



Annual Report 2025



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., Sheikhpura 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>

Vision Statement

Sitara Energy Limited through its innovative technology and effective resource management has maintained high ethical and professional standards to create a work environment that fosters pride, job satisfaction and equal opportunity for career growth for the employees.

Mission Statement

Our principled and honest business practices are focused to provide reliable & economical power to our customers, to maximize return to the shareholders and to respect all other stakeholders & community



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting ("AGM") of Sitara Energy Limited (the "Company") will be held on Thursday, November 27, 2025 at 3:00 pm at the Auditorium of Institute of Chartered Accountants of Pakistan, chartered Accountants Avenue, Block 8 Clifton, Karachi in person and via video link to transact the following business:

ORDINARY BUSINESS

- i. To confirm the minutes of the Extra Ordinary General Meeting held on April 15, 2025.
- ii. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2025 together with the Reports of Directors and Auditors thereon.
- iii. To appoint Auditors and to fix their remuneration for the year ending June 30, 2026. The present auditors, M/s. RSM Avais Hyder Liaquat Nauman, Chartered Accountants, have retired and being eligible, have offered themselves for re-appointment. The Board of Directors recommends, based on the recommendation of Board Audit Committee, appointment of M/s. RSM Avais Hyder Liaquat Nauman, as auditors for the ensuing year.
- iv. To transact any other ordinary business with the permission of the Chair.

By Order of the Board



Mazhar Ali Khan

Company Secretary

Karachi

November 07, 2025

NOTES:

CLOSURE OF SHARE TRANSFER BOOKS

The Share Transfer Books of the Company will remain closed from November 21, 2025 to November 27, 2025 (both days inclusive). Transfers received in order at the office of Share Registrar M/s. THK Associates (Pvt.) Limited, Plot no. 32-C, Jami Commercial Street 2, D.H.A Phase VII, Karachi before the close of business on November 20, 2025 will be treated in time for the purpose to attend the Annual General Meeting of the Company.

PARTICIPATION IN THE ANNUAL GENERAL MEETING.

A member entitled to attend and vote at this meeting is entitled to appoint another person as his/her proxy to attend and vote. Proxies in order to be effective must be received at Company's Share Registrar's Office M/s. THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A Phase VII, Karachi duly stamped and signed not less than 48 hours before the time of meeting.

CDC ACCOUNT HOLDERS WILL HAVE TO FOLLOW FURTHER UNDER MENTIONED GUIDELINES AS LAID DOWN BY THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN.

a) For attending the meeting:

- i) In case of individuals, the account holders or sub-account holders and their registration details are uploaded as per the regulations, shall authenticate their identity by showing their original Computerized National Identity Card (CNIC), or Original Passport at the time of attending the meeting.

NOTICE OF ANNUAL GENERAL MEETING

- ii) In case of Corporate Entities, the Board of Directors' resolution/power of attorney with specimen signature of the nominees shall be produced (unless it has been provided earlier) at the time of the meeting.

b) For appointing proxies:

- i) In case of individuals, the account holders or sub account holders and their registration details are uploaded as per the regulations, shall submit the proxy form as per the above requirements. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- ii) In case of corporate entities, the Board of Directors' resolution/power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity, shall be submitted (unless it has been provided earlier) along with proxy form to the company's registrar.
- iii) Form of proxy is attached to the notice of meeting being sent to the members. Proxy Form may also be downloaded from the Company's website i.e. www.sitara.pk

CONVERSION OF PHYSICAL SHARES INTO BOOK ENTRY FORM

The Securities and Exchange Commission of Pakistan (SECP) through its letter No.CSD/ED/Misc/2016-639-640 dated March 26, 2021 has advised the Listed Companies to adhere with the provision of the Section 72 of the Companies Act, 2017 (the Act) by replacing shares issued by them in Physical Form with the shares to be issued in the Book-Entry Form. **Sitara Energy Limited (the "Company")**, being a listed company is also required to comply with aforesaid provision of Act.

The shareholders of Sitara Energy Limited having physical folios/share certificates are requested to convert their shares from Physical Form into Book Entry Form as soon as possible. The shareholders may contact their Broker, a PSX Member, CDC Participant or CDC Investor Account Service provider for assistance in opening CDS Account and subsequent induction of the physical shares into Book Entry Form.

It would facilitate the shareholders in many ways including safe custody of shares, no loss of shares, avoidance of formalities required for the issuance of duplicate shares and readily available for sale and purchase in open market at better rates. The shareholders of Company may contact the Share Registrar and Transfer Agent of the Company, namely M/s. THK Associates (Pvt.) Limited, Plot no. 32-C, Jami Commercial Street 2, D.H.A Phase VII, Karachi for the conversion of Physical Shares into Book-Entry Form.

SUBMISSION OF COPIES OF CNIC NOT PROVIDED EARLIER

Individual Shareholders are once again reminded to submit a copy of their valid CNIC, if not provided earlier to the Company's Share Registrar, M/s. THK Associates (Private) Limited. In case of non-availability of a valid copy of the shareholders' CNIC in the records of the Company, the company shall withhold the dividend under the provisions of Section 243 of the Companies Act, 2017 and Regulation 6 of The Companies (Distribution of Dividend) Regulations 2017.

ELECTRONIC CIRCULATION OF ANNUAL REPORTS VIA EMAIL OR CD/DVD:

Pursuant to the provision of Companies Act, 2017, annual reports are being sent to the shareholders electronically (Email or CD/DVD).

NOTICE OF ANNUAL GENERAL MEETING

However, shareholders who wish to receive hardcopy of Financial Statements shall have to fill the attached standard request form (also available on the company's website www.sitara.pk) and send at the Company's address.

The Company has made arrangements to ensure that all participants, including shareholders, can now participate in the AGM proceedings via video link. Those members who are willing to attend and participate in the AGM via video link are requested to register themselves by sending an email along with following particulars and valid copy of both sides of Computerized National Identity Card (CNIC) at reg.agm@sitara.pk with subject of 'Registration for AGM' not less than 48 hours before the time of the meeting:

Name of Shareholder	CNIC Number	CDC Account No./Folio No.	Cell Number	Email Address

Members who will be registered, after necessary verification as per the above requirement, will be provided a password protected video link by the Company via email. The said link will remain open from 2:30 p.m. on the date of AGM till the end of the meeting.

PLACEMENT OF FINANCIAL STATEMENTS:

The audited financial statements of the Company for the year ended June 30, 2025 have been placed at the Company's website: www.sitara.pk.

Members are requested to promptly notify any change in their addresses.

CODE OF CONDUCT

It is a fundamental policy of Sitara Energy Limited to conduct its business with honesty, integrity and in accordance with the highest professional, ethical and legal standards. The Company has adopted comprehensive Code of Conduct (Code) for members of the Board of Directors and Employees. The Code defines acceptable and unacceptable behaviors, provides guidance to directors / employees in specific situations that may arise and foster a culture of honesty, accountability and high standards of personal and professional integrity.

Salient Features of the Code for the Directors

1. Conflict of Interest

Each director must avoid any conflict of interest between the director and the Company, its associated or subsidiary undertaking. Any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company, should be disclosed promptly.

2. Corporate Opportunities

Directors are prohibited from taking for themselves personally, opportunities related to the Company's business; using the Company's property, information or position for personal gain or competing with the Company for business opportunities.

3. Confidentiality

Directors must maintain the confidentiality of information entrusted to them by the Company and any other confidential information about the Company and its associated or subsidiary undertaking that comes to them, except when disclosure is authorized by the Chairman of the Board or legally mandated.

4. Honesty, Integrity and Fair Dealing

Directors must act honestly and fairly and exhibit high ethical standards in dealing with all stakeholders of the Company.

5. Compliance with Laws, Rules and Regulations

Directors shall comply with laws, rules and regulations applicable to the Company including but not limited to the Companies Ordinance 1984, Listing Regulations of the Stock Exchanges and insider trading laws.

6. Encouraging the Reporting of Any Possible Illegal or Unethical Behavior

Directors should take steps to ensure that the Company promotes ethical behavior; encourages employees to talk to supervisors, managers and other appropriate personnel when in doubt about the best course of action in a particular situation; encourages employees to report violations of laws, rules, regulations, Company policies and procedures or the Company's Code of Conduct to appropriate personnel; and informs employees that the Company will not allow retaliation for reports made in good faith.

7. Trading in Company Shares

Certain restrictions / reporting requirements apply to trading by the Directors in Company shares. Directors shall make sure that they remain compliant with these statutory requirements.

8. Compliance Procedures

Directors should disclose any suspected violations of this Code promptly in the immediately subsequent meeting of the board of Directors.

Salient Features of the Code for Employees

1. Conflict of Interests

Employees / trainees must not engage in activities or transactions which may give rise, or which may be seen to have given rise, to conflict between their personal interests and the interest of the Company.

2. Confidentiality and Disclosure of Information

Employees / trainees are expected to safeguard confidential information and must not, without authority, disclose such information about Company activities to the press, to any outside source, or to employees/trainees who are not entitled to such information.

3. Political Contribution

No funds or assets of the Company may be contributed to any political party or organization or to any individual who either holds public office or is a candidate for public office except where such a contribution is permitted by law.

4. Bribes and Commercial Payments

An employee / trainee must not give or receive bribes or other payments, which are intended to influence a business decision or compromise independent judgment; nor must any employee / trainee give money in order to obtain business for the Company, nor receive money for having given Company business to an outside agency.

5. Proper Recording of Funds, Assets, Receipts and Disbursements

All funds, assets, receipts and disbursements must be properly recorded in the books of the Company.

6. Agreements with Agents, Sales Representatives or Consultant

Agreements with agents, sales representatives or consultants should state clearly the services to be performed for the Company, the amount to be paid and all other relevant terms and conditions.

7. Relations and Dealings with Suppliers, Consultants, Agents, Intermediaries and Other Third Parties

SEL's relations and dealings with suppliers, consultants, agents, intermediaries and other third parties should at all times be such that SEL's integrity and its reputation should not be damaged if details of the relationship or dealings were to become public knowledge.

8. Health, Safety & Environment (HSE) Policy

Every employee / trainee at work must take reasonable care for the health and safety of him / her and others including visitors who may be affected by his / her acts or omissions at work and cooperate in Company's efforts to protect the environment.

9. Smoking Policy

Smoking and exposure of workplace to tobacco poses serious health hazard to the employee / trainees besides potential risks of fire and explosions considering this, smoking is permitted only in designated 'Smoking Areas'.

10. Seat Belt Policy

As per policy it is mandatory for all SEL employees / trainees, contractors, visitors and all other persons to fasten seat belts in the front seats of the vehicle while traveling.

11. Other Employment, Outside Interests, Civic Activities

SEL does not allow its employees / trainees to take any part-time and / or full-time second employment during employees' / trainees' engagement with the Company.

12. Unsolicited Gifts

Accepting gifts that might place an employee / trainee under obligation is prohibited. Employees / trainees must politely but firmly decline any such offer and explain that in accordance with the Company's instructions, they are unable to accept the offer.

13. Family Connections and Employment of Relatives

Any dealings between staff and outside organizations, in which they have a direct, indirect or family connection must be fully disclosed to the Management.

14. Company and Personal Property

An employee / trainee must not take or use Company property or the property of another employee / trainee without permission; nor must the employee / trainee use Company property for private purposes without the Management's permission.

15. Alcohol and Drugs

Alcohol in any form and the use of drugs, except under medical advice, is prohibited at all locations.

16. Gambling

All forms of organized gambling or betting on the Company's premises are forbidden.

17. Rumor Mongering & Gossiping

Rumor mongering, persuasive allegations, accusations and exaggerations with the main purpose of negatively influencing and manipulating the minds and emotions of the fellow employees / trainees are strictly prohibited.

18. Harassment

It is the policy of the Company to promote productive work environment and not to tolerate verbal or physical conduct by any employee / trainee that harasses, disrupts, or interferes with another's work performance or that creates an intimidating, humiliating, offensive, or hostile environment.

19. Grievance Handling

SEL strives to provide a fair & impartial process to its employees / trainees and ensure timely resolution of their grievance.

20. Whistle Blowing

In order to enhance good governance and Transparency, SEL has introduced a Whistle Blowing Policy. The Policy provides an avenue to employees / trainees and vendors to raise concerns and report legal and ethical issues like fraud, corruption or any other unlawful conduct or dangers to the public or the environment.

21. General Discipline

Every employee / trainee must adhere to Company's rules of service and make sure that he / she is familiar with all of them.

22. Reporting Violations / Disciplinary Actions

Any violation of this Code shall be promptly reported to the Human Resources department by any employee / trainee having knowledge thereof or having reasonable belief that such violation has occurred.

By the Order of the Board



JAVED IQBAL

Chief Executive Officer

CHAIRPERSON'S REVIEW

I am pleased to welcome you on 35th Annual General Meeting of your Company and present, on behalf of the Board of Directors, audited financial statements for the year ended 30th June 2025 along with my review on the overall performance of the Board of Directors.

The performance of the Board of Directors is satisfactory as evident from the operational results of the Company. The Board has been playing effective role and guidance to the management of the Company. Moreover, the management of the Company has managed rescheduling at competitive terms as a step towards viability of the Company in the long run.

The Board complied with the requirements as set out in the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 with respect to the composition, procedures and meetings of the Board of Directors and its committees. As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors has been carried out and found satisfactory.

The overall performance of the Board remained up to mark under the given circumstances. The Board is endeavoring hard for the achievement of Company's objectives, including its Vision and Mission Statements. The Board also meets frequently to discharge its responsibilities in a timely manner.

On my behalf and on behalf of the Board of Directors of the Company, I take this opportunity to acknowledge the dedicated and sincere services of employees of the company. I am also grateful to our financial institutions, shareholders, vendors and valued customers who are reposing confidence in such difficult circumstances.

Faisalabad

November 07, 2025



Ms. Noreen Javed

Chairperson

DIRECTORS' REPORT

The Board of Directors of Sitara Energy Limited feels pleasure in submitting Annual Report along with audited Financial Statements and Auditors' Report thereon for the financial year ended June 30, 2025.

Financial Results

The sales revenue of the Company decreased to Rs. 176.070 million in financial year 2025 in comparison with Rs. 916.056 million in financial year 2024 due to fall in demand by our Bulk Power Consumers (BPCs). The key factor for fall in demand is higher electricity cost on account of exorbitantly high fuel price during financial year 2025. Accordingly, gross loss of the Company is Rs. 38.592 million in financial year 2025 as compared with gross profit of Rs. 7.270 million in financial year 2024.

During the current financial year 2025, the Company disposed of certain investment properties for the purpose repayment of rescheduled credit facilities which resulted into substantial reduction in finance cost to Rs 53.923 Mln in comparison with last year Rs 163.235 Mln. Further, SBP policy rate also reduced to 11% in May 2025 starting from gradual reductions from 19.50% in July 2024, a key factor in the reduction of cost of funds.

Accordingly, the Company earned a net profit of Rs 167.137 million during current financial year 2025 as compared with net profit of Rs. 41.991 million during last financial year 2024. Accordingly, earning per share increased to Rs 8.75 during the current financial year as compared with earnings per share of Rs 2.20 during the last financial year.

Financial results for the year ended June 30, 2025 are summarized below

Description	2025		2024	
	SEL	Consolidated	SEL	Consolidated
	Rupees in thousand			
Sales	176,070	176,990	916,056	916,056
Gross profit / (loss)	(38,592)	(37,855)	7,270	7,270
Profit / (Loss) before taxation	170,278	118,267	68,963	67,306
Provision for taxation	(3,141)	(2,954)	(26,972)	(32,481)
Profit / (Loss) after taxation	167,137	115,313	41,991	34,825
Profit / (Loss) per share - Basic and diluted	Rs. 8.75	Rs 6.04	Rs. 2.20	Rs 1.82

Corporate and Financial Reporting Framework

In compliance of the Code of Corporate Governance, we give below the statement on corporate and financial reporting frame work:

- The financial statements have been drawn up in conformity with the requirements of the Companies Act, 2017 and present fairly its state of affairs, operating results, cash flow statement and statement of changes in equity.
- Proper books of accounts have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgments.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departures therefrom has been adequately disclosed and explained.
- The internal control system is sound in design and has been effectively implemented and monitored.

