



Quarterly Report September, 2024 (Unaudited)

SITARA ENERGY LIMITED

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Sitara Energy Limited

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(Sitara Energy Ltd and Its Subsidiary Company)

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COMPANY INFORMATION

BOARD OF DIRECTORS

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

CHIEF FINANCIAL OFFICER

Mr. Ijaz A. Babar - FCA

COMPANY SECRETARY

Mr. Mazhar Ali Khan

LEGAL ADVISOR

Sahibzada Muhammad Arif

SHARE REGISTRAR

THK Associates (Private) Limited
Plot No. 32-C, Jami Commercial Street 2,
D.H.A. Phase VII, Karachi
UAN : +92 (21) 111-000-322
E-mail: aa@thk.com.pk

REGISTERED OFFICE

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

PLANT

33 K.M., Sheikhupura Road, Faisalabad

AUDIT COMMITTEE

Mr. Shahid Hameed Sheikh (Chairman)
Mr. Sheikh Javaid Islam
Mr. Tahir Ibrahim

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Mubashir Ahmed Zareen (Chairman)
Mr. Javed Iqbal
Ms. Haniah Javed

AUDITORS

RSM Avais Hyder Liaquat Nauman
(Chartered Accountants)

BANKERS

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

WEB SITE

http://www.sitara.pk

DIRECTORS' REPORT

The Board of Directors of Sitara Energy Limited (the Company) is pleased to present their report together with the Condensed Interim Financial Information and its subsidiary for the first quarter ended September 30, 2024.

Financial Results:
The financial results for the first quarter of the current financial year, in comparison with the first quarter of the last financial year, are as under: -

Financial Highlights	**July – September 2024**	July – September 2023
	Rupees in thousand	
Sales – net	**57,416**	7,902
Cost of generation	**64,080**	25,162
Gross (loss)	**(6,664)**	(17,260)
(Loss) after tax	**(50,934)**	(68,036)
(Loss) per share – Basic & diluted (Rs.)	**(2.67)**	(3.56)

The sales revenue of the Company increased to Rs. 57.416 Mln during the first quarter of the current financial year in comparison with Rs. 7.902 Mln during the first quarter of the last financial year due to occasional demand by our Bulk Power Consumers (BPCs). Accordingly, gross loss reduced to Rs. 6.664 Mln during the first quarter of the current financial year in comparison with gross loss of Rs. 17.260 Mln during the first quarter of the last financial year.

Resultantly, the net loss for the first quarter of the current financial year decreased to Rs. 50.934 Mln in comparison with Rs 68.036 Mln during the first quarter of the last financial year due to rescheduling of financing facilities at cost of fund and dividend received on investment in mutual funds.

The profitability of the Company for the remaining period of current financial year 2024-25 will depends upon viable prices of fuels and competitiveness of tariff to our BPCs. Moreover, the Company is adding solar power plant in its generation facilities and will continue its addition during succeeding period subject to conducive regulatory frame work.

We extend our heartiest gratitude to all our lenders and suppliers for their continuous support in difficult time and dedicated work by the management and all the employees in the larger interest of the Company.

By order of the board

Javed Iqbal
Chief Executive Officer

Sheikh Javaid Islam
Director

Faisalabad
October 30, 2024

ڈائریکٹرز رپورٹ

ستارہ انرجی لمیٹڈ کا بورڈ آف ڈائریکٹرز اور اُس کے ذیلی ادارے کی پہلی سہ ماہی 30 ستمبر 2024ء کی ملخص عبوری مالیاتی معلومات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

مالی نتائج:

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

مالیاتی اعداد و شمار	جولائی - ستمبر 2024ء	جولائی - ستمبر 2023ء
	پاکستانی روپے ہزاروں میں	
فروخت آمدنی	**57,416**	7,902
پیداواری لاگت	**64,080**	25,162
مجموعی نقصان	**(6,664)**	(17,260)
ٹیکسیشن کے بعد (نقصان)	**(50,934)**	(68,036)
فی شئر نقصان (Basic and Diluted)	**(2.67)**	(3.56)

