



# ***Sitara Energy Limited***

Unaudited 3rd Quarter Accounts 2013



## COMPANY INFORMATION

BOARD OF DIRECTORS	:	Mr. Javed Iqbal	Chairman / Chief Executive
		<b>Directors:</b> Mr. Sarosh Javed Mr. Mukhtar Ahmed Sheikh Mr. Rana M. Arshad Iqbal Mr. Maqbool Ahmed Chaudhry Mrs. Noureen Javed Mrs. Haniah Javed	
AUDIT COMMITTEE	:	Mr. Sarosh Javed Mr. Javed Iqbal Mr. Maqbool Ahmed Chaudhry	Chairman Member Member
CHIEF FINANCIAL OFFICER	:	Mr. Haroon Ahmed Zuberi	
COMPANY SECRETARY	:	Mr. Mazhar Ali Khan	
AUDITORS	:	M/s Avais Hyder Liaquat Nauman Chartered Accountants	
BANKERS	:	Faysal Bank Limited Allied Bank Limited United Bank Limited Bank Alfalah Limited The Bank of Punjab Meezan Bank Limited MCB Islamic Banking National Bank of Pakistan Al-Baraka Bank (Pakistan) Limited Standard Chartered Bank (Pakistan) Limited	
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 Email: secretariat@thk.com.pk	
LEGAL ADVISOR	:	Sahibzada Muhammad Arif	
REGISTERED OFFICE	:	601-602 Business Centre, Mumtaz Hassan Road, Karachi-74000	
PLANT	:	33 K.M., Sheikhpura Road, Faisalabad. Web: www.sitara.pk	



## DIRECTOR'S REPORT

As Salam Alaykom Wa Rahmotouh Allah Wa Barakatouh

The Board of Directors is pleased to present a brief review of operational & financial performance with the consolidated accounts of the company for the period nine months ended March 31, 2013.

### Operational Overview:-

During the nine months plant could not operate on full capacity due to Natural Gas shutdown. The power complex in overall produced 260,972 mwh during the nine months as compared to 238,257 mwh produced during the corresponding period of last year.

The financial results for the nine months and comparative for the same period previous year as reflected in these account show following performance of the company.

	<b>July - March 2013</b>	July - March 2012
	(Rupees in thousands)	
Sales of energy	<b>3,767,449</b>	3,418,118
Sale of steam	<b>86,366</b>	71,362
Cost of generation	<b>3,495,381</b>	3,162,850
Profit after tax	<b>145,093</b>	53,977
Earning per share (Rs.)	<b>7.60</b>	2.83

The Company is supplying electricity to Faisalabad Electric Supply Company "FESCO" on ad-hoc basis as renewal of agreement with FESCO is under review with NEPRA for its approval.

The Board of Directors expresses its appreciation to the financial institutions, customers, FESCO, oil companies for their support in these crises. The Board also acknowledges the dedication of the employees towards the safe, reliable and efficient operations of the plant.

For and on behalf of the Board

Faisalabad:  
April 25, 2013

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**JAVED IQBAL**  
Chief Executive Officer



**SITARA ENERGY LIMITED**  
**CONDENSED INTERIM BALANCE SHEET**  
**AS AT MARCH 31, 2013 (UN-AUDITED)**

March  
31, 2013  
June  
30, 2012  
( Rupees in thousand )

**NON CURRENT ASSETS**

Property, plant and equipment	1,966,789	1,982,368
Investment in subsidiary	49,995	49,995
Long term deposits	717	1,200
	<b>2,017,501</b>	<b>2,033,563</b>

**CURRENT ASSETS**

Stores, spares and loose tools	396,989	379,030
Stock of oils and lubricants	19,988	76,913
Trade Debts	960,554	499,775
Loans and advances	32,108	12,101
Deposits and prepayments	4,961	2,685
Other receivables	-	22,378
Tax refunds due from		
Government - income tax	8,766	5,637
Cash and bank balances	16,821	5,110
	<b>1,440,187</b>	<b>1,003,629</b>

