10,595	10,641	3,526	3,460
	1,422,191	1,963,444	460,004	575,788

Nine months ended March 31,		Quarter ended March 31,	
2017	2016	2017	2016
----- (Rupees in '000') -----			

### 9.1.1 Cost of gas, oil and lubricants

Gas	271,113	521,479	138,964	105,877
Oil and lubricants	995,753	1,196,912	262,015	381,958
	<u>1,266,866</u>	<u>1,718,391</u>	<u>400,979</u>	<u>487,835</u>

## 10. 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:-

Relationship with the Company	Nature of transaction	Nine months ended March 31,	
		2017	2016
----- Rupees in '000' -----			
Associated undertakings	Sales	82,136	59,144
	Advance for purchase of land	39,700	-
Key management personnel	Remuneration	19,425	14,827
Provident fund	Contribution for the period	2,272	2,245

## 11. DATE OF AUTHORISATION FOR ISSUE

This condensed interim consolidated financial information was authorised for issue on April 24, 2017 by the Board of Directors of the Parent.

## 12. GENERAL

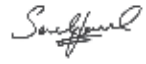
**12.1** No provision for taxation has been made in this condensed Interim consolidated financial information as the profits and gains derived by the Company from electric power generation project are exempt from levy of Income tax under clause (132) of Part-I and clause 11A (v) of Part-IV of the Second Schedule to the Income Tax Ordinance, 2001.

**12.2** There is no unusual item included in this condensed interim consolidated financial information which is affecting equity, liabilities, assets, profit, comprehensive income or cash flows of the Group.

**12.3** 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:

**Sitara Energy Limited**

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

Tel: 021-32420620-32413944

Fax: 021-32415452