رواں مالی سال کی پہلی سہ ماہی کی فروخت آمدنی بڑھ کر 57.416 ملین روپے ہوگئی ہے۔ جبکہ اس کے مقابلہ میں گذشتہ مالی سال کی فروخت آمدنی 7.902 ملین روپے تھی۔ اسکی بڑی وجہ بلک پاور کنزومرز (BPCs) کی طرف سے کبھی کبھار طلب ہے۔ اس کے مطابق کمپنی کا مجموعی نقصان کم ہوکر 6.664 ملین روپے ہوگیا ہے۔ جبکہ اس کے مقابلہ میں گذشتہ مالی سال کی پہلی سہ ماہی میں 17.260 ملین روپے تھا۔

رواں مالی سال کی پہلی سہ ماہی نتیجتاً صافی نقصان کم ہوکر 50.934 ملین روپے ہوگیا ہے۔ جو کہ گذشتہ مالی سال کی پہلی سہ ماہی میں 68.036 ملین روپے تھا۔ اس کی بڑی وجہ کاسٹ آف فنڈ کی بنیاد پر ری شیڈیولنگ اور میوچل فنڈ میں سرمایا کاری پر حاصل ہونے والے منافع کی وجہ سے ہے۔

مالی سال 25-2024ء کے بقیہ عرصے کا منافع کا انحصار بہت حد تک مناسب قیمتوں پر فیول کی فراہمی اور ہمارے بلک پاور کنزومرز (BPCs) کے ٹیرف کی مسابقت پر ہوگا۔ مذید براں کمپنی اپنی پیداواری سہولت میں سولر پاور پلانٹ کا اضافہ کر رہی ہے۔ اور سازگار ریگولیٹری فریم ورک کے تحت آنے والی مدت کے دوران اس کا اضافہ جاری رکھے گی۔

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

بحکم بورڈ

جاوید اقبال
چیف ایگزیکٹو آفیسر

جاوید اسلام
ڈائریکٹر

فیصل آباد
30 اکتوبر 2024ء

Sitara Energy Limited
Condensed Interim Statement of Financial Position (Unaudited)
As at September 30, 2024

	Note	(Un-audited) September 30, 2024	(Audited) June 30, 2024
		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	3	786,714	837,648
		1,120,824	1,171,758
NON-CURRENT LIABILITIES			
Long term financing	4	242,023	258,854
Deferred interest / markup		249,039	234,379
		491,062	493,233
CURRENT LIABILITIES			
Trade and other payables		785,623	856,593
Unclaimed dividend		3,703	3,703
Interest / mark up payable		394,846	376,069
Short term bank borrowings		431,656	431,656
Current portion of:			
Long term financing		141,517	160,065
Provision for taxation - income tax		29,637	26,982
		1,786,982	1,855,068
CONTINGENCIES AND COMMITMENTS	5	-	-
		3,398,868	3,520,059

	Note	(Un-audited) September 30, 2024	(Audited) June 30, 2024
		Rupees in '000'	
NON-CURRENT ASSETS			
Property, plant and equipment	6	699,895	662,725
Investment property	7	1,342,124	1,348,281
Investment in subsidiary		50,000	50,000
Long term loan		1,000	1,000
Long term deposits		1,511	1,511
		2,094,530	2,063,517
CURRENT ASSETS			
Stores, spares and loose tools		286,986	307,689
Stock of oil and lubricants	8	127,623	130,725
Trade debts		497,414	497,612
Loans and advances		8,287	7,236
Deposits and prepayments		34,530	33,590
Other receivables		113,859	131,345
Tax refunds due from Government		58,581	58,528
Short term investment		10,870	256
Cash and bank balances	9	166,188	289,561
		1,304,338	1,456,542
		3,398,868	3,520,059

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

Chief Executive Officer | Director | Chief Financial Officer

Sitara Energy Limited
Condensed Interim Statement of Profit or Loss Account (Unaudited)
For The First Quarter Ended September 30, 2024

	Note	Quarter ended September 30, 2024	Quarter ended September 30, 2023
		---------- Rupees in '000'----------	
Sales - net	10	57,416	7,902
Cost of generation	11	64,080	25,162
Gross loss		(6,664)	(17,260)
Other income		10,900	1,877
		4,236	(15,383)
Operating expenses		19,051	10,261
Finance cost		33,444	41,986
		52,495	52,247
(Loss) for the period before income tax and final tax		(48,259)	(67,630)
Levies		2,045	-
(Loss) for the period before income tax		(50,304)	(67,630)
Provision for taxation		630	406
(Loss) for the period		(50,934)	(68,036)
(Loss) per share - Basic and diluted - Rs		(2.67)	(3.56)