**NON-CURRENT ASSETS**

Classified as held for sale	253,370	253,370
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**LESS: CURRENT LIABILITIES**

Trade and other payables	415,256	263,525
Interest / mark up payable	55,025	57,263
Short term bank borrowings	1,285,090	1,030,968
Current portion of :		
Redeemable capital	155,000	155,000
Liabilities against assets subject to finance lease	1,929	2,190
Provision for taxation-income tax	853	853
	<b>1,913,153</b>	<b>1,509,799</b>

**WORKING CAPITAL**

	<b>(219,596)</b>	<b>(252,800)</b>
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**NET CAPITAL EMPLOYED**

	<b>1,797,905</b>	<b>1,780,763</b>
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**REPRESENTED BY:**

**CAPITAL AND RESERVES**

Authorised capital	300,000	300,000
Issued, subscribed and paid up capital	190,920	190,920
Capital reserve - share premium	143,190	143,190
Revenue reserve- General reserve	720,000	620,000
Unappropriated profit	540,544	514,543
	<b>1,594,654</b>	<b>1,468,653</b>

**NON CURRENT LIABILITIES**

Redeemable capital	202,500	310,000
Liabilities against assets subject to finance lease	751	2,110
	<b>1,797,905</b>	<b>1,780,763</b>

  
**CHIEF EXECUTIVE OFFICER**

  
**DIRECTOR**



**SITARA ENERGY LIMITED**  
**CONDENSED INTERIM PROFIT & LOSS ACCOUNT**  
**FOR THE THIRD QUARTER ENDED MARCH 31, 2013 (UN-AUDITED)**

	Quarter ended March 31, 2013	Nine Months ended March 31, 2013	Quarter ended March 31, 2012	Nine Months ended March 31, 2012
	(Rupees in thousand)			
Sales - net	1,306,057	3,853,815	1,189,986	3,489,480
Cost of generation	1,207,313	3,495,381	1,098,046	3,162,850
Gross profit	98,744	358,434	91,940	326,630
Other operating income	645	1,413	247	851
	99,389	359,847	92,187	327,481
Operating expenses	17,991	53,534	18,450	58,334
Other operating expenses	1,754	7,636	595	6,839
Finance cost	46,263	153,584	61,811	208,331
	66,008	214,754	80,856	273,504
Profit for the period before taxation	33,381	145,093	11,331	53,977
Provision for taxation	-	-	-	-
Profit for the period	33,381	145,093	11,331	53,977
Earning per share- Basic and diluted	1.75	7.60	0.59	2.83

**Notes to the accounts:**

- (a) The company is engaged in the business of generation and distribution of electricity.
- (b) These accounts are unaudited and being submitted to the shareholders, as required by the section 245 of the companies Ordinance 1984.
- (c) The accounting policies adopted for the preparation of these accounts are the same as those applied in the preparation of the preceding annual accounts of the company.
- (d) Previous period's figures have been re arranged wherever necessary for the purpose of comparison.

CHIEF EXECUTIVE OFFICER

DIRECTOR



**SITARA ENERGY LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT**  
**FOR THE THIRD QUARTER ENDED MARCH 31, 2013 (UN-AUDITED)**