DIRECTORS' REPORT

- f) There has been no material departure from the best practices of Code of Corporate Governance, as detailed in listing regulations.
- g) Summary of key operating and financial data for the last ten years is annexed.
- h) Cost of investments of Staff Provident Fund Trust as at June 30, 2025 was Rs. 4.603 million.
- i) During the year four meetings of the Board of Directors were held. Attendance by each director was as follow: -

Name	Designation	Meetings Attended
Mrs. Noreen Javed	Chairperson	4
Mr. Javed Iqbal	Chief Executive Officer	4
Ms. Haniah Javed	Director	4
Mr. Shahid Hameed Sheikh	Director	4
Mr. Sheikh Javaid Islam	Director	4
Mr. Mubashir Ahmed Zareen	Director	4
Mr. Tahir Ibrahim	Director	4
Mr. Ijaz Ahmad Babar	Chief Financial Officer	4
Mr. Mazhar Ali Khan	Company Secretary	4

- j) During the year, four meetings of the Audit Committee were held. Attendance by each member was as follow: -

Name	Designation	Meetings Attended
Mr. Shahid Hameed Sheikh	Chairman	4
Mr. Sheikh Javaid Islam	Member	4
Mr. Tahir Ibrahim	Member	4

- k) During the year, two meetings of the Human Resource and Remuneration Committee were held. Attendance by each member was as follow: -

Name	Designation	Meetings Attended
Mr. Mubashir Ahmed Zareen	Chairman	2
Mr. Javed Iqbal	Member	2
Ms. Haniah Javed	Member	2

- l) Pattern of Shareholding as at June 30, 2025 is annexed.
- m) Following persons have shareholding of 5% and above in the company.

Name of person	Shareholding
Mr. Javed Iqbal, CEO	6,677,303
Ms Nazia Aamir	1,895,500
State Life Insurance Corporation of Pakistan	1,628,500
National Bank of Pakistan	1,550,000
Mr. Naureen Javed, Chairperson	1,073,237

No trade in the shares of the company was carried out by its directors, CEO, CFO, Company Secretary and their spouses and minor children during the year 2024-25.

- n) Statement of compliance with Code of Corporate Governance is also annexed.

DIRECTORS' REPORT

- o) All transactions with related parties and associated undertakings are carried out at arm's length price determined in accordance with comparable uncontrolled price method.

Directors'/Chief Executive Officer Remuneration

There is no change in Chief Executive Officer Remuneration from last year. The complete information on remuneration and perquisites is given in Note No. 37 to Financial Statements.

Web Reference

In compliance with SRO 634 (1)/2014 dated July 10, 2014, the company is maintaining a functional website. Annual, half-yearly and quarterly reports and other notices are regularly posted at the company's website address (<http://www.sitara.pk>).

Related Parties

Transactions with related parties were carried out at arm's length prices determined in accordance with the comparable uncontrolled prices method. The Company has fully complied with the best practices on transfer pricing as contained in the Listing Regulations of Stock Exchanges in Pakistan.

Human Resources Management

Our commitment to excellence plays a significant role in our ability to be successful. This commitment enables us to continue investing behind talent development of our people across all functional departments. They are provided with a learning environment that encourages and fosters new ideas, initiatives and teamwork.

Corporate Social Responsibility

It is Company's policy to contribute to the uplift and welfare of the community in order to fulfill its social responsibility. During the year 2025, the Company has donated Rs. 784,620 (2024: Rs 617,350) to the welfare institution operating in the fields of education.

Future Prospects and Outlook

The profitability of the Company during financial year 2025-26 will depend upon viable prices of fuels (RFO & RLNG) and offering of competitive tariff to our BPCs. Moreover, the Company is adding solar power plant in its generation facilities and will continue its addition during succeeding years subject to conducive regulatory frame work and timely approvals. Addition of solar power plant will help in the reduction of cost of generation and viable tariff for BPCs in the long run.

Appellate Tribunal (NEPRA) vide its decision dated 13.06.2024 set aside the impugned decisions dated 14.04.2017 and 19.12.2019 passed by NEPRA Authority with the direction decide the same afresh with statutory period, in accordance with law and rules. The management of the Company is confident for a favorable decision.

Auditors

The auditors of the company M/S RSM Avais Hyder Liaquat Nauman, Chartered Accountants, retire and being eligible has offered themselves for re-appointment. The Audit Committee has recommended re-appointment of the retiring auditors.

DIRECTORS' REPORT

Appreciation

The Board of Directors appreciates all its stakeholders for their trust and continued support to the Company. The Board also recognizes the contribution made by its dedicated team of professionals and all employees who served the Company with great passion and zeal in difficult times.



Javed Iqbal
Chief Executive Officer



Sheikh Javaid Islam
Director

November 07, 2025
Faisalabad

ڈائریکٹر رپورٹ

ڈائریکٹر ایگزیکٹو فیئر کا معاوضہ

گزشتہ سال سے چیف ایگزیکٹو فیئر کے معاوضے میں کوئی تبدیلی نہیں ہوئی ہے۔ معاوضے اور مراعات کے بارے میں مکمل معلومات نوٹ نمبر 37 میں مالیاتی کوٹھاروں میں دی گئی ہیں۔

ویب رٹرنس

ایس ای سی پی کے جاری کردہ 2014/634(1) SRO تاریخ جولائی 2014، 10 کے تحت کمپنی نے اپنی کارآمد ویب سائٹ قائم کر رکھی ہے۔ جس میں کمپنی کے سالانہ ششماہی اور سرکاری رپورٹ اور نوٹس باقاعدگی سے لگائے جاتے ہیں۔ کمپنی کی ویب سائٹ کا پتہ <http://sitara.pk> ہے۔

رہنڈیڈ پارٹنرز

رہنڈیڈ پارٹنرز کے درمیان لین دین آرم لٹچھ پر اُس پر کی گئی ہے۔ جو کہ کہیں پہلے ان کنٹرولڈ پرائمر سمیٹھ (Comparable uncontrolled price method) کے تحت کمپنی میں۔ کمپنی نے ٹرانسفر پرائمرسنگ کے میٹ پر مکمل عمل درآمد کیا کیا ہے۔ جو کہ پاکستان اسٹاک ایکسچینج کے لسٹنگ ریگولیشنز میں درج ہیں۔

بیموں کے امور کے انتظامات

بیموں پر یقین جو کہ ہمارا نصب العین ہے اور اس کی وجہ سے ہم ترقی کی راہ پر گامزن ہیں۔ اور یہی نصب العین ہمیں نئے اور بہترین ذہن کی تلاش اور ان پر سرمایہ کاری کی ترغیب دیتا ہے تاکہ ہم اپنے لوگوں کی تمام شعبوں میں ڈینی ٹشورٹ کر سکیں۔ ان کو بہترین تعلیمی ماحول مہیا کر سکیں تاکہ نئے اور بہترین خیالات اور تحقیق کی راہ ہموار ہو۔

کارپوریٹ سماجی ذمہ داری

کمپنی نے ہمیشہ اپنی سماجی ذمہ داری کو محسوس کیا ہے۔ تاکہ معاشرے کو بہتر بنانے اور فلاح و بہبود میں اپنا حصہ ڈالے۔ مالی سال 2025 میں کمپنی نے 784,620 روپے (2024-617,350 روپے) فلاحی اداروں کو بطور عطیہ دیے جو تعلیم کے میدان میں خدمات سرانجام دے رہے ہیں۔

مستقبل کے امکانات

مالیاتی سال 2024-25 کے دوران کمپنی کے منافع کا انحصار دو پارہائے من کی قابل عمل قیمتوں (RFO اور RLNG) اور ہمارے BPCs کو مستقبل کی ترقی پر ہوگا۔ مزید برآں، کمپنی اپنی پیداواری سہولیات میں شمسی توانائی کے پلانٹ کا اضافہ کر رہی ہے اور آئے والے سالوں کے دوران سازگار ریگولیری فریم ورک کے تحت اپنا اضافہ جاری رکھے گی۔ سولر پار پلانٹ کے اضافے سے پیداواری لاگت میں کمی اور طول مدت میں نی پی سی کے قابل عمل تیرف میں مدد ملے گی۔

اہلیت ٹریڈنگ (نہجرا) نے اپنے مورخہ 13.06.2024 کے فیصلے کے ذریعے نہجرا اتھارٹی کی طرف سے منظور شدہ مورخہ 14.04.2017 اور 19.12.2019 کو کا اہم قرار دیے گئے فیصلوں کو قانون اور قواعد کے مطابق قانونی مدت کے ساتھ نئے سرے سے فیصلہ کیا۔ کمپنی کی انتظامیہ سازگار فیصلے کے لیے پراعتماد ہے۔

آڈیٹرز

کمپنی کے آڈیٹرز میرزا آر ایس ایم اویس حیدر ریاضت نعمان، چارٹرڈ اکاؤنٹنٹس رہنما رہور ہے ہیں اور اہل ہو کر دوبارہ تقرر کی لیے خود کو پیش کر چکے ہیں۔ آڈٹ کمپنی نے رہنما رہور نے آڈیٹرز کی دوبارہ تقرر کی سفارش کی ہے۔

احترافات

بورڈ آف ڈائریکٹرز اپنے تمام اسٹیک ہولڈر کو ان کے اعتماد اور کمپنی کے ساتھ مسلسل تعاون کے لیے سراہتا ہے۔ بورڈ پیشہ ور افراد کی اپنی سرشار ٹیم اور تمام ملازمین کے تعاون کو بھی تسلیم کرتا ہے۔ جنہوں نے مشکل وقت میں بڑے جذبے اور جوش کے ساتھ کمپنی کی خدمت کی۔

محکم بورڈ



چاہید اقبال
چیف ایگزیکٹو فیئر



شیخ حامد اسلام
ڈائریکٹر

07 نومبر 2025ء
فیصل آباد

ڈائریکٹرز رپورٹ

اس سال بورڈ آف ڈائریکٹرز کی چار میٹنگز ہوئی۔ ڈائریکٹرز کی حاضری کی تفصیل مندرجہ ذیل ہے:

نام	مہدہ	حاضری میٹنگ
محترمہ زین جاوید	چیئر پرسن	4
جناب جاوید اقبال	چیف ایگزیکٹو آفیسر	4
محترمہ صبیحہ جاوید	ڈائریکٹر	4
جناب شاہد حیدر شیخ	ڈائریکٹر	4
جناب شیخ جاوید اسلام	ڈائریکٹر	4
جناب مبشر احمد زین	ڈائریکٹر	4
جناب طاہر ابراہیم	ڈائریکٹر	4
جناب اعجاز احمد بابر	چیف فنانس آفیسر	4
جناب مظہر علی خان	کمپنی سیکرٹری	4

اس سال آڈٹ کمیٹی کا کل چار میٹنگ منعقد ہوئیں ہر فرد کی حاضری کی تفصیل مندرجہ ذیل ہے۔

ممبر کا نام	میٹنگ حاضری / اسٹیشن
جناب شاہد حیدر شیخ	4 / چیئر مین
جناب طاہر ابراہیم	4 / ممبر
جناب شیخ جاوید اسلام	4 / ممبر

اس سال انسانی وسائل اور معاوضہ کمیٹی کی کل دو میٹنگز منعقد ہوئیں جس کی تفصیل مندرجہ ذیل ہے۔

ممبر کا نام	میٹنگ حاضری / اسٹیشن
جناب مبشر احمد زین	2 / چیئر مین
جناب جاوید اقبال	2 / ممبر
محترمہ صبیحہ جاوید	2 / ممبر

30 جون 2025ء کا شیئر ہولڈنگ پیرنٹنسلک ہے۔

مندرجہ ذیل افراد کی کمیٹی میں شیئر ہولڈنگ %5 اور اس سے زیادہ ہے۔

افراد کا نام	شیئر ہولڈنگ
جناب جاوید اقبال سی۔ ای۔ او	6,677,303
محترمہ تازیہ عامر	1,895,500
اسٹیٹ لائف انشورنس کارپوریشن آف پاکستان	1,628,500
نیشنل بینک آف پاکستان	1,550,000
محترمہ زین جاوید چیئر پرسن	1,073,237

سال 2024-25ء کے دوران کمیٹی کے شیئرز میں ڈائریکٹرز سی۔ ای۔ او، سی ایف او، کمپنی سیکرٹری اور ان کی بیگمات اور چھوٹے بچوں کی طرف سے کاروبار نہیں ہوا۔

کوڈ آف کارپوریٹ گورننس کی تعمیل کا اثبوت منسلک ہے۔

تمام ریٹیفائیڈ پارٹیز اور ایسوسی ایشن اینڈ نیٹ ورک کے ساتھ لین دین آرم لیمٹ پرائس (Arms Length Price) کے مطابق طے کیا جاتا ہے۔

ڈائریکٹرز رپورٹ

ستارہ انرجی لمیٹڈ کا بورڈ آف ڈائریکٹرز کمپنی کی سالانہ رپورٹ بمعہ آڈٹ شدہ مالیاتی گوشوارے اور آڈیٹرز کی رپورٹ مالی سال 30 جون 2025ء کو پیش کرتے ہوئے خوشی محسوس کرتا ہے۔

مالی نتائج:

مالیاتی سال 2025 میں فروخت آمدنی کم ہو کر 176.070 ملین روپے ہو گئی ہے۔ جبکہ فروخت آمدنی مالی سال 2024ء میں 916.056 ملین روپے تھی۔ جسکی وجہ ہمارے بلک پاور صارفین کی طرف سے مانگ میں کمی ہوئی ہے۔ مانگ میں کمی کی اہم وجہ مالی سال 2025ء کے دوران ایندھن کی زیادہ قیمتوں کی وجہ سے بجلی کی زیادہ قیمت ہے۔ اس کے مطابق کمپنی کا مجموعی نقصان 2025ء میں 38.592 ملین روپے ہے۔ جبکہ اس کے مقابلے میں سال 2024ء میں مجموعی منافع 7.270 ملین روپے تھا۔

موجودہ مالی سال 2025ء کے دوران کمپنی نے ری شیڈولڈ کردہ کریڈٹ سہولیات کی ادائیگی کے مقصد سے سرمایہ کاری کی کچھ خاص جائیدادوں کو فروخت کر دیا۔ جس کے نتیجے میں گزشتہ سال کے 163.235 ملین روپے کے مقابلے میں مالیاتی لاگت میں 53.923 ملین روپے تک نمایاں کمی واقع ہوئی۔ مزید برآں ٹیٹ پیپل آف پاکستان کی پالیسی کی شرح بھی مئی 2025ء میں 11 فیصد تک کم ہو گئی۔ جو کہ جولائی 2024ء میں 19.50 فیصد کی بتدریج کمی سے شروع ہوئی۔ جو کہ کاسٹ آف فنڈ کی لاگت میں کمی کا ایک اہم عنصر ہے۔

اس کے مطابق، کمپنی نے موجودہ مالی سال 2025ء کے دوران 167.137 ملین روپے کا خالص منافع حاصل کیا۔ جبکہ اس کے مقابلے میں گزشتہ مالی سال 2024ء کے دوران 41.991 ملین روپے کا خالص منافع حاصل ہوا تھا۔ اس کے مطابق گزشتہ مالی سال کے دوران فی حصص آمدنی 2.20 روپے کے مقابلے میں رواں مالی سال کے دوران بڑھ کر 8.75 روپے ہو گئی ہے۔

30 جون 2025ء کے مختصر مالیاتی نتائج مندرجہ ذیل ہیں۔

تفصیل		مالی سال 2024ء		مالی سال 2025ء	
		مشترکہ	ستارہ انرجی	مشترکہ	ستارہ انرجی
پاکستانی روپے ہزاروں میں					
فروخت آمدنی		916,056	916,056	176,990	176,070
مجموعی آمدنی / (نقصان)		7,270	7,270	(37,855)	(38,592)
ٹیکسیشن سے قبل / (نقصان) منافع		68,963	68,963	118,267	170,278
ٹیکسیشن		(26,972)	(26,972)	(2,954)	(3,141)
ٹیکسیشن کے بعد / (نقصان) منافع		41,991	41,991	115,313	167,137
فی شر منافع / (نقصان) (Basic and Diluted)		2.20	2.20	6.04	8.75

کارپوریٹ اور مالیاتی رپورٹنگ کا ذخہ

کوڈ آف کارپوریٹ گورننس کی تعمیل کرتے ہوئے کارپوریٹ اور مالیاتی رپورٹنگ کی تفصیل درج ذیل ہے:

- مالیاتی گوشوارہ کنٹینر ایکٹ 2017ء کی ضروریات کے مطابق تیار کئے گئے ہیں۔ جو کہ مصفاہ مالی حالت، آپریٹنگ نتائج، یکیش فلو اور ایکٹیوٹی میں تبدیلی کو پیش کرتے ہیں۔
- کمپنی کمات جات بالکل صحیح طور سے بنائے گئے ہیں۔
- مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے۔ اور اکاؤنٹنگ کے تجویز جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- حسابات کی تیاری میں پاکستان میں رائج شدہ بین الاقوامی مالیاتی رپورٹنگ اسٹینڈرڈ کی بھری کی گئی ہے۔
- اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اس کو موثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- ضابطہ کارپوریٹ گورننس، برطانیہ لسٹنگ ریکولیشن میں سے کسی کی خاطر خواہ شق سے انحراف نہیں ہو رہا ہے۔
- کمپنی کا گزشتہ دس سال کا کلیدی آپریٹنگ اور مالیاتی ڈیٹا منسلک ہے۔
- اسٹاف پروویڈنٹ فنڈ کی سرمایہ کاری کی لاگت مالی سال 30 جون 2025ء میں 4.603 ملین روپے رہی ہے۔

SITARA ENERGY LIMITED

PATTERN OF SHAREHOLDINGS

As at June 30, 2025

NUMBER OF SHAREHOLDERS	SHAREHOLDINGS		TOTAL NUMBER OF SHARES
	FROM	TO	
584	1	100	9593
353	101	500	161419
88	501	1000	82902
118	1001	5000	329222
22	5001	10000	165649
7	10001	15000	92500
3	15001	20000	51054
3	20001	25000	71916
2	25001	30000	51500
1	30001	35000	31200
4	35001	40000	156000
1	40001	45000	40002
1	55001	60000	57500
2	60001	65000	126458
2	65001	70000	134500
1	70001	75000	72401
1	80001	85000	83000
1	90001	95000	94867
1	105001	110000	107988
1	140001	145000	142500
2	145001	150000	294500
2	195001	200000	400000
1	230001	235000	232117
1	260001	265000	263151
1	355001	360000	356500
1	595001	600000	600000
1	655001	660000	656000
1	670001	675000	670661
1	730001	735000	732360
1	1070001	1075000	1073237
1	1545001	1550000	1550000
1	1625001	1630000	1628500
1	1895001	1900000	1895500
1	6675001	6680000	6677303
1212			19,092,000

SITARA ENERGY LIMITED

PATTERN OF SHAREHOLDINGS

As at June 30, 2025

	Number	Share Held	Percentage
Associated Companies, Undertaking and Related Parties			
Sitara Fabrics Limited	1	656,000	3.44
Directors, CEO & their Spouse and Minor Children			
Mr. Javed Iqbal	1	6,677,303	34.97
Mrs. Naureen Javed	1	1,073,237	5.62
Ms. Haniah Javed	1	1,000	0.01
Mr. Tahir Ibrahim	1	500	0.00
Mr. Mubashir Ahmad Zareen	1	5,000	0.03
Mr. Shahid Hameed Sheikh	1	500	0.00
Mr. Sheikh Javaid Islam	1	100	0.00
NIT AND ICP			
Investment Corporation of Pakistan	1	500	0.00
Banks, Development Finance Institutions, Non Banking Finance Institutions.	4	1,646,511	8.62
Insurance Companies	1	1,628,500	8.53
Mutual Funds	2	495,268	2.59
Foreign Companies	1	1,000	0.01
Joint Stock Companies	4	672,162	3.52
General Public (Local)	1167	6,170,565	32.32
General Public (Foreign)	22	39,617	0.21
Others	2	24,237	0.13
	1,212	19,092,000	100.00

Detail of Purchase/Sale of company's shares by Directors, Company Secretary, Head of Internal Audit Department, Chief Financial Officer and their spouses/minor children during 2024-2025.

NIL

Following persons have shareholding of 5% and above in the company.

1	Mr. Javed Iqbal, CEO	6,677,303
2	Mrs. Nazia Aamir	1,895,500
3	State Life Insurance Corp. of Pakistan	1,628,500
4	National Bank of Pakistan	1,550,000
5	Mrs. Naureen Javed, Chairperson	1,073,237

KEY OPERATING AND FINANCIAL DATA FOR THE LAST TEN YEARS

PARTICULARS	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
-----Rupees in thousand-----										
FINANCIAL POSITION										
Paid up capital	190,920	190,920	190,920	190,920	190,920	190,920	190,920	190,920	190,920	190,920
Share premium	143,190	143,190	143,190	143,190	143,190	143,190	143,190	143,190	143,190	143,190
General reserve	970,000	970,000	970,000	970,000	970,000	970,000	970,000	970,000	970,000	920,000
Fixed assets at cost	2,245,986	2,194,180	2,177,746	2,176,601	2,177,437	2,252,688	2,377,007	2,378,647	2,387,252	2,427,988
Accumulated depreciation	1,572,946	1,566,722	1,548,268	1,523,247	1,496,964	1,497,806	1,499,634	1,472,349	1,443,573	1,416,939
Current assets	1,033,968	1,402,979	2,282,053	2,154,386	2,184,938	2,113,831	2,024,518	2,065,888	2,092,220	1,850,913
Current liabilities	1,064,830	1,801,505	2,204,888	2,052,511	1,949,297	1,814,410	1,715,607	1,808,698	1,816,238	1,464,328
INCOME										
Sales - net	176,070	916,056	1,067,686	482,312	512,635	958,056	1,036,691	2,412,173	2,116,462	3,074,266
Other income	360,661	302,696	46,332	12,722	6,091	18,385	77,896	109,920	11,934	15,875
Pre tax profit / (loss)	170,279	68,963	(100,850)	(153,529)	(147,495)	(142,357)	(189,473)	(81,858)	(96,561)	162,421
Provision for taxation	3,142	26,972	2,432	1,367	1,988	1,457	2,338	-	-	-
STATISTICS AND RATIOS										
Pre tax profit / (loss) to sales %	96.71	7.53	(9.45)	(31.83)	(28.77)	(14.86)	(18.28)	(3.39)	(4.56)	5.28
Pre tax profit / (loss) to capital %	50.96	20.64	(30.18)	(45.95)	(44.15)	(42.61)	(56.71)	(24.50)	(28.90)	48.61
Current ratio	0.97	0.78	1.03	1.05	1.12	1.17	1.18	1.14	1.15	1.26
Paid up value if per share (Rs.)	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Profit / (Loss) after tax per share (Rs.)	8.75	2.20	(5.41)	(8.11)	(7.83)	(7.53)	(10.05)	(4.29)	(5.06)	8.51
Cash dividend %	-	-	-	-	-	-	-	-	-	20.00
Break up value per share (Rs.)	70.13	61.37	59.17	64.58	72.70	80.53	88.06	98.11	102.39	109.45

STATEMENT OF COMPLIANCE

WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of Company: **SITARA ENERGY LIMITED**

Year Ended: **June 30, 2025**

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven as per the following:

Gender	Number
Male	5
Female	2

2. The composition of the Board of Directors is as follows:

Category	Names
Independent Director	Mr. Shahid Hameed Sheikh Mr. Mubashir Ahmed Zareen Mr. Sheikh Javaid Islam
Non-Executive Director	Mr. Tahir Ibrahim
Executive Director	Mr. Javed Iqbal
Female Director	Mrs. Naureen Javed Ms. Haniah Javed

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the company;
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the board / shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board;
8. The board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. Six (06) directors have already completed directors' training program in prior years. The remaining One (01) director shall obtain certification under the DTP in due course of time;
10. The board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

STATEMENT OF COMPLIANCE

WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the board;
12. The board has formed committees comprising of members given below:
- a. Audit Committee**
- Mr. Shahid Hameed Sheikh, Independent Director (Chairman)
 - Mr. Sheikh Javaid Islam, Independent Director (Member)
 - Mr. Tahir Ibrahim, Non- Executive Director (Member)
- b. Human Resource & Remuneration Committee**
- Mr. Mubashir Ahmed Zareen, Independent Director (Chairman)
 - Mr. Javed Iqbal, Chief Executive (Member)
 - Ms. Haniah Javed, Non-Executive Director (Member)
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings (quarterly/half yearly/yearly) of the committee were as per following:
- a. Audit Committee: Four meetings during the financial year ended June 30, 2025
 - b. HR and Remuneration Committee: Two meetings during the financial year ended June 30, 2025
15. The board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.
19. Explanation for non-compliance with requirement, other than regulations 3,6,7,8,27,32,33 and 36 are below:

STATEMENT OF COMPLIANCE

WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Sr. No	Non-Mandatory Requirement	Explanation	Regulation No.
1	Nomination Committee The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors as it may deem appropriate in its circumstances.	Currently, the Board has not constituted a separate Nomination Committee and the functions are being performed by the management itself.	29(1)
2	Risk Management Committee The Board may constitute the Risk Management committee of such number and class of directors as it may deem appropriate in its circumstances to carry out a review of effectiveness of risk management procedures and present a report to the Board.	Currently, the Board has not constituted a risk management committee and the company's Internal Auditor, performs the requisite functions and apprises the board accordingly.	30(1)
3	Certification under Directors Training Program It is encouraged that by June 30, 2022 all the directors on their Boards have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.	Presently, Six out of Seven directors on Board have got certified under director's training program. The remaining One (01) director shall obtain certification under the DTP in due course of time;	19(1)
4	The Company may post on its website key elements of its significant policies including DE&I and protection against harassment at workplace as advised by SECP vide its SRO 920 (1)/2024 dated 12 June 2024.	As per the regulations, the Company has disclosed key elements of its significant policies and intends to add the gist of its policy on diversity, equity and inclusion and protection against harassment at the workplace.	35(1)
5	Role of the Board and its members to address sustainability risk and opportunities. The Board is responsible for setting the Company's sustainability strategies, priorities, and targets to create long term corporate value. The Board may establish a dedicated sustainability committee.	At present the Board provides governance and oversight in relation to Company's initiatives on Environmental, Social and Governance (ESG) matters. Nevertheless, the requirements introduced recently by SECP through notification dated June 12, 2024, will be complied with in due course.	10(A)

Naureen Javed

Faisalabad

Ms. Naureen Javed

Dated: 07 November 2025

Chairperson

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SITARA ENERGY LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Qualified Opinion

We have audited the annexed financial statements of Sitara Energy Limited (the Company), which comprise the statement of financial position as at June 30, 2025 and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion, except for the possible effects of the matters described in "Basis for Qualified Opinion" section of our report, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2025 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

An advance for purchase of land amounting to Rs. 16.50 million (refer Note 14) and trade debts of Rs. 356.64 million (Refer Note 42.2.1) are long outstanding / past due, however, no assessment and no provision, on the basis of expected credit loss (ECL) method, have been made in respect of these balances, as required under IFRS 9. In the absence of such assessment, the quantum of provision required under IFRS 9 cannot be determined, however, in our view, the quantum is expected to be material considering the quantum of such long outstanding / past due amounts.

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty relating to Going Concern

The Company suffered financial and operational difficulties. These conditions as set forth in Note 1.3, indicates the existence of a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide as separate opinion on these matters.

In addition to matters described in the "Basis for Qualified Opinion" and "Material uncertainty relating to Going Concern" section of our report, we have determined the matter described below as the Key audit matter:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SITARA ENERGY LIMITED

Key Audit Matter	How our audit addressed the key audit matter
Contingencies	
Refer to note 13 to the financial statements. The Company has litigation cases in respect of Gas Infrastructure Development Cess, power purchase agreement with Faisalabad Electric Supply Company and income tax matters, which are pending at various forums including Honorable Lahore High Court Lahore, High Court of Sindh, Islamabad High court and Appellate Tribunal Inland Revenue (ATIR). Matters under litigation require management to make judgments and estimates in relation to the interpretation of laws, statutory rules, regulations, the probability of outcome and financial impact, if any, on the Company for disclosure and recognition and measurement of any provisions that may be required against such litigation matters. Further, management also has a practice of consulting its legal and tax experts on the matters before deciding on the significant litigation matters. Due to significance of amounts involved, inherent uncertainties with respect to the outcome of matters and use of significant management judgment and estimates to assess the same including related financial impacts, we considered litigation matters relating to contingencies as a key audit matter.	In this respect, we performed following audit procedures: • Obtained and reviewed details of the pending litigations and discussed the same with the Company's management; • Reviewed judgments of the courts and assessment orders passed by the tax authorities in relation to the issues involved; • Obtained confirmations from the Company's external legal and tax counsels for their views on legal cases; • Assessed management's conclusions on contingent liabilities to evaluate the consistency of such conclusions with the views of the management and external legal advisors engaged by the Company; and • Reviewed disclosures made in respect of these litigations in the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for other information. The other information comprises the information in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SITARA ENERGY LIMITED

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SITARA ENERGY LIMITED

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) Except for the possible effects of the matters described in "Basis for Qualified Opinion" section of our report, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017). These are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Inam ul Haque.



RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS

Place: Lahore

Date: 07 November 2025

UDIN: AR202510226nbhflK9Ra

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF SITARA ENERGY LIMITED

Review Report on the statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the listed companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Sitara Energy Limited (the Company) for the year ended June 30, 2025 in accordance with the requirements of regulations 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon the recommendations of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2025.



RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS

Place: Lahore

Date: 07 November 2025

UDIN: CR202510226mOh3xEtVj

STATEMENT OF FINANCIAL POSITION

As at June 30, 2025

	Note	2025 Rupees	2024 Rupees
SHARE CAPITAL AND RESERVES			
Authorised capital 30,000,000 ordinary shares of Rs. 10/- each.		300,000,000	300,000,000
Issued, subscribed and paid up capital	4	190,920,000	190,920,000
Capital reserve - share premium	5	143,190,000	143,190,000
Revenue reserves	6	1,004,785,146	837,648,011
		1,338,895,146	1,171,758,011
NON-CURRENT LIABILITIES			
Long term financing	7	150,470,462	258,853,840
Deferred interest / markup	8	325,010,384	234,379,237
Advance rent	9	21,679,534	-
		497,160,380	493,233,077
CURRENT LIABILITIES			
Trade and other payables	10	623,791,836	803,040,901
Unclaimed dividend		3,702,824	3,702,824
Interest / mark up payable	11	14,928,603	376,068,385
Short term bank borrowings	12	259,656,021	431,656,021
Current portion of:			
Long term financing	7	126,931,921	160,065,255
Advance rent	9	7,548,000	-
Provision for taxation - income tax	35	28,270,759	26,971,865
		1,064,829,964	1,801,505,251
CONTINGENCIES AND COMMITMENTS			
	13	-	-
		2,900,885,490	3,466,496,339

	Note	2025 Rupees	2024 Rupees
NON-CURRENT ASSETS			
Property, plant and equipment	14	689,540,079	662,725,303
Investment property	15	1,120,865,916	1,348,280,501
Investment in subsidiary	16	50,000,000	50,000,000
Long term loan	17	5,000,000	1,000,000
Long term deposits	18	1,511,200	1,511,200
		1,866,917,195	2,063,517,004
CURRENT ASSETS			
Stores, spares and loose tools	19	286,196,696	307,689,077
Stock of oil and lubricants	20	18,009,687	130,724,490
Trade debts	21	365,114,217	497,611,743
Loans and advances	22	9,885,775	7,235,853
Deposits and prepayments	23	33,057,197	33,589,991
Other receivables	24	241,324,758	77,783,042
Tax refunds due from Government	25	54,153,176	58,528,327
Short term investments	26	265,856	256,130
Cash and bank balances	27	25,960,933	289,560,682
		1,033,968,295	1,402,979,335
		2,900,885,490	3,466,496,339

The annexed notes 1 to 45 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

STATEMENT OF PROFIT OR LOSS

For the Year Ended June 30, 2025

	Note	2025 Rupees	2024 Rupees
Sales - net	28	176,069,795	916,055,711
Cost of generation	29	214,661,942	908,785,395
Gross (loss) / profit		(38,592,147)	7,270,316
Other income	30	360,660,933	302,696,518
		322,068,786	309,966,834
Operating expenses	31	68,348,807	73,815,533
Other operating expenses	32	27,365,327	3,942,533
Finance cost	33	53,923,435	163,235,543
		149,637,569	240,993,609
Profit for the year before levies and income tax		172,431,217	68,973,225
Levies	34	2,152,472	9,905
Profit before income tax		170,278,745	68,963,320
Provision for taxation	35	(3,141,610)	(26,972,074)
Profit for the year		167,137,135	41,991,246
Earnings per share - Basic and diluted	36	8.75	2.20

The annexed notes 1 to 45 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended June 30, 2025

	2025 Rupees	2024 Rupees
Profit for the year	167,137,135	41,991,246
Other comprehensive income	-	-
Total comprehensive income for the year	167,137,135	41,991,246