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

Chief Executive Officer | Director | Chief Financial Officer

Sitara Energy Limited
Condensed Interim Statement of Comprehensive Income (Unaudited)
For The First Quarter Ended September 30, 2024

	Quarter ended September 30, 2024	Quarter ended September 30, 2023
	----------Rupees in '000'----------	
(Loss) for the period	(50,934)	(68,036)
Other comprehensive income for the period	-	-
Total comprehensive (loss) for the period	(50,934)	(68,036)

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

Chief Executive Officer | Director | Chief Financial Officer

Sitara Energy Limited
Condensed Interim Statement of Changes in Equity (Unaudited)
For The First Quarter Ended September 30, 2024

	Issued, subscribed and paid up capital	Capital reserve	Revenue reserve			Total
		Share premium	General reserve	Unappropriated (loss)	Sub total	
	----------Rupees in '000'----------					
Balance as at July 01, 2023	190,920	143,190	970,000	(174,343)	795,657	1,129,767
Total comprehensive (loss) for the period						
(Loss) for the period	-	-	-	(68,036)	(68,036)	(68,036)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	(68,036)	(68,036)	(68,036)
Balance as at September 30, 2023	190,920	143,190	970,000	(242,379)	727,621	1,061,731
Total comprehensive (loss) for the period						
Profit for the period	-	-	-	110,027	110,027	110,027
Other comprehensive income	-	-	-	-	-	-
	-	-	-	110,027	110,027	110,027
Balance as at June 30, 2024	190,920	143,190	970,000	(132,352)	837,648	1,171,758
Total comprehensive (loss) for the period						
(Loss) for the period	-	-	-	(50,934)	(50,934)	(50,934)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	(50,934)	(50,934)	(50,934)
Balance as at September 30, 2024	190,920	143,190	970,000	(183,286)	786,714	1,120,824
	-	-		-		-

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

Chief Executive Officer | Director | Chief Financial Officer

Sitara Energy Limited
Condensed Interim Statement of Cash Flow Statement (Unaudited)
For The First Quarter Ended September 30, 2024

	Quarter ended September 30, 2024	Quarter ended September 30, 2023
	----------Rupees in '000'----------	
a) CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) for the period before taxation	(48,259)	(67,630)
Adjustments for :		
Depreciation of property, plant and equipment	3,554	3,284
Depreciation of investment property	6,156	475
Provision for staff retirement benefits	273	252
Dividend income	(8,180)	-
Finance cost	33,444	41,986
Operating cash flows before working capital changes	(13,012)	(21,633)
Changes in working capital		
(Increase) / Decrease in current assets		
Stores, spares and loose tools	20,703	154
Stock of oil and lubricants	3,102	17,359
Trade debts	198	178,784
Loans and advances	(885)	(869)
Deposits and prepayments	(940)	(3,226)
Other receivables	17,486	70,926
Sales Tax refunds due from government	(53)	4,702
Increase in current liabilities		
Trade and other payables	(70,987)	6,500
	(31,376)	274,330
Cash (used in) / generated from operating activities	(44,388)	252,697
Income tax paid	(186)	(14)
Staff retirement benefits paid	(256)	(221)
Finance cost paid	(6)	(174)
Net cash (used in) / generated from operating activities	(44,836)	252,288
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	(40,724)	(43)
Additions in investment Property	-	(250,000)
Additions in short term investment	(10,614)	-
Dividend Income	8,180	-
Net cash (used in) investing activities	(43,158)	(250,043)
c) CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of:		
Long term financing	(35,379)	(7,192)
Net cash (used in) financing activities	(35,379)	(7,192)
Net (decrease) in cash and cash equivalents (a+b+c)	(123,373)	(4,947)
Cash and cash equivalents at the beginning of the period	289,561	303,403
Cash and cash equivalents at the end of the period	166,188	298,456

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

Chief Executive Officer | Director | Chief Financial Officer

1. STATUS AND ACTIVITIES

1.1 Sitara Energy Limited (the Company) is incorporated in Pakistan as a public limited Company under the Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act 2017 on May 30, 2017) and is listed on Pakistan stock exchange. The main object of the Company is generation and distribution of electricity. The registered office of the Company is situated at 601-602 Business Centre, Mumtaz Hasan Road, Karachi in the province of Sindh. The project is located at Tehsil Jaranwala, District Faisalabad in the province of Punjab.