	<b>March 31, 2013</b>	<b>March 31, 2012</b>
	<b>(Rupees in thousand)</b>	
<b>a) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit for the period before taxation	145,093	53,977
Adjustment for :		
Depreciation of property, plant and equipment	61,859	55,434
Provision for staff retirement benefits	2,032	1,889
Finance cost	153,584	208,331
Gain on disposal of :		
Property, plant and equipment	-	(1,676)
Non-current assets classified as held for sale	-	5,465
Operating cash flows before working capital changes	<b>362,568</b>	<b>323,420</b>
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(17,960)	15,968
Stock of oil and lubricants	56,924	26,902
Trade Debts	(460,778)	(103,118)
Loans and advances	(8,275)	15,729
Deposits and prepayments	(2,275)	(2,540)
Other receivables	22,378	-
Tax refunds due from Government	(3,128)	-
Increase in current liabilities		
Trade and other payables	152,142	368,376
Cash generated from operating activities	<b>101,596</b>	<b>644,737</b>
Income tax paid	(11,733)	(1,283)
Staff retirement benefits paid	(1,782)	(1,712)
Finance cost paid	(155,822)	(216,697)
Net cash (used in) / generated from operating activities	<b>(67,741)</b>	<b>425,045</b>
<b>b) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Addition in property, plant and equipment	(46,280)	(89,326)
Proceed from disposal of:		
Property, plant and equipment	-	14,170
Non-current assets classified as held for sale	-	7,900
Addition in long term deposits	483	-
Net cash (used in) investing activities	<b>(45,797)</b>	<b>(67,256)</b>
<b>c) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of :		
Redeemable capital	(107,500)	(180,000)
Liabilities against assets subject to finance lease	(1,621)	(1,482)
Increase / (Decrease) in short term bank borrowing-net	254,123	(147,614)
Dividend paid	(19,753)	(18,284)
Net cash generated from / (used in) financing activities	<b>125,249</b>	<b>(347,380)</b>
Net increase in cash and cash equivalents (a+b+c)	11,711	10,409
Cash and cash equivalents at the beginning of the period	5,110	2,785
Cash and cash equivalents at the end of the period	<b>16,821</b>	<b>13,194</b>

  
**CHIEF EXECUTIVE OFFICER**

  
**DIRECTOR**



**SITARA ENERGY LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THIRD QUARTER ENDED MARCH 31, 2013 (UN-AUDITED)**

	Quarter ended March 31, 2013	Nine Months ended March 31, 2013 (Rupees in thousand)	Quarter ended March 31, 2012	Nine Months ended March 31, 2012
Profit for the period	33,381	145,093	11,331	53,977
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>33,381</b>	<b>145,093</b>	<b>11,331</b>	<b>53,977</b>

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THIRD QUARTER ENDED MARCH 31, 2013 (UN-AUDITED)**

	Issued, subscribed and paid up capital	Capital reserves Share premium	Revenue reserves		Sub total	Total
			General reserve	Unappropriated profit		
(Rupees in thousand)						
Balance as at July 01, 2011	190,920	143,190	590,000	312,167	902,167	1,236,277
<b>Transaction with owners</b>						
Dividend for the year ended June 30, 2011 - Rs. 1/- per share	-	-	-	(19,092)	(19,092)	(19,092)
Transferred to general reserve	-	-	30,000	(30,000)	-	-
<b>Total comprehensive income for the period</b>						
Profit for the period	-	-	-	53,977	53,977	53,977
Other comprehensive income	-	-	-	-	-	-
Balance as at March 31, 2012	190,920	143,190	620,000	317,052	937,052	1,271,162
<b>Total comprehensive income for the period</b>						
Profit for the period	-	-	-	197,491	197,491	197,491
Other comprehensive income	-	-	-	-	-	-
Balance as at June 30, 2012	190,920	143,190	620,000	514,543	1,134,543	1,468,653
<b>Transaction with owners</b>						
Dividend for the year ended June 30, 2012 - Rs. 1/- per share	-	-	-	(19,092)	(19,092)	(19,092)
Transferred to general reserve	-	-	100,000	(100,000)	-	-
<b>Total comprehensive income for the period</b>						
Profit for the period	-	-	-	145,093	145,093	145,093
Other comprehensive income	-	-	-	-	-	-
Balance as at March 31, 2013	190,920	143,190	720,000	540,544	1,260,544	1,594,654