The annexed notes 1 to 45 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

For the Year Ended June 30, 2025

	Issued, subscribed and paid up capital	Capital reserve	Revenue reserves			Total
		Share premium	General reserve	Accumulated (loss) unappropriated profit	Sub total	
----- Rupees -----						
Balance as at July 01, 2023	190,920,000	143,190,000	970,000,000	(174,343,235)	795,656,765	1,129,766,765
Total comprehensive income for the year						
Profit for the year	-	-	-	41,991,246	41,991,246	41,991,246
Other comprehensive income	-	-	-	-	-	-
	-	-	-	41,991,246	41,991,246	41,991,246
Balance as at June 30, 2024	190,920,000	143,190,000	970,000,000	(132,351,989)	837,648,011	1,171,758,011
Total comprehensive income for the year						
Profit for the year	-	-	-	167,137,135	167,137,135	167,137,135
Other comprehensive income	-	-	-	-	-	-
	-	-	-	167,137,135	167,137,135	167,137,135
Balance as at June 30, 2025	190,920,000	143,190,000	970,000,000	34,785,146	1,004,785,146	1,338,895,146

The annexed notes 1 to 45 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2025

	Note	2025 Rupees	2024 Rupees
(a) CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year before levies and income tax		172,431,217	68,973,225
Adjustments for:			
Depreciation of property, plant and equipment	14.2	22,789,035	18,453,565
Depreciation of investment property	15	24,625,689	22,732,247
Provision for staff retirement benefits	29 & 31	897,998	959,525
Provision for doubtful receivables	32	18,290,000	312,363
Provision / (Reversal) for slow moving and obsolete store items	29 & 30	1,990,236	(296,681)
(Gain) on disposal of :			
Property, plant and equipment	30	(6,485,824)	-
Investment property	30	(11,168,310)	(180,700,759)
Reversal of provision of interest/ markup on short term borrowings	30	(324,376,089)	(105,496,726)
Dividend Income	30	(8,609,885)	(66,036)
Finance cost	33	53,923,435	163,235,543
Operating cash flows before working capital changes		(55,692,498)	(11,893,734)
Changes in working capital			
Decrease / (Increase) in current assets			
Stores, spares and loose tools	19	19,502,145	(29,582,728)
Stock of oil and lubricants	20	112,714,803	(29,878,571)
Trade debts	21	114,207,526	(292,520,606)
Loans and advances	22	1,101,607	1,349,408
Deposits and prepayments	23	2,675,361	(6,897,755)
Other receivables	24	(163,541,716)	9,599,111
Tax refunds due from government - sales tax	25	4,561,551	15,920,703
(Decrease) / Increase in current liabilities			
Trade and other payables	10	(158,840,650)	104,766,861
		(67,619,373)	(227,243,577)
Cash (used in) operating activities		(123,311,871)	(239,137,311)
Levies and income tax paid		(10,075,684)	(2,048,479)
Staff retirement benefits paid		(942,078)	(955,901)
Finance cost paid		(55,981)	(3,803,169)
Net cash (used in) operating activities		(134,385,614)	(245,944,860)

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2025

	Note	2025 Rupees	2024 Rupees
(b) CASH FLOWS FROM INVESTING ACTIVITIES			
Additions in property, plant and equipment	14.5	(62,617,988)	(19,201,271)
Proceeds from disposal of			
Property, plant and equipment		2,700,000	-
Investment property		213,957,206	272,962,000
Advance rent received		25,663,200	-
Increase in long term loan		(4,000,000)	-
Loan to subsidiary recovered		-	84,823,750
Addition in short-term investments	26	(9,726)	(256,130)
Dividend Income	30	8,609,885	66,036
Net cash generated from investing activities		184,302,577	338,394,385
(c) CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing paid	7	(141,516,712)	(96,291,691)
(Decrease) in short term bank borrowings	12	(172,000,000)	(10,000,000)
Net cash (used in) financing activities		(313,516,712)	(106,291,691)
Net (decrease) in cash and cash equivalents (a+b+c)		(263,599,749)	(13,842,166)
Cash and cash equivalents at the beginning of the year		289,560,682	303,402,848
Cash and cash equivalents at the end of the year		25,960,933	289,560,682

The annexed notes 1 to 45 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

1. STATUS AND ACTIVITIES

1.1 Sitara Energy Limited (the company) is incorporated in Pakistan as a public limited company under the repealed Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act 2017 on May 30, 2017) and is listed on Pakistan Stock Exchange Limited. The main object of the 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 generation plant is located at 33-K.M. Sheikhpura Road, Tehsil Jaranwala, District Faisalabad in the province of Punjab.

1.2 The company has installed solar power plant of 1 Megawatt during the year which started commercial production of solar energy from October 1, 2024.

1.3 The company earned profit of Rs. 167.14 million (2024: Rs. 41.99 million) during the year. However, production and sale of electricity have significantly reduced as the production from generators remained temporarily suspended due to higher fuel prices. As at the reporting date, the current liabilities of the Company exceeded its current assets by Rs. 30.86 million (2024: Rs. 398.53 million).

These events and conditions indicate a material uncertainty that may cast significant doubt on 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 Company has formulated a multi faceted plan and is taking measures to address these adverse factors. These are briefly discussed below;

- the Company is installing solar power plant to produce electricity at competitive tariff to increase its turnover and improve its operating results;
- the Company is hopeful that the available production capacity will be used in near future on the implementation of Competitive Trading Bilateral Contract Market by the Government as approved by NEPRA and fuel prices may also reduce in future as a result of decreasing demand of fossil fuels, resulting in improved generation and sales of electricity at reasonable profit margin;
- the Company has also entered into agreements with all of its lenders, resulting in conversion of short term finances into long term finances, with pricing at cost of funds of the lenders. As a result, the finance cost is reducing from quarter to quarter and year to year moving the company towards sustainable operations in due course of time;
- the company is also making all efforts to dispose of non-core assets including investment properties to repay credit facilities and to further install solar plant which will result in improved sales and profitability. During the year, the Company has disposed off investment property at a consideration of Rs. 213.96 million (2024: Rs. 272.96 million).

The management is committed to implement its plan that will bring the company back on track and hence, the management is confident that the company will continue as a going concern.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS's) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRS's, the provisions of and directives issued under the Companies Act, 2017 have been followed.

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

The following standards, amendments to standards and interpretations have been effective and are mandatory for financial statements of the Company for the periods beginning on or after July 01, 2024 and therefore, have been applied in preparing these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

i. IAS 1 – Presentation of Financial Statements

The IASB has issued 'Classification of Liabilities as Current or Non-current (Amendments to IAS 1)' providing a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments in Classification of Liabilities as Current or Non-current (Amendments to IAS 1) affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They:

- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that the settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The IASB has further modified the requirements introduced by 'Classification of Liabilities as Current or Non-current' on how an entity classifies debt and other financial liabilities as current or non-current in particular circumstances. Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

These amendments are to be applied retrospectively in accordance with IAS 8. Application of these amendments have no significant impact on the Company's financial statements.

ii. IAS 7 – Statement of Cash Flows and IFRS 7 – Financial Instruments: Disclosures

The IASB has published 'Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)' to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. The amendments in Supplier Finance Arrangements;

- do not define supplier finance arrangements. Instead, the amendments describe the characteristics of an arrangement for which an entity is required to provide the information. The amendments note that arrangements that are solely credit enhancements for the entity or instruments used by the entity to settle directly with a supplier the amounts owed are not supplier finance arrangements;
- add two disclosure objectives. Entities are required to disclose in the notes information that enables users of financial statements;
 - ♦ to assess how supplier finance arrangements affect an entity's liabilities and cash flows; and
 - ♦ to understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it.
- complement current requirements in IFRSs by adding to IAS 7 additional disclosure requirements about;
 - ♦ the terms and conditions of the supplier finance arrangements;
 - ♦ for the arrangements, as at the beginning and end of the reporting period;
 - a) the carrying amounts of financial liabilities that are part of the arrangement and the associated line item presented;
 - b) the carrying amount of financial liabilities for which suppliers have already received payment from the finance providers;
 - c) the range of payment due dates (for example, 30 to 40 days after the invoice date);
 - d) comparable trade payables that are not part of a supplier finance arrangement; and
 - ♦ the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of the arrangement.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

The IASB decided that, in most cases, aggregated information about an entity's supplier finance arrangements will satisfy the information needs of users of financial statements.

- add supplier finance arrangements as an example within the liquidity risk disclosure requirements in IFRS 7.

Application of these amendments have no significant impact on the Company's financial statements.

2.2.2 Standards, amendments to standards and interpretations becoming effective in current year but not relevant

There are certain amendments to standards that became effective during the year and are mandatory for accounting periods of the company beginning on or after July 01, 2024 but are considered not to be relevant to the company's operations and are, therefore, not disclosed in these financial statements.

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

The following standards, amendments to standards and interpretations have been published and are mandatory for the Company's accounting periods beginning on or after the effective dates specified therein.

i. IAS 21 — The Effects Of Changes In Foreign Exchange Rates

- Specify when a currency is exchangeable into another currency and when it is not — a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency;
- Specify how an entity determines the exchange rate to apply when a currency is not exchangeable — when a currency is not exchangeable at the measurement date, an entity estimates the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing;
- Require the disclosure of additional information when a currency is not exchangeable - when a currency is not exchangeable an entity discloses information that would enable users of its financial statements to evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows.

The pronouncement also includes a new appendix with application guidance on exchangeability and a new illustrative example.

The amendments also extend to conforming amendments to IFRS 1 which previously referred to, but did not define, exchangeability. Application of these amendments are not expected to have any significant impact on the Company's financial statements.

It will be not applicable where foreign currency transactions are not involved.

ii. IFRS 7 — Financial Instruments: Disclosures and IFRS 9 — Financial Instruments

- A The IASB has issued 'Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)' to address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 'Financial Instruments'. The amendments are as under:

Derecognition of a financial liability settled through electronic transfer

- The amendments to the application guidance of IFRS 9 permit an entity to deem a financial liability (or part of it) that will be settled in cash using an electronic payment system to be discharged before the settlement date if specified criteria are met. An entity that elects to apply the derecognition option would be required to apply it to all settlements made through the same electronic payment system.
- Classification of financial assets:

Contractual terms that are consistent with a basic lending arrangement

- The amendments to the application guidance of IFRS 9 provide guidance on how an entity can assess whether contractual cash flows of a financial asset are consistent with a basic lending arrangement. To illustrate the changes to the application guidance, the amendments add examples of financial assets that have, or do not have, contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

Assets with non-recourse features

- The amendments enhance the description of the term 'non-recourse'. Under the amendments, a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.

Contractually linked instruments

The amendments clarify the characteristics of contractually linked instruments that distinguish them from other transactions. The amendments also note that not all transactions with multiple debt instruments meet the criteria of transactions with multiple contractually linked instruments and provide an example. In addition, the amendments clarify that the reference to instruments in the underlying pool can include financial instruments that are not within the scope of the classification requirements.

- Disclosures:

Investments in equity instruments designated at fair value through other comprehensive income

- ◆ The requirements in IFRS 7 are amended for disclosures that an entity provides in respect of these investments. In particular, an entity would be required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss that relates to investments derecognised in the period and the fair value gain or loss that relates to investments held at the end of the period.

Contractual terms that could change the timing or amount of contractual cash flows

- ◆ The amendments require the disclosure of contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in a basic lending risks and costs. The requirements apply to each class of financial asset measured at amortised cost or fair value through other comprehensive income and each class of financial liability measured at amortised cost.

B The International Accounting Standards Board (IASB) has issued 'Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)'. The amendments are:

- the own-use requirements in IFRS 9 are amended to include the factors an entity is required to consider when applying IFRS 9 to contracts to buy and take delivery of renewable electricity for which the source of production of the electricity is nature-dependent; and
- the hedge accounting requirements in IFRS 9 are amended to permit an entity using a contract for nature-dependent renewable electricity with specified characteristics as a hedging instrument:
 - ◆ to designate a variable volume of forecast electricity transactions as the hedged item if specified criteria are met; and
 - ◆ to measure the hedged item using the same volume assumptions as those used for the hedging instrument.
- The IASB amends IFRS 7 and IFRS 19 to introduce disclosure requirements about contracts for nature-dependent electricity with specified characteristics.

Application of these amendments are not expected to have any significant impact on the Company's financial statements.

iii. IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information

The ISSB has published IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information'. IFRS S1 sets out overall requirements with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to the primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is deferred by SECP and will become effective for different categories of companies in three phases starting from July 01, 2025.

The application of this standard will result in additional disclosures in the Company's financial statements in respect of sustainability related information.

iv. IFRS S2 Climate-related Disclosures

The International Sustainability Standards Board (ISSB) has published IFRS S2 'Climate-related Disclosures'. IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

general purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is deferred by SECP and will be effective to companies in three phases starting from July 01, 2025.

The application of this standard will result in additional disclosures in the Company's financial statements in respect of climate related information.

2.2.4 Standards, amendments to standards and interpretations becoming effective in future period but not relevant.

There are certain new standards, amendments to standards and interpretations that are effective from different future periods but are considered not to be relevant to the company's operations, therefore, not disclosed in these financial statements.

2.2.5 Standards issued by IASB but not applicable in Pakistan

Following new standards have been issued by IASB which are not yet notified by the SECP for the purpose of applicability in Pakistan:

IFRS 1 - First-time adoption of International Financial Reporting Standards

IFRS 18 - Presentation and Disclosures in Financial Statements

IFRS 19 - Subsidiaries without Public Accountability: Disclosures

2.3 Basis of measurement

These financial statements have been prepared under the "historical cost convention" except:

- short term investments valued at fair value through profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Staff retirement benefits

The company operates defined contribution plan - approved provident fund scheme for all its employees. Equal monthly contributions are made both by the company and employees at the rate of 10 percent per annum of the basic salary.

3.2 Trade and other payables

Liabilities for trade and other payables are measured at cost which is the fair value of the consideration to be paid in future for goods and services received whether billed to the company or not.

3.3 Provisions

Provisions are recognised when the company has a present, legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.

3.4 Provision for taxation

Tax Liability is based on taxable income at the current rates of taxation after taking into account available tax credits and rebates and charge / credit for prior years or minimum tax payable under the Income Tax Ordinance, 2001, whichever is higher.

- Current tax

The charge for current taxation is calculated on taxable income using the notified rate of taxation after taking into account tax credits and rebates available, if any is recognized as "current income tax expense".

- Levies

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income and based on revenue or other basis other than taxable income is classified as levy. Minimum taxes in excess over the amount designated as income tax is recognized as levy falling under the scope of IFRIC 12/IAS 37.

- Deferred

Deferred tax is provided, for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of recognised or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the date of statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

3.5 Dividend and other appropriations

Dividend is recognised as a liability in the period in which it is approved. Appropriations of profits are reflected in the statement of changes in equity in the period in which such appropriations are made.

3.6 Property, plant and equipment

Operating assets

Operating assets, except freehold land, are stated at cost less accumulated depreciation and accumulated impairment in value, if any. Freehold land is stated at cost less accumulated impairment in value, if any.

When parts of an item of operating asset have different useful lives, they are recognised as separate items of operating assets.

Depreciation is charged to income applying the reducing balance method at the rates specified in the property, plant and equipment note except plant and machinery on which depreciation is charged by applying unit of production method subject to minimum charge of Rs. 5 million to cover obsolescence.

Depreciation on additions other than additions in plant and machinery during the period is charged from the month in which an asset is acquired or capitalised, while no depreciation is charged for the month in which the asset is disposed off. The assets' residual values and useful lives are reviewed at each financial year end and adjusted, if impact on depreciation is significant.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalised.

Capital work in progress

All expenditure connected with specific assets incurred during installation and construction period are carried under capital work in progress. These are stated at cost less impairment in value, if any and are transferred to specific assets as and when these assets are available for use.

3.7 Investment property

Investment property which is property held to earn rentals and / or for capital appreciation, is valued using the cost method i.e. at cost less any accumulated depreciation and impairment in value, if any.

Depreciation on building is charged to income on reducing balance method at the rate of 10% per annum. Depreciation on additions to investment property is charged from the month in which a property is acquired or capitalised while no depreciation is charged for the month in which the property is disposed off.

Gains or losses on disposal of investment property, if any, are included in current income.

3.8 Impairment

The company assesses at each statement of financial position date whether there is any indication that assets except deferred tax assets may be impaired. If such indications exist, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment loss is recognised in statement of profit or loss, unless the relevant assets are carried at revalued amounts, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

Where impairment loss subsequently reverses, the carrying amounts of the assets are increased to the revised recoverable amounts but limited to the carrying amounts that would have been determined had no impairment loss been recognised for the assets in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant assets are carried at revalued amounts, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.9 Investment in subsidiary

Investment in subsidiary company is measured at cost. Provision for diminution in value is made if considered permanent.