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

1.3 The Company is suffering operational losses only due to unviable prices of RLNG and furnace oil which remained higher during the current financial year as well. The average price of furnace oil remained higher in comparison with last financial year while average prices of RLNG was slightly higher than last financial year. The Company has suffered loss of Rs. 50,933,660 during the period, due to lower demand & adverse market conditions.

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

Our company is moving gradually towards viability in the succeeding years and will be able to 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 do not include all the information required for complete set of financial statements, and should be read in conjunction with the Company's published audited financial statements for the year ended June 30, 2024.

2.2 Application of new and revised International Financial Reporting Standards (IFRSs)

2.2.1 Standards, amendments to standards and interpretations becoming effective in current year

There are other new standards, amendments and IFRIC interpretations that are mandatory for accounting periods of the Company beginning on or after July 01, 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, 2024.

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, 2024.

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, 2024.

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, 2024.

	Note	(Un-audited) September 30, 2024	(Audited) June 30, 2024
		---------- Rupees in '000' ----------	
3. REVENUE RESERVES			
General reserve		970,000	970,000
Unappropriated profit			
Opening balance		(132,352)	(174,343)
Total comprehensive (loss) / proft for the period / year		(50,934)	41,991
		(183,286)	(132,352)
		786,714	837,648
4. Long term financing			
Secured			
From banking company			
Under mark up arrangement			
Term finance	4.1	43,748	72,916
Demand finance	4.2	222,577	289,701
Diminishing Musharakah	4.3	152,594	152,594
		418,919	515,211
Less: Paid during period/year		(35,379)	(96,292)
		383,540	418,919
Less: Current portion			
Instalment due		-	(18,550)
Payable within one year		(141,517)	(141,515)
		(141,517)	(160,065)
		242,023	258,854

4.1 It represents the re-structuring of short term - Term finance. It is secured against first exclusive charge over fixed assets of the company. It is further secured against first joint charge over current assets of the company ranking pari passu with the charges created in respect of diminishing musharakah, demand finance and running finances in short term borrowings and also by personal guarantee of chief executive of the company.

It is subject to mark up at the fixed rate of 4.76% per annum (2023: 4.76%per annum). Interest/markup past due till the date of re-structuring, along with future accrued markup is repayable in four equal quarterly installments commencing from March 31, 2026 and ending on December 31, 2026.

Effective mark up rate charged during the period is 4.76% per annum (2023: 4.76% per annum).

4.2 It represents the re-structuring of short term - running finance. It is secured against specific charge over investment property owned by the company and its wholly owned subsidiary. It is further secured against first joint charge over current assets of the company ranking pari passu with the charges created in respect of diminishing musharakah, term finance and running finances in short term borrowings, first ranking charge over fixed assets, and by personal guarantees of two directors of the company.

It is subject to mark up at the fixed rate of 17.26% 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 17.26 % per annum.

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

It is subject to mark up at the fixed rate of 13.07% 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 September 15, 2028 and ending on December 15, 2028.

Effective rate of mark up charged during the period is 13.07 % per annum.

5. 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, 2024.

	Note	(Un-audited) September 30, 2024	(Audited) June 30, 2024
		---------- Rupees in '000' ----------	
COMMITMENTS			
Against installation of solar panels		2,753	4,703

6. Property, plant and equipment

Operating assets	6.1	623,903	627,458
Capital work in progress		59,492	18,767
Advance for purchase of land		16,500	16,500
		699,895	662,725
6.1 Operating fixed assets			
Book value at beginning of period / year		627,458	629,478
Add: Addition during the period / year	6.1.1	-	16,434
Depreciation charge during the period / year		(3,554)	(18,454)
		623,903	627,458
6.1.1 Additions to operating fixed assets, during the period / year were as follow			
Furniture and fixtures		-	100
Office equipment and appliances		-	124
Vehicles		-	16,210
		-	16,434