CHIEF EXECUTIVE OFFICER

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DIRECTOR



**SITARA ENERGY LIMITED**  
**COST OF GENERATION**  
**FOR THE THIRD QUARTER ENDED MARCH 31, 2013**

Description	Quarter ended March 31, 2013	Nine months ended March 31, 2013	Quarter ended March 31, 2012	Nine months ended March 31, 2012
	(Rupees in thousand)			
Cost of fuel, oil, gas and lubricants	1,128,234	3,251,449	1,027,541	2,966,384
Salaries, wages and benefits	13,186	39,567	11,748	35,698
Stores and spares	36,448	117,251	31,307	82,230
Insurance	1,327	4,027	1,351	4,037
Repair & maintenance	4,330	12,269	5,039	10,363
Depreciation	20,091	58,753	17,178	52,861
Other	3,697	12,065	3,882	11,277
	<b>1,207,313</b>	<b>3,495,381</b>	<b>1,098,046</b>	<b>3,162,850</b>

**ACQUISITION AND DISPOSAL OF FIXED ASSETS**  
**FOR THE THIRD QUARTER ENDED MARCH 31, 2013**

Description	March 31, 2013		March 31, 2012	
	Acquisition	Disposal	Acquisition	Disposal
	(Rupees in '000')		(Rupees in '000')	
<b>Operating Assets</b>				
<b>Owned</b>				
Free hold land	-	-	-	1,730
Factory Equipment	-	-	235	-
Electric Installations	10,511	-	-	-
Electric appliances	282	-	1,257	-
Furniture & fixtures	1,715	-	-	-
Office equipments & appliances	149	-	18	-
Vehicles	3,654	-	5,260	4,838
<b>Non-Operating Land</b>	26,987	-	84,640	7,098
<b>Capital work in progress</b>				
Civil Work	2,982	-	1,522	-
	<b>46,280</b>	<b>-</b>	<b>92,932</b>	<b>13,666</b>

CHIEF EXECUTIVE OFFICER

DIRECTOR





**SITARA ENERGY LIMITED & ITS SUBSIDIARY COMPANY**  
**CONDENSED INTERIM CONSOLIDATED PROFIT & LOSS ACCOUNT**  
**FOR THE THIRD QUARTER ENDED MARCH 31, 2013 (UN-AUDITED)**

	Quarter ended March 31, 2013	Nine Months ended March 31, 2013	Quarter ended March 31, 2012	Nine Months ended March 31, 2012
<b>(Rupees in thousand)</b>				
Sales - net	1,306,057	3,853,815	1,192,730	3,501,255
Cost of generation and sales	1,207,313	3,495,381	1,100,581	3,174,165
Gross profit	98,744	358,434	92,149	327,090
Other operating income	702	1,582	296	1,020
	99,446	360,016	92,445	328,110
Operating expenses	18,216	54,186	18,570	58,774
Other operating expenses	1,754	7,636	595	6,839
Finance cost	46,263	153,585	61,811	208,416
	66,233	215,407	80,976	274,029
Profit for the period before taxation	33,213	144,609	11,469	54,081
Provision for taxation				
For the period	-	6	27	151
Profit for the period	33,213	144,603	11,442	53,930
Attributable to:				
Ordinary shareholder	33,210	144,589	11,441	53,925
Non-controlling interest	3	14	1	5
	33,213	144,603	11,442	53,930
Earning per share- Basic	1.74	7.57	0.60	2.82

**Notes to the accounts:**

- Sitar Energy Limited ("the company") is engaged in the business of generation and distribution of Electricity. Sitar Internation (Pvt) Limited("the subsidiary") is engaged in the business of trading in textile products, chemicals and real estate.
- These accounts are unaudited and being submitted to the shareholders, as required by the section 245 of the companies Ordinance 1984.
- The accounting policies adopted for the preparation of these accounts are the same as those applied in the preparation of the preceding annual accounts of the company.
- Previous period's figures have been re arranged wherever necessary for the purpose of comparison.