3.10 Stores, spares and loose tools

These are valued at cost, determined on moving average method less allowance for slow moving and obsolete items. Items in transit are valued at invoice value plus other charges incurred thereon.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

3.11 Stock of oil and lubricants

Stock, except wastes, are valued at lower of cost and net realisable value using the moving average method. Items in transit are valued at cost comprising invoice value and other charges incurred thereon.

Wastes are valued at net realisable value. Net realisable value represents the estimated selling price in the ordinary course of business less estimated cost of completion and estimated cost necessary to make the sale.

3.12 Trade debts and other receivables

Trade debts are carried at original invoice amount less an estimate made for doubtful receivables based on review of outstanding amounts at the year end. Balances considered bad are written off when identified. Other receivables are recognised at nominal amount which is fair value of the consideration to be received in future.

3.13 Short term investments

Short term investments are carried at fair value through profit or loss. Fair value gain or loss on short term investment is recognised in profit or loss in the period in which it arises. Any gain or loss on disposal is recognised in profit or loss in the period in which it arises.

3.14 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand, balances with banks, highly liquid short term investments that are convertible to known amount of cash and are subject to insignificant risk of change in value.

3.15 Foreign currency translation

Transactions in currencies other than Pakistani Rupee are recorded at the rates of exchange prevailing on the dates of the transactions. At each statement of financial position date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the statement of financial position date except where forward exchange contracts have been entered into for repayment of liabilities, in that case, the rates contracted for are used.

Gains and losses arising on retranslation are included in net profit or loss for the period.

3.16 Financial instruments

3.16.1 Financial assets

The company classifies its financial assets at amortised cost, fair value through comprehensive income or fair value through profit or loss on the basis of the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

a) Financial assets at amortised cost

Financial assets at amortised cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

b) Financial assets at fair value through comprehensive income

Financial assets at fair value through comprehensive income are held within a business model whose objective is both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises.

Financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

subsequently remeasured to fair value, amortized cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

Equity instrument financial assets are measured at fair value at and subsequent to initial recognition changes in fair value of these financial assets are normally recognised in profit or loss. Dividends from such investments continue to be recognised in profit or loss when the company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in comprehensive income there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the company.

The company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and fair value through comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The company recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

3.16.2 Financial liabilities

All financial liabilities are recognised at the time when the company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised costs are initially measured at fair value minus transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit or loss.

3.17 Offsetting of financial asset and financial liability

A financial asset and a financial liability is offset and the net amount reported in the statement of financial position, if the company has a legal enforceable right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.18 Revenue recognition

Revenue is recognized at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For this purpose, the Company:

- identifies the contract with a customer;
- identifies the performance obligations in the contract;
- determines the transaction price which takes into account estimates of variable consideration, if any, and
- allocates the transaction price to the separate performance obligations, if applicable, on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and
- recognizes revenue when or as each performance obligation is satisfied in a manner that depicts the transfer of control of the goods or services promised to the customer.
- Determining the timing of the transfer of control – at a point in time or over time – requires judgment.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

Revenue is recognized at the point of time or over the period of time, whichever is applicable, as and when related performance obligation is satisfied.

Dividend income is recognized when the right to receive dividend is established.

Rental income is recognised on time proportionate basis.

3.19 Transactions with related parties

Transactions with related parties are carried out at arm's length. The prices are determined in accordance with comparable uncontrolled price method. The power is sold to related parties at the rates determined by National Electric Power Regulatory Authority.

3.20 Critical accounting estimates and judgments

The preparation of financial statements in conformity with International Accounting Standards / International Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and 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 judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

Significant areas requiring the use of management estimates in these financial statements relate to the contingencies, investment property valuation, useful life of depreciable assets, short-term investments, provision for taxation, doubtful receivables and slow moving inventory. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

4. Issued, subscribed and paid up capital

2025	2024		2025	2024
Number of shares			Rupees	Rupees
19,092,000	19,092,000	Ordinary shares of Rs. 10/- each		
		fully paid in cash.	190,920,000	190,920,000

4.1 656,000 (2024: 656,000) shares are held by an associated undertaking - Sitara Fabrics Limited.

5. Share Premium

5.1 The share premium can be used in accordance with provisions of section 81 of the Companies Act, 2017.

	Note	2025 Rupees	2024 Rupees
6. Revenue reserves			
General reserve	6.1	970,000,000	970,000,000
Unappropriated profit / accumulated (loss)			
Opening balance		(132,351,989)	(174,343,235)
Total comprehensive income for the year		167,137,135	41,991,246
		34,785,146	(132,351,989)
		1,004,785,146	837,648,011

6.1 The general reserve is an appropriation from accumulated profits and is available for distribution.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

		2025	2024
	Note	Rupees	Rupees
7. Long term financing			
Secured			
From banking company			
Under mark up arrangements			
Term finance	7.1	43,748,000	72,916,000
Demand finance	7.2	222,576,742	289,700,433
Diminishing musharakah	7.3	152,594,353	152,594,353
		418,919,095	515,210,786
Less: Paid during the year		(141,516,712)	(96,291,691)
	7.4	277,402,383	418,919,095
Less: Current portion			
Instalments due		-	(18,550,000)
Payable within one year		(126,931,921)	(141,515,255)
		(126,931,921)	(160,065,255)
		150,470,462	258,853,840

7.1 It represents the re-structuring of short term - term finance in 2023. 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 other long term financing and 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 (2024: 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.

7.2 It represents the re-structuring of short term - running finance in 2024. 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 other long term financing and short term borrowings, first ranking charge over fixed assets, and by personal guarantees of two directors of the Company.

It is subject to markup at cost of funds. 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

- 7.3** It represents the re-structuring of short term - morabaha finance-I and running finance in 2024. It is secured against first joint charge over current assets of the Company ranking pari passu with the charges created in respect of other long term financing and 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 short term borrowings and by personal guarantees of two directors of the Company.

It is subject to markup at cost of funds. Interest/markup past due till the date of re-structuring, along with future accrued markup is repayable in two equal quarterly installments commencing from September 15, 2028 and ending on December 15, 2028.

Effective rate of mark up charged during the year ranges from 4.76 % to 17.26% per annum (2024: 4.76% to 10.72% per annum).

- 7.4** These are repayable in equal quarterly installments as detailed below;

Nature of loan	Balance rupees	No of instalments		Starting date	Ending date	Mark up arrangement
		Total	Outstanding			
Term Finance	14,580,000	12	2	31-Mar-23	31-Dec-25	4.76% per annum
Demand Finance	148,376,618	14	8	31-Dec-23	31-Mar-27	cost of funds
Diminishing Musharakah	114,445,765	16	12	15-Sep-24	15-Jun-28	cost of funds

277,402,383

		2025 Rupees	2024 Rupees
8	Deferred interest / markup		
	Opening balance	234,379,237	21,893,551
	Mark-up on short term financing - rescheduled 12.1	50,000,000	185,510,332
		284,379,237	207,403,883
	Interest / markup for the year	53,867,454	26,975,354
	8.1	338,246,691	234,379,237
	Current portion of markup payable	(13,236,307)	-
		325,010,384	234,379,237

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

- 8.1 Interest / markup past due till the date of restructuring and accrued on long term finances (Refer Note 7) are repayable as under ;

Nature of loan	Balance in Rupees			No of installments		Starting date	Ending date
	Past due till date of restructuring	Subsequently accrued	Total	Total	Outstanding		
Term finance	19,455,000	7,017,614	26,472,614	4	4	31-Mar-26	31-Dec-26
Demand finance	109,583,472	57,051,087	166,634,559	4	4	11-Sep-27	11-Jun-28
Diminishing musharakah	75,926,860	19,212,658	95,139,518	2	2	15-Sep-28	15-Dec-28
Running finance			50,000,000	1	1	17-Dec-26	17-Dec-26

338,246,691

9. Advance rent

Balance received
Adjusted during the year

Less: Current portion

Adjustable within one year

2025
Rupees

2024
Rupees

30,192,000	-	
(964,466)	-	
29,227,534	-	
(7,548,000)	-	
21,679,534	-	

- 9.1 Ground floor of Sitara Tower is let on lease for a period of twelve years. The advance rent received shall be adjusted against 50% of the monthly rentals. The entire amount will be adjusted within a period of 48 months commencing from May 15, 2025.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

	Note	2025 Rupees	2024 Rupees
10. Trade and other payables			
Creditors		53,619,443	153,799,632
Accrued liabilities		25,995,401	117,702,452
Provident fund - related party		137,254	181,334
Workers' profit participation fund	10.1	9,075,327	3,630,170
Withholding taxes	10.2	68,012,625	66,307,892
Gas Infrastructure development cess (GIDC) payable	10.3	363,917,571	363,917,571
Electricity duty payable	10.4	90,742,089	88,981,390
Levies	34	2,152,472	9,905
Other		10,139,654	8,510,555
		<u>623,791,836</u>	<u>803,040,901</u>
10.1 Workers' profit participation fund			
Opening balance		3,630,170	-
Interest on funds utilised in the Company's business		20,602	-
		<u>3,650,772</u>	<u>-</u>
Paid to workers on behalf of the fund		(3,650,772)	-
Allocation for the year		9,075,327	3,630,170
		<u>9,075,327</u>	<u>3,630,170</u>
10.2	This includes income tax of Rs. 61.69 million (2024: Rs. 61.69 million) charged in the bills to the customers which are still outstanding, and hence, will be deposited on collection.		
10.3	The payment has been suspended since last year owing to stay granted by the Honourable Sindh High Court.		
10.4	The matter of payment of electricity duty is sub-judice as the relevant case is pending before Honourable Supreme Court of Pakistan.		

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

	Note	2025 Rupees	2024 Rupees
11. Interest / mark up payable			
Interest / mark up on secured:			
Long term financing		1,692,296	1,692,296
Current portion of markup on long term financing	8	13,236,307	-
Short term bank borrowings		-	374,376,089
		<u>14,928,603</u>	<u>376,068,385</u>
12. Short term bank borrowings			
Secured - under mark up arrangements			
Running finances	12.1	<u>259,656,021</u>	<u>431,656,021</u>

12.1 The unavailed short term financing facilities available to the company are Nil (2024: Rs. 28.344 million).

Running finance is restructured during the year. The principal is repayable in four equal semi-annual installments, commencing from December 17, 2024. A lumpsum markup of Rs. 50,000,000/- on rescheduled loan is repayable in the fifth installment in lieu of all the respective interest markup amounting to Rs. 374,376,089/- accrued till the date of restructuring.

It is secured against joint charge over fixed assets of the Company ranking pari passu with the charges created in respect of long term financing (Refer Note 7). It is further secured against token registered mortgage of Rs. 4.3 million, equitable mortgage of land owned by the Company and personal properties of directors. It is also secured by personal guarantee of two directors of the Company.

It was subject to mark up at the rate of 3 months KIBOR plus 2.00% per annum (2024: 3 months KIBOR plus 2.00% per annum) with a prompt payment rebate of 0.25% per annum.

Effective mark up rate charged during the year till rescheduling was ranged from 13.25% to 21.25% per annum (2024: 23.90% to 25.11% per annum).

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

13.1.1 Bank guarantees issued in favour of Sui Northern Gas Pipelines Limited for supply of gas aggregate Rs. 42,609,000/- (2024 : Rs. 42,609,000/-) have been expired.

13.1.2 The order of Commissioner Appeals in favour of the company regarding disputed demand of Income tax for the tax years 2004 to 2006 amounting Rs.1,313,929/- (2024: Rs.1,313,929/-) was vacated by the Appellate Tribunal. The company has filed an appeal on April 14, 2010 before Sindh High Court against the Appellate Tribunal Order. Pending the outcome of the matter, no provision has been made in these financial

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

statements. The management is hopeful of favourable outcome on the basis of feedback from its legal advisors.

- 13.1.3** Demand of gas Infrastructure development cess amounting Rs.128,150,602/- (2024: Rs.128,150,602/-) not acknowledged. The Honourable Supreme Court of Pakistan has passed a judgement on August 13, 2020 holding that GIDC is payable in 24 instalments without late payment surcharge. The company has challenged the levy from year 2011 to 2015 before the Honourable Lahore High Court, Lahore on the ground that GIDC cannot be recovered on the basis of section 8 of GIDC Act, 2015. Company has paid instalments of Rs. 42,716,867/- as per court order. Based on the opinion of the legal advisor there is every possibility that the petition may be decided in favour of the company to the extent of total amount of arrears. In view of the above pending appeal no provision has been made in the financial statement.
- 13.1.4** The company had executed Power Purchase Agreement (PPA) with Faisalabad Electric Supply company (FESCO) which was expired in 2011, and was due for regularisation as per NEPRA rules. FESCO filed Power Acquisition Request (PAR) in 2011. NEPRA approved reduced fuel cost in 2017 and ordered to recover excess amount. Being aggrieved by the orders company filed review petition before NEPRA which was dismissed by the Authority. The company filed an appeal before Islamabad High Court against which stay is granted. On January 19, 2024 the Islamabad High Court remanded back the case to the Appellate Tribunal (NEPRA), Islamabad. On June 13, 2024 the Appellate Tribunal (NEPRA), Islamabad passed an order in which the matter was remanded to NEPRA (Being the authority) with a direction to hear and decide the matter afresh. Currently the matter is pending and there is no demand against the company.
- 13.1.5** The assessing officer of Inland Revenue passed order in respect of tax periods from 2004 to 2008 and created demand of Rs. 5,505,105/- (2024: Rs. 5,505,105/-). Being aggrieved by the order the company filed appeal before the CIR(A). The CIR(A), Karachi has passed an order against the company. The company has filed the second appeal before ATIR, Karachi. The management, based on opinion of its legal advisor believes that there is reasonable probability that the matter will be decided in favour of the company. Pending the outcome of the matter, no provision has been made in these financial statements.
- 13.1.6** The assessing officer of Inland Revenue passed an order in respect of tax year 2016 under section 161 of the Income Tax Ordinance, 2001 and created demand of Rs. 128,195,734/- (2024: 128,195,734/-). Being aggrieved by the order, the company filed an appeal before the CIR(A), Karachi. The CIR(A), Karachi remanded back the case via order dated January 18, 2024. Later, the company has filed the second appeal before Honorable Appellate Tribunal Inland Revenue, ATIR, Karachi against the order of CIR(A), Karachi. Currently the case is pending for adjudication before ATIR. The management, based on opinion of its legal advisor believes that there is reasonable probability that the matter will be decided in favour of the company. Pending the outcome of the matter, no provision has been made in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

- 13.1.7** The assessing officer of Inland Revenue passed an order in respect of tax year 2017 under section 122(5A) of the Income Tax Ordinance, 2001 and created demand of Rs. 2,401,297/- (2024: 2,401,297/-). Being aggrieved by the order, the company filed an appeal before the CIR(A), Karachi. The CIR(A) has confirmed the demand of Rs. 2,401,297/- via order dated October 13, 2023. Later, the company has filed second appeal before the Honorable Appellate Tribunal Inland Revenue, Karachi against the order of CIR (A), Karachi. Currently, the case is pending for adjudication before ATIR. The management, based on opinion of its legal advisor believes that there is reasonable probability that the matter will be decided in favour of the company. Pending the outcome of the matter, no provision has been made in these financial statements.
- 13.1.8** The assessing officer of Inland Revenue passed an order in respect of tax year 2018 under section 122(1) of the Income Tax Ordinance, 2001 and created demand of Rs. 172,924,958/- (2024: Rs. 172,924,958/-). Being aggrieved by the order, the company has filed an appeal before the Appellate Tribunal Inland Revenue, Karachi which is pending for adjudication. The management, based on opinion of its legal advisor believes that there is reasonable probability that the matter will be decided in favour of the company. Pending the outcome of the matter, no provision has been made in these financial statements.
- 13.1.9** The assessing officer of Inland Revenue passed an order in respect of tax period(s) from July 2019 till June 2020 and tax period(s) from July 2020 till June 2021 under section 25 read with section 11 of the Sales Tax Act, 1990 dated 28 June, 2024 and created demands of Rs. 1,158,282/- (2024: Rs. 1,158,282/-) and Rs. 2,317,756/- (2024: Rs. 2,317,756/-) respectively. Being aggrieved by the orders, the company has filed appeals before CIR (A), Karachi which is pending for adjudication. The management, based on opinion of its legal advisor believes that there is reasonable probability that the matter will be decided in favour of the company. Pending the outcome of the matter, no provision has been made in these financial statements.
- 13.1.10** According to the rescheduling / restructuring arrangement with the lender, the markup accrued till date of rescheduling aggregating to Rs. 456,648,178/- (2024: Rs. 132,227,089/-) has been agreed on reduced rate subject to the condition that the company makes no default in making payments of principal and markup as agreed under rescheduling/ restructuring arrangement.