	Note	(Un-audited) September 30, 2024	(Audited) June 30, 2024
		---------- Rupees in '000' ----------	
7. Investment property			
Cost		296,204	46,204
Addition in investment property		-	250,000
Accumulated depreciation		(56,104)	(49,947)
		240,100	246,257
Freehold land		1,102,024	384,767
Addition in freehold land		-	809,518
Disposals of freehold land		-	(92,261)
		1,102,024	1,102,024
		1,342,124	1,348,281
7.1 Reconciliation of written down value for the period / year			
Book value at beginning of period / year		1,348,281	403,756
Addition in investment property / Building on free hold land		-	1,059,518
Disposals of freehold land		-	(92,261)
Depreciation charged during the period / year		(6,157)	(22,732)
		1,342,124	1,348,281
8. Stock of oil and lubricants			
Furnace oil			
In hand		23,324	28,625
In transit		92,789	92,789
Diesel oil		6,127	6,617
Lube oil		5,329	2,640
Waste		54	54
		127,623	130,725

	Quarter ended September 30, 2024	Quarter ended September 30, 2023
	---------- Rupees in '000' ----------	
9. Cash and bank balances		
Cash in hand	135,447	17,572
Cash at banks		
In current accounts	30,741	280,884
	166,188	298,456
10. Sales - net		
Electricity	68,428	9,417
Less: Sales tax	(10,438)	(1,436)
	57,990	7,981
Less: Electricity duty	(574)	(79)
	57,416	7,902

	Quarter ended September 30, 2024	Quarter ended September 30, 2023
	---------- Rupees in '000' ----------	

11. Cost of generation

Cost of oil and lubricants	49,342	13,046
Salaries and wages and benefits	9,095	7,823
Staff retirement benefits	171	143
Stores, spares and loose tools	834	255
Travelling and conveyance	39	33
Vehicles running and maintenance	347	568
Insurance	821	888
Repairs and maintenance	1,208	300
Entertainment	389	159
Depreciation	1,463	1,680
Other	371	267
	64,080	25,162

12. AGGREGATE TRANSACTIONS WITH RELATED PARTIES

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

Name of the related party	Relationship and Percentage	Transactions during the year	Quarter ended September 30, 2024	Quarter ended September 30, 2023
			---------- Rupees in '000' ----------	
Sitara Fabrics Limited	Associated company by virtue of common directorship	Sale of Electricity	3,997	6,544
Sitara Energy Limited Staff Provident Fund Trust	Other related party	Contribution for the period	273	252

13. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial report was authorised for issue on October 30, 2024 by the Board of Directors of the Company.

14. GENERAL

14.1 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.

14.2 There is no unusual item included in this condensed interim financial report which is affecting equity, liabilities, assets, (loss), comprehensive (loss) or cash flows of the Company.

14.3 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

SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT SEPTEMBER 30, 2024

	Note	(Un-audited) September 30, 2024	(Audited) June 30, 2024
		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	4	792,463	843,597
		1,126,573	1,177,707
NON-CURRENT LIABILITIES			
Long term financing	5	242,023	258,854
Deferred interest/markup		249,039	234,379
		491,062	493,233
CURRENT LIABILITIES			
Trade and other payables		911,053	982,024
Unclaimed dividend		3,703	3,703
Interest / mark up payable		394,846	376,068
Short term bank borrowings		431,656	431,656
Current portion of:			
Long term financing		141,517	160,065
Provision for taxation - income tax		36,216	33,561
		1,918,991	1,987,077
CONTINGENCIES AND COMMITMENTS	6	-	-
		3,536,626	3,658,017

	Note	(Un-audited) September 30, 2024	(Audited) June 30, 2024
		Rupees in '000'	
NON-CURRENT ASSETS			
Property, plant and equipment	7	699,909	662,740
Investment property	8	1,322,540	1,328,697
Long term loan		1,000	1,000
Long term deposits		1,511	1,511
		2,024,960	1,993,948
CURRENT ASSETS			
Stores, spares and loose tools		286,986	307,689
Stocks	9	256,169	259,271
Trade debts		538,797	538,994
Loans and advances		42,694	41,843
Deposits and prepayments		34,530	33,590
Other receivables		113,859	131,345
Tax refunds due from Government		60,455	60,403
Short term investment		10,870	256
Cash and bank balances	10	167,306	290,678
		1,511,666	1,664,069
		3,536,626	3,658,017