CHIEF EXECUTIVE OFFICER

DIRECTOR



**SITARA ENERGY LIMITED & ITS SUBSIDIARY COMPANY**  
**CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE THIRD QUARTER ENDED MARCH 31, 2013 (UN-AUDITED)**

	March 31, 2013	March 31, 2012
	(Rupees in thousand)	
<b>a) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit for the period before taxation	144,609	54,081
Adjustment for :		
Depreciation of property, plant and equipment	61,863	55,437
Provision for staff retirement benefits	2,032	1,889
Finance cost	153,585	208,416
Gain on disposal of :		
Property, plant and equipment	-	(1,676)
Non-current assets classified as held for sale	-	5,465
Operating cash flows before working capital changes	<u>362,089</u>	<u>323,612</u>
Changes in working capital		
(Increase) / decrease in current assets		
Land held for development and resale	-	(18,652)
Stores, spares and loose tools	(17,960)	15,968
Stocks	56,924	38,194
Trade debts	(457,852)	(94,496)
Loans and advances	(7,963)	15,529
Deposits and prepayments	(2,275)	(2,540)
Other receivables	22,378	-
Tax refunds due from Government	(3,335)	-
Increase in current liabilities		
Trade and other payables	152,204	386,711
	<u>(257,879)</u>	<u>340,714</u>
Cash generated from operating activities	104,210	664,326
Income tax paid	(11,875)	(1,283)
Staff retirement benefits paid	(1,782)	(2,358)
Finance cost paid	(155,823)	(218,783)
Net cash (used in) / generated from operating activities	<u>(65,270)</u>	<u>441,902</u>
<b>b) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Addition in property, plant and equipment	(46,280)	(89,326)
Proceed from disposal of:		
Property, plant and equipment	-	14,170
Non-current assets classified as held for sale	-	7,900
Addition in long term deposits	483	-
Net cash (used in) investing activities	<u>(45,797)</u>	<u>(67,256)</u>
<b>c) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of :		
Redeemable capital	(107,500)	(180,000)
Liabilities against assets subject to finance lease	(1,621)	(1,482)
Increase in short term borrowing-net	254,123	(163,914)
Dividend paid	(19,753)	(18,284)
Net cash generated from / (used in) financing activities	<u>125,249</u>	<u>(363,680)</u>
Net increase in cash and cash equivalents (a+b+c)	14,182	10,966
Cash and cash equivalents at the beginning of the period	8,093	5,029
Cash and cash equivalents at the end of the period	<u>22,275</u>	<u>15,995</u>

CHIEF EXECUTIVE OFFICER

DIRECTOR



**SITARA ENERGY LIMITED & ITS SUBSIDIARY COMPANY**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THIRD QUARTER ENDED MARCH 31, 2013 (UN-AUDITED)**

	Quarter ended March 31, 2013	Nine Months ended March 31, 2013	Quarter ended March 31, 2012	Nine Months ended March 31, 2012
	(Rupees in thousand)			
Profit for the period	33,213	144,603	11,442	53,930
Other comprehensive income for the period	(416)	(176)	1,296	821
<b>Total comprehensive income for the period</b>	<b>32,797</b>	<b>144,427</b>	<b>12,738</b>	<b>54,751</b>
Attributable to:				
Ordinary shareholder	32,794	144,413	12,737	54,746
Non-controlling interest	3	14	1	5
	<b>32,797</b>	<b>144,427</b>	<b>12,738</b>	<b>54,751</b>

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THIRD QUARTER ENDED MARCH 31, 2013 (UN-AUDITED)**