	2025 Rupees	2024 Rupees
13.2 Commitments		
Against installation of solar panels	-	4,703,200

For the Year Ended June 30, 2025

14. **Property, plant and equipment**14. **Property, plant and equipment**

Operating assets	14.1	673,040,079	627,458,303
Capital work in progress- Electric installations	14.5	-	18,767,000
Advance for purchase of land		16,500,000	16,500,000
		<u>689,540,079</u>	<u>662,725,303</u>

14.1 Operating assets

	Note	Company owned							Total	
		Freehold land	Building on freehold land	Plant and machinery	Electric installations	Factory equipment	Electric Appliances	Furniture and fixtures		Office equipment
Rupees										
At July 01, 2023										
Cost	40,772,399	223,827,224	1,620,830,131	169,920,812	4,297,647	11,834,460	6,802,670	15,797,755	83,662,496	2,177,745,594
Accumulated depreciation	-	(199,698,388)	(1,132,959,193)	(139,587,480)	(3,857,336)	(8,278,919)	(5,378,436)	(13,092,894)	(55,415,351)	(1,548,267,997)
Net book value	40,772,399	34,128,836	487,870,938	30,333,332	440,311	3,555,541	1,424,234	2,704,861	28,247,145	629,477,597
Year ended June 30, 2024										
Opening net book value	40,772,399	34,128,836	487,870,938	30,333,332	440,311	3,555,541	1,424,234	2,704,861	28,247,145	629,477,597
Additions	-	-	-	-	-	-	100,000	124,500	16,209,771	16,434,271
Depreciation charge	-	(3,412,884)	(5,000,000)	(3,033,333)	(44,031)	(355,554)	(145,756)	(275,749)	(6,186,258)	(18,453,565)
Closing net book value	40,772,399	30,715,952	482,870,938	27,299,999	396,280	3,199,987	1,378,478	2,553,612	38,270,658	627,458,303
At June 30, 2024										
Cost	40,772,399	223,827,224	1,620,830,131	169,920,812	4,297,647	11,834,460	6,802,670	15,922,255	99,872,267	2,194,179,865
Accumulated depreciation	-	(193,111,272)	(1,137,959,193)	(142,620,813)	(3,901,367)	(8,634,473)	(5,524,192)	(13,368,643)	(61,601,609)	(1,566,721,562)
Net book value	40,772,399	30,715,952	482,870,938	27,299,999	396,280	3,199,987	1,378,478	2,553,612	38,270,658	627,458,303
At July 01, 2024										
Cost	40,772,399	223,827,224	1,620,830,131	169,920,812	4,297,647	11,834,460	6,802,670	15,922,255	99,872,267	2,194,179,865
Accumulated depreciation	-	(193,111,272)	(1,137,959,193)	(142,620,813)	(3,901,367)	(8,634,473)	(5,524,192)	(13,368,643)	(61,601,609)	(1,566,721,562)
Net book value	40,772,399	30,715,952	482,870,938	27,299,999	396,280	3,199,987	1,378,478	2,553,612	38,270,658	627,458,303
Year ended June 30, 2025										
Opening net book value	40,772,399	30,715,952	482,870,938	27,299,999	396,280	3,199,987	1,378,478	2,553,612	38,270,658	627,458,303
Transferred from capital work in progress	-	-	-	81,384,988	-	-	-	-	-	81,384,988
Disposals:	-	-	-	-	-	-	-	-	-	(29,579,120)
Cost	-	-	-	-	-	-	-	-	-	16,564,943
Accumulated depreciation	-	-	-	-	-	-	-	-	-	(13,014,177)
Depreciation charge	-	(3,071,595)	(5,000,000)	(8,825,723)	(39,628)	(319,999)	(137,848)	(255,361)	(5,138,881)	(22,789,035)
Closing net book value	40,772,399	27,644,357	477,870,938	99,859,264	356,652	2,879,988	1,240,630	2,298,251	20,117,600	673,040,079
At June 30, 2025										
Cost	40,772,399	223,827,224	1,620,830,131	251,305,800	4,297,647	11,834,460	6,802,670	15,922,255	70,293,147	2,245,988,733
Accumulated depreciation	-	(196,182,867)	(1,142,959,193)	(151,446,536)	(3,940,995)	(8,954,472)	(5,662,040)	(13,624,004)	(50,175,547)	(1,572,945,654)
Net book value	40,772,399	27,644,357	477,870,938	99,859,264	356,652	2,879,988	1,240,630	2,298,251	20,117,600	673,040,079
Annual rate of depreciation (%)	-	10	-	10	10	10	10	10	10	20

14.2 Depreciation for the year has been allocated as under:

Cost of generation	29	16,936,946	11,490,248
Operating expenses	31	5,852,089	6,963,317
		<u>22,789,035</u>	<u>18,453,565</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

14.2.1 Actual depreciation on plant and machinery based on unit of production method amounts to Rs 0.75 million (2024:Rs. 0.28 million). The excess amount is charged to cover obsolescence.

14.3 Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:

	Location	Usage of immovable property	Total Area (in marlas)	Covered Area (in square foot)
a)	33-K.M.Sheikhupura Road, Chak # 61 R.B / 53 G.B , Tehsil Jaranwala, District Faisalabad	.Generation Plant	7,821	151,337
b)	3rd Floor, Sitara Tower, Bilal Square, New Civil Lines, Faisalabad	Head Office	33.83	9,210
c)	Office # 606 and 608, Sixth Floor Business Centre, Mumtaz Hasan Road, Karachi, 74000	Office	2.24	611

14.4 Detail of disposal of property, plant and equipment

-----2025-----							
Description	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain on disposal	Particulars of buyers	Relationship with buyer
----- Rupees -----							
Vehicles (sold by negotiation)	1,907,335	1,623,603	283,732	2,700,000	2,416,269	Haji Majid Ali, Quran academy road P-53 Saeed colony no. 2, Faisalabad	None
	24,617,177	12,422,506	12,194,671	14,500,000	2,305,329	M/s Sufi Goods Transport Company	None
	3,054,608	2,518,834	535,774	2,300,000	1,764,226	Mr.Raja Habib ur Rehman,H-297 Mohallah Gulberg, Faisalabad	None
	29,579,120	16,564,943	13,014,177	19,500,000	6,485,824		
-----2024-----							

No assets were disposed off during the year ended June 30,2024.

14.5 Capital work in progress

Electric installations

	2025 Rupees	2024 Rupees
Opening balance	18,767,000	-
Additions	62,617,988	18,767,000
Transferred to operating assets	(81,384,988)	-
Closing balance	-	18,767,000

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

15. Investment property

	Freehold land	Building on freehold land	Total
	----- Rupees -----		
At July 01, 2023			
Cost	384,766,764	46,204,099	430,970,863
Accumulated depreciation	-	(27,214,964)	(27,214,964)
Net book value	384,766,764	18,989,135	403,755,899
Year ended June 30, 2024			
Opening net book value	384,766,764	18,989,135	403,755,899
Additions	809,518,090	250,000,000	1,059,518,090
Disposals during the year	(92,261,241)	-	(92,261,241)
Depreciation charge	-	(22,732,247)	(22,732,247)
Closing net book value	1,102,023,613	246,256,888	1,348,280,501
At June 30, 2024			
Cost	1,102,023,613	296,204,099	1,398,227,712
Accumulated depreciation	-	(49,947,211)	(49,947,211)
Net book value	1,102,023,613	246,256,888	1,348,280,501
At July 01, 2024			
Cost	1,102,023,613	296,204,099	1,398,227,712
Accumulated depreciation	-	(49,947,211)	(49,947,211)
Net book value	1,102,023,613	246,256,888	1,348,280,501
Year ended June 30, 2025			
Opening net book value	1,102,023,613	246,256,888	1,348,280,501
Disposals during the year	(202,788,896)	-	(202,788,896)
Depreciation charge	-	(24,625,689)	(24,625,689)
Closing net book value	899,234,717	221,631,199	1,120,865,916
At June 30, 2025			
Cost	899,234,717	296,204,099	1,195,438,816
Accumulated depreciation	-	(74,572,900)	(74,572,900)
	899,234,717	221,631,199	1,120,865,916
Annual rate of depreciation (%)	-	10	

15.1 Investment property include land worth Rs. 700.83 million (2024: Rs. 901.25 million) and building on freehold land Rs. 250 million (2024: Rs. 250 million) which are not in the name of the company. These are in the name of subsidiary and associated undertaking respectively. The company has possession as well as full ownership rights as per the terms of the relevant agreements, and is entitled to get the land transferred in its name or buyers in future, as and when required. The fair value of investment property is approximately Rs. 1,719.20 million as at June 30, 2025 (2024: Rs. 1,842.29 million). The valuation has been carried out by independent valuers M/s Empire Enterprises (Pvt.) Limited. The forced sale value of investment property is approximately Rs. 1,461.32 million as at June 30, 2025 (2024: Rs. 1,565.94 million). The valuation is based on the unobservable inputs - level 3 classification.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

15.2 Disposal of Investment Property

Description	Carrying Value	Sale proceeds	Gain	Particulars of buyers
Investment Property - Land (Sold by negotiation)	2,372,626	8,025,000	5,652,374	Ali Tabassam House no. 54/J, Paradise valley, phase 1, Faisalabad.
Investment Property - Land (Sold by negotiation)	25,661,856	26,238,091	576,235	Shabbir Ahmad Chak No. 198/RB, Munianwala, Faisalabad
Investment Property - Land (Sold by negotiation)	6,369,760	6,467,760	98,000	Muhammad Zubair Amir Chak No. 198/RB, Munianwala, Faisalabad
Investment Property - Land (Sold by negotiation)	9,654,413	9,942,199	287,786	Manzor Ahmad Chak No. 197/RB, Baghiwal, Faisalabad
Investment Property - Land (Sold by negotiation)	6,319,577	6,416,800	97,223	Muhammad Afzal Divisional Public School Campus Faisalabad
Investment Property - Land (Sold by negotiation)	2,275,000	2,345,000	70,000	Muhammad Saeed Akhtar 30/G, Wapda City, Faisalabad
Investment Property - Land (Sold by negotiation)	11,375,000	11,725,000	350,000	Muhammad Shakeel Akhtar 30/G, Wapda City, Faisalabad
Investment Property - Land (Sold by negotiation)	9,750,000	10,050,000	300,000	Sajid Mahmood P-95, Judicial Colony Faisalabad
Investment Property - Land (Sold by negotiation)	14,751,654	15,205,551	453,897	Shahzad Chak No. 199/RB, Gatwala, Faisalabad
Investment Property - Land (Sold by negotiation)	11,020,129	11,359,210	339,081	Irfan Shahzad Rafique Chak No. 174/RB, Manka, Tehsil Sumundri, District Faisalabad
Investment Property - Land (Sold by negotiation)	5,005,238	5,159,246	154,008	Muhammad Hamid Jan P-50, Street No. 3, Jalal Colony, 214/RB, Dhudiwala, Faisalabad
Investment Property - Land (Sold by negotiation)	5,466,452	5,550,550	84,098	Imran Akram Chak No. 198/RB, Munianwala, Faisalabad
Investment Property - Land (Sold by negotiation)	4,875,000	4,950,000	75,000	Adnan Akram Chak No. 198/RB, Munianwala, Faisalabad
Investment Property - Land (Sold by negotiation)	4,875,000	4,950,000	75,000	Muhammad Tauseef Hassan Chak No. 200/RB, Lathianwala, Tehsil Jaranwala, District Faisalabad
Investment Property - Land (Sold by negotiation)	8,775,000	9,045,000	270,000	Muhammad Arshad Chak No. 198/RB, Munianwala, Faisalabad
Investment Property - Land (Sold by negotiation)	4,550,000	4,690,000	140,000	Ali Imran Khan Chak No. 207/RB, Mansoorabad Mohala Gujjar Khan wala Faisalabad
Investment Property - Land (Sold by negotiation)	4,550,000	4,690,000	140,000	Muhammad Sarmad Khalid House No. P-4, Street No. 2, Alnajaf Colony, Tariq Road, Faialabad
Investment Property - Land (Sold by negotiation)	3,250,000	3,350,000	100,000	Nauman Aslam House No. P-14/A, Rehmania Road, Nazimabad, Faisalabad
Investment Property - Land (Sold by negotiation)	3,250,000	3,350,000	100,000	Muhammad Asif Chak No. 198/RB, Munianwala, Faisalabad
Investment Property - Land (Sold by negotiation)	3,250,000	3,350,000	100,000	Khalid Idrees Lodhi House No. P-393, Street No. 12, Afghanabad No. 1, Faialabad
Investment Property - Land (Sold by negotiation)	9,750,000	10,050,000	300,000	Ghazanfar Ali S/o Muhammad Saddique Chak No. 198/RB, Munianwala, Faisalabad
Investment Property - Land (Sold by negotiation)	5,525,000	5,695,000	170,000	Muhammad Saleem Chak No. 193/RB, Sharianwala, Tehsil Jaranwala, District Faisalabad
Investment Property - Land (Sold by negotiation)	10,496,785	10,820,997	324,212	Asim Bashir Chak No. 198/RB, Munianwala, Faisalabad

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

Description	Carrying Value	Sale proceeds	Gain	Particulars of buyers
Investment Property - Land (Sold by negotiation)	1,625,000	1,675,000	50,000	Adeel Ahmad Chak No. 148/RB, Tehsil Jhumra, District Faisalabad
Investment Property - Land (Sold by negotiation)	3,250,000	3,350,000	100,000	Muhammad Afzal Chak No. 573/RB, Dakhana Khas, Tesil & District Nankana Sahib
Investment Property - Land (Sold by negotiation)	1,625,000	1,675,000	50,000	Safia Imran House No. 1049/B, Peoples Colony No.2, Faisalabad
Investment Property - Land (Sold by negotiation)	3,250,000	3,350,000	100,000	Javed Iqbal Shahzad House No. 86, Sitara Sapna City, Faisalabad
Investment Property - Land (Sold by negotiation)	2,076,654	2,140,550	63,896	Muhammad Tahir Maqsood Chak No. 198/RB, Munianwala, Faisalabad
Investment Property - Land (Sold by negotiation)	4,468,750	4,606,250	137,500	Muhammad Aslam House No.747, Street No.2, Data Nagar, Malikpur, 203 RB Faisalabad
Investment Property - Land (Sold by negotiation)	1,625,000	1,675,000	50,000	Abdul Malik A-Block Jamilabad, Street No.2, Faisalabad
Investment Property - Land (Sold by negotiation)	1,625,000	1,675,000	50,000	Sh.Muhammad Shaid House No.16-W-7, Madina Town, Faisalabad
Investment Property - Land (Sold by negotiation)	1,625,000	1,675,000	50,000	Muhammad Ashfaq House No. 18, Shoaib Block, Muslim Town No.1, Faisalabad
Investment Property - Land (Sold by negotiation)	1,625,000	1,675,000	50,000	Muhammad Yasin Street No. 4, Dastgir Colony, Mansoorabad, Faisalabad
Investment Property - Land (Sold by negotiation)	1,625,000	1,675,000	50,000	Muhammad Farhan Baig House No.444-A, Gulistan Colony No.2, Faisalabad
Investment Property - Land (Sold by negotiation)	1,950,000	2,010,000	60,000	Muhammad Iqbal House No. P-201, Jangilsingh Wala, Faisalabad
Investment Property - Land (Sold by negotiation)	1,625,000	1,675,000	50,000	Muhammad Imran Munawar House No. P-105, Khayaban Colony, Faisalabad
Investment Property - Land (Sold by negotiation)	1,625,000	1,675,000	50,000	Umer Riaz House No. 262-A, Gulfishan Colony, Jhang Road, Faisalabad
2025	202,788,896	213,957,206	11,168,310	

Description	Carrying Value	Sale proceeds	Gain	Particulars of buyers
Investment Property - Land (Sold by negotiation)	59,733,981	115,962,000	56,228,019	M/S Niagara Mills (Pvt.) Limited
	16,263,630	78,500,000	62,236,370	Muhammad Zahid s/o Bashir Ahmed, House no. 175-C, Street no. 1/1, Raza Town, Faisalabad
	16,263,630	78,500,000	62,236,370	Muhammad Nazir Nasir s/o Bashir Ahmed, House no. 175-D, Street no. 1/1, Raza Town, Faisalabad
2024	92,261,241	272,962,000	180,700,759	