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

Chief Executive Officer | Director | Chief Financial Officer

SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY
CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS ACCOUNT (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

	Note	Quarter ended September 30, 2024	Quarter ended September 30, 2023
		Rupees in '000'	
Sales - net	11	57,416	7,902
Cost of generation and sales	12	64,280	25,162
Gross (loss)		(6,864)	(17,260)
Other income		10,900	1,877
		4,036	(15,383)
Operating expenses		19,051	10,329
Finance cost		33,444	41,986
		52,495	52,315
(Loss) for the period before income tax and final tax		(48,459)	(67,698)
Levies		2,045	-
(Loss) for the period before income tax		(50,504)	(67,698)
Provision for taxation		630	406
(Loss) for the period		(51,134)	(68,104)
(Loss) per share - Basic and diluted - Rs		(2.68)	(3.57)

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

Chief Executive Officer | Director | Chief Financial Officer

SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

	Quarter ended September 30, 2024	Quarter ended September 30, 2023
	---------- Rupees in '000'----------	
(Loss) for the period	(51,134)	(68,104)
Other comprehensive income for the period	-	-
Total comprehensive (loss) for the period	(51,134)	(68,104)

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

Chief Executive Officer | Director | Chief Financial Officer

SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

	Issued, subscribed and paid up capital	Capital reserve	Revenue reserve			Total
		Share premium	General reserve	Unappropriated (loss)	Sub total	
	----------Rupees in '000'----------					
Balance as at July 01, 2023	190,920	143,190	970,000	(161,228)	808,772	1,142,882
Total comprehensive (loss) for the period						
(Loss) for the period	-	-	-	(68,104)	(68,104)	(68,104)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	(68,104)	(68,104)	(68,104)
Balance as at September 30, 2023	190,920	143,190	970,000	(229,332)	740,668	1,074,778
Total comprehensive (loss) for the period						
Profit for the period	-	-	-	102,929	102,929	102,929
Other comprehensive income	-	-	-	-	-	-
	-	-	-	102,929	102,929	102,929
Balance as at June 30, 2024	190,920	143,190	970,000	(126,403)	843,597	1,177,707
Total comprehensive (loss) for the period						
(Loss) for the period	-	-	-	(51,134)	(51,134)	(51,134)
Other comprehensive income						
	-	-	-	(51,134)	(51,134)	(51,134)
Balance as at September 30, 2024	190,920	143,190	970,000	(177,537)	792,463	1,126,573

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

Chief Executive Officer | Director | Chief Financial Officer

SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOW STATEMENT (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

	Quarter ended September 30, 2024	Quarter ended September 30, 2023
	----------Rupees in '000'----------	
a) CASH FLOWS FROM OPERATING ACTIVITIES		
(loss) for the period before taxation	(48,459)	(67,630)
Adjustments for :		
Depreciation of property, plant and equipment	3,554	3,284
Depreciation of investment property	6,156	475
Provision for staff retirement benefits	273	252
Dividend income	(8,180)	-
Finance cost	33,444	41,986
Operating cash flows before working capital changes	(13,212)	(21,633)
Changes in working capital		
(Increase) / Decrease in current assets		
Stores, spares and loose tools	20,703	154
Stock of oil and lubricants	3,102	17,359
Trade debts	198	178,784
Loans and advances	(885)	(869)
Deposits and prepayments	(940)	(3,226)
Other receivables	17,686	70,926
Sales Tax refunds due from government	(53)	4,702
Increase in current liabilities		
Trade and other payables	(70,986)	6,500
	(31,175)	274,330
Cash (used in) / generated from operating activities	(44,387)	252,697
Income tax paid	(186)	(14)
Staff retirement benefits paid	(256)	(221)
Finance cost paid	(6)	(174)
Net cash (used in) / generated from operating activities	(44,835)	252,288
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	(40,724)	(43)
Additions in investment property	-	(250,000)
Additions in short term investment	(10,614)	-
Dividend income	8,180	-
Net cash (used in) investing activities	(43,158)	(250,043)
c) CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Long term financing	(35,379)	(7,192)
Net cash (used in) financing activities	(35,379)	(7,192)
Net (decrease) in cash and cash equivalents (a+b+c)	(123,372)	(4,947)
Cash and cash equivalents at the beginning of the period	290,678	308,401
Cash and cash equivalents at the end of the period	167,306	303,454

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



Chief Executive Officer



Director



Chief Financial Officer

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 (Repealed with the enactment of the Companies Act 2017 on May 30, 2017) and is listed on Pakistan stock exchange. The main object of the Parent is generation and distribution of electricity. The registered office of the Parent is situated at 601-602 Business Centre, Mumtaz Hasan Road, Karachi, in the province of Sindh. The project is located at Tehsil Jaranwala, District Faisalabad in the province of Punjab.