	Capital reserves			Revenue reserves			Total	Non-Controlling interest	
	Issued, subscribed and paid up capital	Share premium	Fair value reserve	Sub total	General reserve	Unappropriated profit			Sub total
	(Rupees in thousand)								
Balance as at July 01, 2011	190,920	143,190	(283)	142,907	590,000	309,874	899,874	1,233,701	7
<b>Transaction with owners</b>									
Dividend for the year ended June 30, 2011 - Rs. 1/- per share	-	-	-	-	-	(10,092)	(10,092)	(10,092)	-
Transferred to general reserve	-	-	-	-	30,000	(30,000)	-	-	-
<b>Total comprehensive income for the period</b>									
Profit for the period	-	-	-	-	-	53,925	53,925	53,925	-
Un-realized gain on available for sale investments	-	-	821	821	-	-	-	821	-
	-	-	821	821	-	49,246	49,276	49,246	-
Balance as at March 31, 2012	190,920	143,190	538	143,728	620,000	314,707	934,707	1,269,355	7
<b>Total comprehensive income for the period</b>									
Profit for the period	-	-	-	-	-	197,205	197,205	197,205	-
Un-realized gain on available for sale investments	-	-	(182)	(182)	-	-	-	(182)	-
	-	-	(182)	(182)	-	197,205	197,205	197,205	-
Balance as at June 30, 2012	190,920	143,190	356	143,546	620,000	511,912	1,131,912	1,466,378	7
<b>Transaction with owners</b>									
Dividend for the year ended June 30, 2012 - Rs. 1/- per share	-	-	-	-	-	(10,092)	(10,092)	(10,092)	-
Transferred to general reserve	-	-	-	-	100,000	(100,000)	-	-	-
<b>Total comprehensive income for the period</b>									
Profit for the period	-	-	-	-	-	144,603	144,603	144,603	-
Un-realized gain on available for sale investments	-	-	(176)	(176)	-	-	-	(176)	-
	-	-	(176)	(176)	-	144,603	144,603	144,603	-
Balance as at March 31, 2013	190,920	143,190	180	143,370	720,000	537,423	1,257,423	1,591,713	7

CHIEF EXECUTIVE OFFICER

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DIRECTOR



**SITARA ENERGY LIMITED & ITS SUBSIDIARY COMPANY**  
**CONDENSED INTERIM CONSOLIDATED COST OF SALES**  
**FOR THE THIRD QUARTER ENDED MARCH 31, 2013**

Description	Quarter ended March 31, 2013	Nine months ended March 31, 2013	Quarter ended March 31, 2012	Nine months ended March 31, 2012
	(Rupees in thousand)			
Cost of fuel, oil, gas and lubricants	1,128,234	3,251,449	1,030,076	2,977,699
Salaries, wages and benefits	13,186	39,567	11,748	35,698
Stores and spares	36,448	117,251	31,307	82,230
Insurance	1,327	4,027	1,351	4,037
Repair & maintenance	4,330	12,269	5,039	10,363
Depreciation	20,091	58,753	17,178	52,861
Other	3,697	12,065	3,882	11,277
	1,207,313	3,495,381	1,100,581	3,174,165

**CONSOLIDATED ACQUISITION AND DISPOSAL OF FIXED ASSETS**  
**FOR THE THIRD QUARTER ENDED MARCH 31, 2013**

Description	March 31, 2013		March 31, 2012	
	Acquisition	Disposal	Acquisition	Disposal
	(Rupees in '000')		(Rupees in '000')	
<b>Operating Assets</b>				
<b>Owned</b>				
Free hold land	-	-	-	1,730
Factory Equipment	-	-	235	-
Electric Installations	10,511	-	-	-
Electric appliances	282	-	1,257	-
Furniture & fixtures	1,715	-	-	-
Office equipments & appliances	149	-	18	-
Vehicles	3,654	-	5,260	4,838
<b>Non-Operating Land</b>	26,987	-	84,640	7,098
<b>Capital work in progress</b>				
Civil Work	2,982	-	1,522	-
	46,280	-	92,932	13,666

CHIEF EXECUTIVE OFFICER

DIRECTOR