15.2.1 The Company does not have any relationship with the buyers.

15.2.2 Particulars of property held and in the name of the Company are as follows:

Location	Usage of immovable property	Total Area (in marlas)	Covered Area (in square feet)
a) Chak # 125 G.B, Tehsil Jaranwala, District Faisalabad.	Plots	332	N/A
b) Chak # 165 R.B, Tehsil Jaranwala, District Faisalabad.	Plots	1,379	N/A
c) Chak # 193 R.B, Tehsil Jaranwala, District Faisalabad.	Plots	340	N/A
d) Chak # 197 R.B, Tehsil Faisalabad, District Faisalabad.	Plots	796	N/A
e) Chak # 198 R.B, Tehsil Faisalabad, District Faisalabad.	Plots	333	N/A
f) Chak # 200 R.B, Tehsil Jaranwala, District Faisalabad.	Plots	6,093	N/A
g) Chak # 204 R.B, Tehsil Faisalabad, District Faisalabad.	Plots	9	N/A
h) Chak # 206 R.B, Tehsil Jaranwala, District Faisalabad.	Plots	40	N/A
i) Chak # 60 R.B, Tehsil Jaranwala, District Faisalabad.	Plots	60	N/A
j) Chak # 61 R.B, Tehsil Jaranwala, District Faisalabad.	Plots	1,378	N/A
k) Ground floor, Sitara Tower situated at Bilal Square, New Civil Lines, Faisalabad.	held for earning rentals	18	5,032
l) 318, 3rd Floor Siddique Trade Centre, Main Boulevard, Gulberg, Lahore.	held for earning rentals	3	819

15.2.3 Particulars of property held but not in the name of the Company are as follows:

Location	Usage of immovable property	Total Area (in marlas)	Covered Area (in square feet)
a) Chak # 193 R.B, Tehsil Jaranwala, District Faisalabad.	Plots	440	N/A
b) Chak # 200 R.B, Tehsil Jaranwala, District Faisalabad.	Plots	3,354	N/A
c) Chak # 198 R.B, Tehsil Faisalabad, District Faisalabad.	Plots	1,326	N/A
d) Chak # 197 R.B, Tehsil Faisalabad, District Faisalabad.	Plots	1,406	N/A
e) Chak # 206 R.B, Tehsil Jaranwala, District Faisalabad.	Plots	249	N/A
f) Chak # 212 R.B, Plot # 44-A, Peoples Colony no. 1, Faisalabad.	Plots	39	N/A
g) Chak # 61 R.B, Tehsil Jaranwala, District Faisalabad.	Plots	1,759	N/A
h) Chak # 7 J.B, Tehsil City Faisalabad, District Faisalabad.	Plots	811	N/A
i) Chak # 206 R.B, Tehsil Jaranwala, District Faisalabad.	Plots	812	N/A
j) Chak # 60 R.B, Tehsil Jaranwala, District Faisalabad.	Plots	366	N/A
k) Chak # 193 R.B, Tehsil Jaranwala, District Faisalabad.	Plots	1,473	N/A
l) Chak # 200 R.B, Tehsil Jaranwala, District Faisalabad.	Plots	397	N/A
m) First floor, Sitara Tower situated at Bilal Square, New Civil Lines, Faisalabad.	Floor	35	9,460

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

	2025 Rupees	2024 Rupees
16. Investment in subsidiary		
Sitara International (Private) Limited		
5,000,000 (2024: 5,000,000) ordinary shares of		
Rs. 10/- each fully paid in cash.		
Ownership interest 100% (2024: 100%)	50,000,000	50,000,000

16.1 M/S Sitara International (Private) Limited is incorporated in Pakistan as a private limited company under the repealed Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act 2017 on May 30, 2017). The registered office of the Subsidiary is situated at 601-602 Business center, Mumtaz Hasan Road, Karachi.

	2025 Rupees	2024 Rupees
17. Long term deposits		
Considered good		
Due from executive	5,000,000	1,000,000

17.1 The interest free loan is given to executive of the company for personal use in accordance with the terms of employment. Long term loan has been carried at cost as the effect of carrying this balance at amortised cost would not be material in the overall context of these financial statements.

	2025 Rupees	2024 Rupees
15. Long term deposits		
Security deposits	1,511,200	1,511,200
19. Stores, spares and loose tools		
Stores	16,493,786	25,445,946
Spares	283,816,790	294,231,354
Loose tools	1,621,555	1,756,976
	301,932,131	321,434,276
Less: Provision for slow moving and obsolete items	(15,735,435)	(13,745,199)
	286,196,696	307,689,077

19.1 Stores and spares include items that may result in fixed capital expenditure but are not distinguishable.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

	Note	2025 Rupees	2024 Rupees
20. Stock of oil and lubricants			
Furnace oil			
In hand		9,018,881	28,624,402
In transit		-	92,788,719
Diesel oil		5,146,398	6,616,797
Lube oil		3,781,870	2,640,534
Wastes		62,538	54,038
		<u>18,009,687</u>	<u>130,724,490</u>
21. Trade debts			
Unsecured			
Considered good			
Related parties			
Sitara Fabrics Limited	21.1	7,625,003	-
Others		357,489,214	497,611,743
		<u>365,114,217</u>	<u>497,611,743</u>
Considered doubtful - Others		18,602,363	312,363
Less: Provision for doubtful receivables		(18,602,363)	(312,363)
		<u>-</u>	<u>-</u>
		<u>365,114,217</u>	<u>497,611,743</u>

21.1 The maximum aggregate amount due from associated undertaking Sitara Fabrics Limited at the end of any month during the year was Rs. 15,513,368/- (2024: Rs. 248,173,250/-).

	2025 Rupees	2024 Rupees
22. Loans and advances		
Considered good		
Loans to staff	134,667	107,538
Advances		
Income tax	5,800,008	2,048,479
Suppliers	3,651,100	4,993,187
For purchases / expenses	300,000	86,649
	<u>9,751,108</u>	<u>7,128,315</u>
	<u>9,885,775</u>	<u>7,235,853</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

	Note	2025 Rupees	2024 Rupees
23. Deposits and prepayments			
Considered good			
Deposits			
Guarantee margin		30,782,700	30,782,700
Prepayments			
Insurance		122,025	2,797,386
Levies		2,152,472	9,905
		<u>33,057,197</u>	<u>33,589,991</u>
24. Other receivables			
Considered good			
Receivable against:			
Sale of investment property	24.1	224,222,206	73,966,161
Rent		277,200	3,691,304
Others		16,825,352	125,577
		<u>241,324,758</u>	<u>77,783,042</u>
Considered doubtful - Rent		5,273,519	5,273,519
Less: Provision for doubtful receivables		(5,273,519)	(5,273,519)
		<u>-</u>	<u>-</u>
		<u>241,324,758</u>	<u>77,783,042</u>

24.1 The sales proceeds of Rs. 101.39 million (2024: Rs. 35.89 million) has been received subsequently.

	2025 Rupees	2024 Rupees
25. Tax refunds due from government		
Sales tax	14,090,932	18,652,483
Income tax	40,062,244	39,875,844
	<u>54,153,176</u>	<u>58,528,327</u>
26. Short term investments		
Investment- at Fair value through profit or loss		
Investment in mutual fund		
Meezan Daily Income Fund		
5317.1272 units of Rs.50/- each		
(2024 : 5122.6 units of Rs.50/- each)	265,856	256,130

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

	As at July 01, 2024	Purchased during the year	Units redeemed during the year	As at June 30, 2025
Meezan Daily Income Fund (units)	5,122.60	5,814,921.93	5,814,727.40	5,317.13
Value at Rs 50/ unit each (Rupees)	256,130	290,746,097	290,736,371	265,856

26.1 Effective rate of profit during the year was 20.43% (2024:18.1%) per annum.

26.2 The fair value of the quoted securities is determined based on the quoted prices (unadjusted) in active market for identical assets. It represents Level 1 hierarchy.

	Note	2025 Rupees	2024 Rupees
27. Cash and bank balances			
Cash in hand		424,775	1,590,083
Cash at banks			
In current accounts		25,536,158	287,970,599
		<u>25,960,933</u>	<u>289,560,682</u>
28. Sales - net			
Electricity		209,839,982	1,091,755,197
Less: Sales tax		32,009,489	166,538,929
		<u>177,830,493</u>	<u>925,216,268</u>
Less: Electricity duty		1,760,698	9,160,557
		<u>176,069,795</u>	<u>916,055,711</u>
29. Cost of generation			
Cost of oil and lubricants		153,968,297	854,273,737
Salaries, wages and benefits		30,559,613	32,471,528
Staff retirement benefits		562,713	562,477
Stores, spares and loose tools		2,564,078	3,355,851
Travelling and conveyance		100,955	133,416
Vehicles running and maintenance		1,131,863	1,466,483
Insurance		2,252,023	1,082,585
Repairs and maintenance		2,508,973	2,250,295
Entertainment		867,113	251,674
Depreciation	14.2	16,936,946	11,490,248
Provision for slow moving and obsolete store items	19	1,990,236	-
Others		1,219,132	1,447,101
		<u>214,661,942</u>	<u>908,785,395</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

		2025 Rupees	2024 Rupees
30. Other income			
Income from financial assets:			
Dividend Income		8,609,885	66,036
Income from assets other than financial assets:			
Sale of scrap and waste		47,844	8,193,575
Rental Income		9,972,981	7,942,741
Gain on disposal of			
Property, plant and equipment		6,485,824	-
Investment property		11,168,310	180,700,759
Reversal of:			
Provision of interest/ markup on short term borrowings	12.1	324,376,089	105,496,726
Provision for slow moving and obsolete store items		-	296,681
		<u>360,660,933</u>	<u>302,696,518</u>
31. Operating expenses			
Directors' remuneration		7,800,000	7,800,000
Salaries and benefits		13,645,379	12,972,313
Staff retirement benefits		335,285	397,048
Postage and telephone		1,004,452	1,078,829
Vehicles running and maintenance		3,395,562	2,815,559
Travelling and conveyance		647,094	1,383,210
Printing and stationery		976,356	955,147
Entertainment		462,162	654,868
Legal and professional		3,761,900	4,002,853
Fee, subscription and periodicals		1,139,464	6,572,474
Rent, rates and taxes		532,510	795,445
Advertisement		365,969	159,042
Insurance		571,308	105,084
Auditors' remuneration	31.1	1,540,000	1,440,000
Repairs and maintenance		211,803	806,880
Donations	31.2	784,620	617,350
Depreciation on property, plant and equipment	14.2	5,852,089	6,963,317
Depreciation on investment property	15	24,625,689	22,732,247
Utilities		328,327	1,234,683
Others		368,838	329,184
		<u>68,348,807</u>	<u>73,815,533</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

		2025 Rupees	2024 Rupees
31.1 Auditors' remuneration			
Audit fee		1,240,000	1,155,000
Fee for the review of half yearly financial information		139,000	126,500
Other certifications		68,100	66,100
Out of pocket expenses		92,900	92,400
		<u>1,540,000</u>	<u>1,440,000</u>
31.2	This represents donation given to Safia Ghafour Trust. The directors or their spouses had no interest in the donee.		
		2025 Rupees	2024 Rupees
32. Other operating expenses			
Provision for doubtful receivables		18,290,000	312,363
Workers' profit participation fund		9,075,327	3,630,170
		<u>27,365,327</u>	<u>3,942,533</u>
33. Finance cost			
Interest / mark-up on :			
Long term financing		53,867,454	17,112,835
Short term bank borrowings		-	144,995,910
Workers' profit participation fund	10.1	20,602	-
Bank charges and commission		35,379	1,126,798
		<u>53,923,435</u>	<u>163,235,543</u>
34. Levies			
Final tax		<u>2,152,472</u>	<u>9,905</u>

34.1 This represents final tax paid under section 150 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/IAS 37.

	Note	2025 Rupees	2024 Rupees
35. Provision for taxation			
Current			
For the year	35.1	3,139,271	26,971,865
For prior years		2,339	209
Deferred	35.4	-	-
		<u>3,141,610</u>	<u>26,972,074</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

35.1 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 except rental income and capital gain which is subject to tax under separate block income.

35.2 Reconciliation of current tax charged as per tax laws for the year, with current tax recognised in the profit and loss account, is as follows:

	2025 Rupees	2024 Rupees
Current tax liability for the year as per applicable tax laws	5,291,743	26,981,770
Portion of current tax liability as per tax laws: representing income tax under IAS 12	(3,139,271)	(26,971,865)
representing levy in terms of requirements of IFRIC 21/IAS 37	(2,152,472)	(9,905)
Difference	-	-
35.3 Relationship between tax expense and accounting profit		
Profit for the year before taxation	172,431,217	68,973,225
Tax on Accounting profit- exempt (Refer Note 35.1)	-	-
Tax effect of :		
Separate block of rental income	2,889,851	2,300,471
Expenses that are admissible in earning rental income	(577,970)	(460,094)
Capital gain	827,390	25,131,488
	3,139,271	26,971,865
Prior year adjustment	2,339	209
Final tax	2,152,472	9,905
34 & 35	5,294,082	26,981,979

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

35.4 Deferred taxation

No provision for deferred taxation has been made in these financial statements as income of the company is exempt from taxation with the exception of rental income and capital gain in respect of which no temporary difference has arisen.

	2025 Rupees	2024 Rupees
36. Earnings per share - Basic and diluted		
Profit for the year (Rupees)	167,137,135	41,991,246
Weighted average number of ordinary shares	19,092,000	19,092,000
Earnings per share - Basic and diluted (Rupees)	8.75	2.20

36.1 There is no dilutive effect on the basic profit per share of the Company.

37. REMUNERATION TO CHIEF EXECUTIVE OFFICER AND EXECUTIVES

	2025		2024	
	Chief Executive Officer	Executives	Chief Executive Officer	Executives
	-----Rupees-----			
Remuneration	6,545,455	5,922,982	6,545,455	5,922,982
Medical allowance	654,545	592,298	654,545	592,298
Perquisites	600,000	-	600,000	-
Contribution to provident fund	-	312,732	-	312,732
	7,800,000	6,828,012	7,800,000	6,828,012
Number of persons	1	2	1	2

37.1 The Chief Executive Officer is entitled to free use of company maintained car and other perquisites. One executive is entitled to conveyance facility. The monetary value of these benefits approximates Rs. 3,059,780/- (2024: 2,323,892/-). The Directors have waived off their meeting fee.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

38. TRANSACTIONS WITH RELATED PARTIES

The company in the normal course of business carries out transactions with various related parties which comprise of subsidiary, associated undertakings, directors, key management personnel and post employment benefit plan. Amounts due from and due to related parties are shown under relevant notes to the financial statements. Remuneration to Chief Executive Officer and Executives is disclosed in Note 37. Other significant transactions with related parties are as follows:

Name of the related party	Relationship and Percentage	Transactions during the year	2025 Rupees	2024 Rupees
Sitara Fabrics Limited	Associated company by virtue of common directorship	Sale of electricity	29,620,062	-
		Received against sale of electricity	21,995,059	
		Adjustment of receivable balances against land	-	283,173,250
Sitara Energy Limited Staff Provident Fund Trust	Other related party	Company's Contribution for the year	897,998	959,525
Sitara International (Pvt.) Limited	Subsidiary company	Recovery of loan	-	84,823,750
		Adjustment of loan against land	-	526,344,840
Mr.Ijaz Ahmad Babar	Key Management Personnel	Loan given	4,000,000	-

39. PLANT CAPACITY AND ACTUAL PRODUCTION

	2025	2024
Number of generators installed	20	20
Number of generators worked	3	6
Installed energy generation capacity (Mega watt hours)	683,893	683,893
Installed solar generation capacity (Mega watt hours)	1,460	-
Actual energy generation (Mega watt hours)	5,203	23,315
Actual average load (Mega watt)	0.59	2.66

Reasons for low generation: - Installed generators include three standby generators.
- Planned utilisation as per demand.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

		2025	2024
40. DISCLOSURE WITH REGARDS TO PROVIDENT FUND			
Size of the fund	(Rupees)	10,557,112	9,392,700
Cost of investments made	(Rupees)	4,603,435	4,603,435
Percentage of investments made	(% age)	43.61%	49.01%
Fair value of investments	(Rupees)	9,405,071	7,926,337

40.1 The figures are based on the un-audited financial statements of the provident fund. Investment has been made in mutual fund in accordance with the provisions of section 218 of the Companies Act 2017 and conditions specified thereunder.

		2025	2024
41. NUMBER OF EMPLOYEES			
Total number of employees as at year end		59	83
Total number of generation plant / factory employees as at year end		52	76
Average number of employees for the year		68	75
Average number of generation plant / factory employees for the year		61	68

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company finances its operations through mix of equity, debt and working capital with a view to maintain an appropriate mix between various sources of finance to minimise risk. The overall risk management is carried out by the finance department under the oversight of Board of Directors in line with the policies approved by the Board.