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

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

1.4 The group is suffering operational losses only due to unviable prices of RLNG and furnace oil which remained higher during the current financial year as well. The average price of furnace oil remained higher in comparison with last financial year while average prices of RLNG was slightly higher than last financial year. The group has suffered loss of Rs. 51,133,660 during the period, due to lower demand & adverse market conditions.

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

The group is moving gradually towards viability in the succeeding years and will be able to 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

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.

3.1.2 These condensed interim financial statements are unaudited as required under section 237 of Companies Act, 2017 and should be read in conjunction with audited annual financial statements of the Company for the year ended June 30, 2024.

3.1.3 These condensed interim consolidated financial statements do not include all the information required for complete set of consolidated financial statements, and should be read in conjunction with the Group's published audited consolidated financial statements for the year ended June 30, 2024.

3.2 Application of new and revised International Financial Reporting Standards (IFRSs)

3.2.1 Standards, amendments to standards and interpretations becoming effective in current period

There are certain new standards, interpretations and amendments to approved accounting standards which are mandatory for the Company's accounting periods beginning on or after July 1, 2024 but are considered not to be relevant or have any significant effect on the Company's financial reporting.

3.2.2 Standards, amendments to standards and interpretations becoming effective in future periods

There are other new standards, amendments and IFRIC interpretations that are mandatory for accounting periods of the Company beginning on or after July 01, 2023 but are considered not to be relevant or not to have any significant effect on the Company's operations. The new standards, amendments and IFRIC interpretations that are relevant to the operations of the Company are disclosed in the published audited financial statements for the year ended June 30, 2022.

3.3 Basis of preparation

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

3.4 Accounting policies and methods of computation

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

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, 2024.

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, 2024.

	(Un-audited) September 30, 2024	(Audited) June 30, 2024
	---------- Rupees in '000' ----------	
4. REVENUE RESERVES		
General reserve	970,000	970,000
Unappropriated profit		
Opening balance	(126,403)	(161,228)
Total comprehensive (loss) / profit for the period /year	(51,134)	34,825
	(177,537)	(126,403)
	792,463	843,597

	Note	(Un-audited) September 30, 2024	(Audited) June 30, 2024
		---------- Rupees in '000' ----------	
5. Long term financing			
Secured - From banking company			
Under mark up arrangement			
Term finance	5.1	43,748	72,916
Demand finance	5.2	222,577	289,701
Diminishing Musharakah	5.3	152,594	152,594
		418,919	515,211
Less: Paid during period/year		(35,379)	(96,292)
		383,540	418,919
Less: Current portion			
Instalment due		-	(18,550)
Payable within one year		(141,517)	(141,515)
		(141,517)	(160,065)
		242,023	258,854

5.1 It represents the re-structuring of short term - Term finance. It is secured against first exclusive charge over fixed assets of the company. It is further secured against first joint charge over current assets of the company ranking pari passu with the charges created in respect of diminishing musharakah, demand finance and running finances in short term borrowings and also by personal guarantee of chief executive of the company.

It is subject to mark up at the fixed rate of 4.76% per annum (2023: 4.76%per annum). Interest/markup past due till the date of re-structuring, along with future accrued markup is repayable in four equal quarterly installments commencing from March 31, 2026 and ending on December 31, 2026.

Effective mark up rate charged during the period is 4.76% per annum (2023: 4.76% per annum).

5.2 It represents the re-structuring of short term - running finance. It is secured against specific charge over investment property owned by the company and its wholly owned subsidiary. It is further secured against first joint charge over current assets of the company ranking pari passu with the charges created in respect of diminishing musharakah, term finance and running finances in short term borrowings, first ranking charge over fixed assets, and by personal guarantees of two directors of the company.

It is subject to mark up at the fixed rate of 17.26% 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 17.26 % per annum.

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

It is subject to mark up at the fixed rate of 13.07% 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 September 15, 2028 and ending on December 15, 2028.

Effective rate of mark up charged during the period is 13.07 % per annum.

6. 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, 2024.

	(Un-audited) September 30, 2024	(Audited) June 30, 2024
	---------- Rupees in '000' ----------	
Commitments		
Against installation of solar panels	2,753	4,703

	Note	(Un-audited) September 30, 2024	(Audited) June 30, 2024
		---------- Rupees in '000' ----------	
7. Property, plant and equipment			
Operating assets	7.1	623,917	627,473
Capital work in progress		59,492	18,767
Advance for purchase of land		16,500	16,500
		699,909	662,740
7.1 Operating fixed assets			
Book value at beginning of period / year		627,473	629,494
Add: Addition during the period / year	7.1.1	-	16,434
Depreciation charge during the period / year		(3,555)	(18,455)
		623,917	627,473
7.1.1 Additions to operating fixed assets, during the period / year were as follow			
Furniture and fixtures		-	100
Office equipment and appliances		-	124
Vehicles		-	16,210
		-	16,434
8. Investment property			
Cost		46,204	46,204
Addition in Investment property		250,000	250,000
Accumulated depreciation		(56,104)	(49,947)
		240,100	246,257
Freehold land		1,082,440	384,767
Addition in Freehold land		-	809,518
Adjustment of unrealized profit		-	(19,584)
Disposals in Freehold land		-	(92,261)
		1,082,440	1,082,440
		1,322,540	1,328,697
8.1 Reconciliation of written down value for the period / year			
Book value at beginning of period / year		1,328,697	403,756
Addition in Investment property / Building on free hold land		-	1,059,518
Adjustment of unrealized profit			(19,584)
Disposals of freehold land		-	(92,261)
Depreciation charged during the period / year		(6,157)	(22,732)
		1,322,540	1,328,697
9. Stock of oil and lubricants			
Furnace oil			
In hand		23,324	28,625
In transit		92,789	92,789
Diesel oil		6,127	6,617
Lube oil		5,329	2,640
Waste		54	54
Land		128,546	128,546
		256,169	259,271

	Note	Quarter ended September 30, 2024	Quarter ended September 30, 2023
		--------- Rupees in '000' ----------	
10. Cash and bank balances			
Cash in hand		135,465	18,390
Cash at banks			
In current accounts		31,841	285,064
		167,306	303,454
11. Sales - net			
Electricity		68,428	9,417
Less: Sales tax		(10,438)	(1,436)
		57,990	7,981
Less: Electricity duty		(574)	(79)
		57,416	7,902
12. Cost of generation and sales			
Cost of generation	12.1	64,080	25,162
Cost of sales- land		200	-
		64,280	25,162
12.1 Cost of generation			
Cost of gas, oil and lubricants		49,342	13,046
Salaries and wages and benefits		9,095	7,823
Staff retirement benefits		171	143
Stores, spares and loose tools		834	255
Travelling and conveyance		39	33
Vehicles running and maintenance		347	568
Insurance		821	888
Repairs and maintenance		1,208	300
Entertainment		389	159
Depreciation		1,463	1,680
Other		371	267
		64,080	25,162

13. AGGREGATE TRANSACTIONS WITH RELATED PARTIES

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

Name of the related party	Relationship and Percentage	Transactions during the year	Quarter ended September 30, 2024	Quarter ended September 30, 2023
			---------- Rupees in '000' ----------	
Sitara Fabrics Limited	Associated company by virtue of common directorship	Sale of Electricity	3,997	6,544
Sitara Energy Limited Staff Provident Fund Trust	Other related party	Contribution for the period	273	252

14. DATE OF AUTHORISATION FOR ISSUE

This condensed interim consolidated financial information was authorised for issue on October 30, 2024 by the Board of Directors of the Group.

15. GENERAL

15.1 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 nill due to current loss during the period.

15.2 There is no unusual item included in this condensed interim consolidated financial information which is affecting equity, liabilities, assets, (loss), comprehensive (loss) or cash flows of the Group.

15.3 Figures have been rounded off to the nearest thousand of Rupees except (loss) per share which is in Rupees.

Chief Executive Officer | Director | Chief Financial Officer

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