	2025 Rupees	2024 Rupees
42.1 FINANCIAL INSTRUMENTS BY CATEGORIES		
Financial assets at amortised cost:		
Long term loan	5,000,000	1,000,000
Long term deposits	1,511,200	1,511,200
Trade debts	365,114,217	497,611,743
Loans and advances	134,667	107,538
Deposits and prepayments	30,782,700	30,782,700
Other receivables	241,324,758	77,783,042
Cash and bank balances	25,960,933	289,560,682
	<u>669,828,475</u>	<u>898,356,905</u>
Financial assets at fair value through profit and loss:		
Short term investments	<u>265,856</u>	<u>256,130</u>
Financial liabilities at amortised cost:		
Long term financing	277,402,383	418,919,095
Unclaimed dividend	3,702,824	3,702,824
Trade and other payables	544,551,412	733,092,934
Interest / markup payable	339,938,987	610,447,622
Short term bank borrowings	259,656,021	431,656,021
	<u>1,425,251,627</u>	<u>2,197,818,496</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

42.2 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The company's activities expose it to a variety of financial risks (credit risk, liquidity risk and market risk). Risks measured and managed by the company are explained below:

42.2.1 Credit risk and concentration of credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties failed completely to perform as contracted. The company is exposed to concentration of credit risk towards the major customers M/S Sitara Chemical Industries Limited and M/S Sitara Peroxide Limited. The trade debts receivable from these customers constitute 96.94% (2024: 90.13%) of total receivables. The maximum exposure to credit risk at the reporting date is as follows:

	2025 Rupees	2024 Rupees
Long term loan	5,000,000	1,000,000
Long term deposits	1,511,200	1,511,200
Trade debts	365,114,217	497,611,743
Loans and advances	134,667	107,538
Deposits and prepayments	30,782,700	30,782,700
Other receivables	241,324,758	77,783,042
Short term investments	265,856	256,130
Bank balances	25,536,158	287,970,599
	<u>669,669,556</u>	<u>897,022,952</u>

Due to company's long standing relations with counterparties and after giving due consideration to their financial standing, the management does not expect non performance by these counter parties on their obligations to the company.

For trade debts credit quality of the customer is assessed, taking into consideration its financial position and previous dealings, individual credit limits are set. The management regularly monitors and reviews customers credit exposure.

The company's most significant customers are M/S Sitara Chemical Industries Limited and M/S Sitara Peroxide Limited . The break-up of amount due from customers is as follows:

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

	2025 Rupees	2024 Rupees
Sitara Chemical Industries Limited	109,200,709	186,033,238
Less: Provision for doubtful receivables	(18,290,000)	-
	90,910,709	186,033,238
Sitara Peroxide Limited	262,456,104	262,456,104
Other industrial users	12,059,767	49,434,764
Less: Provision for doubtful receivables	(312,363)	(312,363)
	11,747,404	49,122,401
	365,114,217	497,611,743

The aging of trade debts as at statement of financial position date is as under:

	2025 Rupees	2024 Rupees
Not past due	8,475,897	177,577,480
Past due		
4 to 6 months	7,836,695	-
7 to 12 months	59,137,602	5,444,160
More than 1 year	308,266,386	314,902,466
Less: Provision for doubtful receivables	(18,602,363)	(312,363)
	356,638,320	320,034,263
	365,114,217	497,611,743
Not past due		
Related parties	-	-
Others	8,475,897	177,577,480
	8,475,897	177,577,480
Past due		
Related parties	7,625,003	-
Others- net of provision	349,013,317	320,034,263
	356,638,320	320,034,263
	365,114,217	497,611,743

Appropriate provisions have been made in respect of trade debts and other receivables considered doubtful. The credit risk exposure is limited in respect of bank balances and short term investments as these are placed with local banks and asset management company having good credit rating from international and local credit rating agencies.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

		2025 Rupees	2024 Rupees
The bank balances along with credit rating is as follows.			
Bank name	Credit Rating		
United Bank Limited	AAA	10,582	12,332
Muslim Commercial Bank Limited	AAA	953,738	47,351
Allied Bank Limited	AAA	3,701,872	3,702,824
Meezan Bank Limited	AAA	5,246,022	9,207,587
National Bank Limited	AAA	28,628	26,900
Standard Chartered Bank	AAA	593,559	593,559
Habib Bank Limited	AAA	70,106	255,330,140
Bank Al-Falah Limited	AAA	13,907	13,907
Askari Bank Limited	AA+	27,281	27,981
The Bank of Punjab	AA+	8,114	8,714
Al Barka Bank (Pakistan) Limited	AA -	14,804,959	16,013,719
First Women Bank Limited	A -	52,875	2,960,535
Bank Makramah Limited	BBB -	24,515	25,050
		<u>25,536,158</u>	<u>287,970,599</u>

The analysis of credit rating of investees' in relation to short term investment is as follows:

	Credit Rating	2025 Rupees	2024 Rupees
Al Meezan Investment Management Limited	A-1+	<u>265,856</u>	<u>256,130</u>

Based on the past experience and taking into consideration, the financial position, and previous record of recoveries, the company believes that trade debts past due do not require any impairment. The credit risk exposure is limited in respect of deposits, bank balances and short term investments as majority of deposits and all bank balances are placed with local banks having good credit rating.

42.2.2 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to manage liquidity is to maintain sufficient level of liquidity of the Company on the basis of expected cash flows, requirements of holding highly liquid assets and maintaining adequate reserve borrowing facilities to cover liquidity risk. This includes maintenance of statement of financial position liquidity ratios through working capital management. Following are the contractual maturities of financial liabilities including interest payments as at June 30, 2025 and 2024:

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

Financial liabilities:

2025					
Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	Two to five years	
-----Rupees in thousand-----					
Long term financing	277,402	373,844	91,386	76,458	206,000
Unclaimed dividend	3,703	3,703	3,703	-	-
Trade and other payables	544,551	544,551	544,551	-	-
Short term bank borrowings	259,656	259,656	43,844	215,812	-
Interest / mark up payable	339,939	339,939	14,928	-	325,011
	1,425,251	1,521,693	698,412	292,270	531,011

Financial liabilities:

2024					
Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	Two to five years	
-----Rupees in thousand-----					
Long term financing	418,919	418,919	89,305	70,758	258,856
Unclaimed dividend	3,703	3,703	3,703	-	-
Trade and other payables	733,093	733,093	733,093	-	-
Short term bank borrowings	431,656	537,152	52,748	484,404	-
Interest / mark up payable	610,448	610,448	376,068	-	234,380
	2,197,819	2,303,315	1,254,917	555,162	493,236

The contractual cash flows relating to mark up on long term and short term bank borrowings have been determined on the basis of mark up rates as applicable at June 30, 2025. The Company is exposed to liquidity risk, however, it will manage the liquidity risk from its own source through equity and working capital management.

42.2.3 Market risk management

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing returns.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate risk arises from long term and short term bank borrowings. The interest rate profile of the company's interest bearing financial

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

instruments is presented in relevant notes to the financial statements.

Sensitivity analysis

Sensitivity to interest rate risk arises from mismatches of financial assets and financial liabilities that mature or reprice in a given period.

Fair value sensitivity analysis for fixed rate instruments

The company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, therefore a change in interest rates at the reporting date would not effect statement of profit or loss.

Cash flow sensitivity analysis for variable rate instruments

Had the interest rate been increased / decreased by 1% at the reporting date with all other variables held constant, profit for the year and equity would have been lower / higher by 6.94 million (2024: Rs. 9.04 million).

ii) Currency risk

Currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings. Currency risk is covered through forward foreign exchange contracts whenever it is considered appropriate to hedge foreign currency exposure. The company is not exposed to any currency risk.

iii) Equity price risk

Equity price risk is the risk of unfavorable changes in the fair value of the equity securities as a result of changes in the levels of Stock Exchange indexes and the value of individual shares (including the units of mutual funds). The equity price risk exposure arises from the company's short term investments for which prices in the future are uncertain. The company's policies to manage price risk through diversification and selection of securities within specified limits set by the internal risk management guidelines.

The Company is not exposed to any significant equity price risk.

42.3 Fair value of financial instruments

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

42.4 Capital management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, issue new shares or obtain / repay long term and short term financing from / to financial institutions.

The company manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investment requirements and expectation of the shareholders. Debt is calculated as total borrowings ('long term financing' and 'short term bank borrowings' as shown in the statement of financial position). Total capital comprises shareholders' equity as shown in the statement of financial position under 'share capital and reserves' and net debt (Debt less cash and cash equivalents).

The salient information relating to capital risk management of the company was as follows:

	Note	2025 Rupees	2024 Rupees
Total Debt	7&12	537,058,404	850,575,116
Less: Cash and cash equivalents	27	25,960,933	289,560,682
Net Debt		511,097,471	561,014,434
Total equity		1,338,895,146	1,171,758,011
Total capital		1,849,992,617	1,732,772,445
Gearing ratio		27.63%	32.38%

43. RE-ARRANGEMENTS / RE- CLASSIFICATION

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison. The significant reclassification / restatement made are as under;

- Gas Infrastructure Development Cess payable amounting to Rs. 363,917,571/- (2024: Rs. 363,917,571/-) was grouped in "Creditors" under head "Trade and other payables". It has now reclassified and presented seperately under the same head. GIDC receivable of Rs. 53,562,194/- (2024: Rs. 53,562,194)/- grouped in "Other receivables" is netted off against GIDC payable which is presented seperately.
- Electricity duty payable amounting to Rs. 90,742,089/- (2024: Rs. 88,981,390/-) was grouped in "Accrued liabilities" under head "Trade and other payables". It has now reclassified and presented seperately under the same head.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

- Levies payable amounting to Rs. 2,152,472/- (2024: Rs. 9,905/-) has been re-arranged and grouped under the head "Trade and other payables" from its earlier classification under head "Provision for taxation".

44. DATE OF AUTHORISATION FOR ISSUE

These financial statements have been approved by the Board of Directors of the company and authorised for issue on November 07, 2025.

45. GENERAL

- 45.1** Figures have been rounded off to the nearest Rupee except where mentioned Rupees in thousands.
- 45.2** The Nomenclature of "Income tax" grouped under the head "Deposits and prepayments" has been changed to "Levies" for better presentation.



Chief Executive Officer



Director



Chief Financial Officer

REPORT OF THE DIRECTORS

ON CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors have pleasure in presenting the Audited Financial Statement of the Sitara Energy Limited (the parent) and Sitara International (Pvt.) Limited (the Subsidiary) for the year ended June 30, 2025.

The Company holds 100% shares in the Subsidiary which is trading in different commodities.

The consolidated financial are as follows:

	30.06.2025	30.06.2024
	(Rs. '000s)	(Rs. '000s)
Sales - net	176,990	916,056
Gross Profit / (loss)	(37,855)	7,270
Profit / (Loss) before taxation	118,267	67,306
Profit / (Loss) after taxation	115,313	34,825
Profit / (Loss) per share - Basic and diluted	6.04	1.82



Javed Iqbal

Chief Executive Officer



Sheikh Javaid Islam

Director

November 07, 2025

Faisalabad

ڈائریکٹرز رپورٹ مجموعی مالیاتی گوشوارے

ڈائریکٹرز رپورٹ مجموعی مالیاتی گوشوارے

بورڈ آف ڈائریکٹرز ستارہ انرجی لمیٹڈ (ہیزٹ) اور ستارہ انٹر نیشنل پرائیویٹ لمیٹڈ (سبسڈیری) ختم ہونے والے مالی سال 30 جون 2025ء کے مالیاتی گوشوارے پیش کرتے ہوئے انتہائی مسرت محسوس کرتا ہے۔ آپ کی کمپنی سبسڈیری کے 100% شیئرز کی ملکیت رکھتی ہے جو کہ ریئل اسٹیٹ کے کاروبار سے منسلک ہے۔

مجموعی مالیاتی گوشواروں کی تفصیلات درج ذیل ہے

ڈائریکٹرز رپورٹ مجموعی مالیاتی گوشوارے

تفصیل	30 جون 2025ء	30 جون 2024ء
پاکستانی روپے ہزاروں میں		
فروخت - نٹ	176,990	916,056
مجموعی منافع / (نقصان)	(37,855)	7,270
فیکسیشن سے قبل (نقصان) / منافع	118,267	67,306
فیکسیشن کے بعد (نقصان) / منافع	115,313	34,825
فی شیئر منافع (نقصان) (Basic and Diluted)	6.04	1.82



شیخ جاوید اسلام
ڈائریکٹر

07 نومبر 2025ء
فیصل آباد



جاوید اقبال
چیف ایگزیکٹو آفیسر

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SITARA ENERGY LIMITED

REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

Qualified Opinion

We have audited the annexed consolidated financial statements of Sitara Energy Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 30 June 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, except for the effects of the matters described in "Basis for Qualified Opinion" section of our report, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Qualified Opinion

An advance for purchase of land amounting to Rs. 16.50 million (refer Note 14) and trade debts of Rs. 356.64 million (Refer Note 42.2.1) of the Company are long outstanding / past due, however, no assessment and no provision, on the basis of expected credit loss (ECL) method, have been made in respect of these balances, as required under IFRS 9. In the absence of such assessment, the quantum of provision required under IFRS 9 cannot be determined, however, in our view, the quantum is expected to be material considering the quantum of such long outstanding / past due amounts.

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of the Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty relating to Going Concern

The Parent Company suffered financial and operational difficulties. These conditions as set forth in Note 1.4 to the consolidated financial statements, indicate the existence of a material uncertainty which may cast significant doubt on the Parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matters described in the "Basis for Qualified Opinion" and "Material uncertainty relating to Going Concern" section of our report, we have determined the matters described below as the Key audit matters:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SITARA ENERGY LIMITED

Key Audit Matter	How our audit addressed the key audit matter
Contingencies	
Refer to note 14 to the financial statements. The parent has litigation cases in respect of Gas Infrastructure Development Cess, power purchase agreement with Faisalabad Electric Supply Company and income tax matters, which are pending at various forums including Honorable Lahore High Court Lahore and High Court of Sindh and Islamabad High Court and Appellate Tribunal Inland Revenue (ATIR). Matters under litigation require management to make judgements and estimates in relation to the interpretation of laws, statutory rules, regulations, the probability of outcome and financial impact, if any, on the company for disclosure and recognition and measurement of any provisions that may be required against such litigation matters. Further, management also has a practice of consulting its legal and tax experts on the matters before deciding on the significant litigation matters. Due to significance of amounts involved, inherent uncertainties with respect to the outcome of matters and use of significant management judgement and estimates to assess the same including related financial impacts, we considered litigation matters relating to contingencies as a key audit matter.	In this respect, we performed following audit procedures: • Obtained and reviewed details of the pending litigations and discussed the same with the parent's management; • Reviewed judgments of the courts and assessment orders passed by the tax authorities in relation to the issues involved; • Obtained confirmations from the parent's external legal and tax counsels for their views on legal cases; • Assessed management's conclusions on contingent liabilities to evaluate the consistency of such conclusions with the views of the management and external legal advisors engaged by the parent; and • Reviewed disclosures made in respect of these litigations in the financial statements.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SITARA ENERGY LIMITED

be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SITARA ENERGY LIMITED

inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Inam ul Haque.



RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS

Place: Lahore

Date: 07 November 2025

UDIN: AR202510226ACurScfos

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2025

	Note	2025 Rupees	2024 Rupees
SHARE CAPITAL AND RESERVES			
Authorised capital			
30,000,000 ordinary shares			
of Rs. 10/- each.		300,000,000	300,000,000
Issued, subscribed			
and paid up capital	5	190,920,000	190,920,000
Capital reserve			
Share premium	6	143,190,000	143,190,000
Revenue reserves	7	958,910,078	843,596,715
		1,293,020,078	1,177,706,715
NON-CURRENT LIABILITIES			
Long term financing	8	150,470,462	258,853,840
Deferred interest / markup	9	325,010,384	234,379,237
Advance rent	10	21,679,534	-
		497,160,380	493,233,077
CURRENT LIABILITIES			
Trade and other payables	11	751,085,997	929,540,957
Unclaimed dividend		3,702,824	3,702,824
Interest / mark up payable	12	14,928,603	376,068,385
Short term bank borrowings	13	259,656,021	431,656,021
Current portion of:			
Long term financing		126,931,921	160,065,255
Advance rent	10	7,548,000	-
Provision for taxation - income tax	35	28,270,759	32,481,233
		1,192,124,125	1,933,514,674
CONTINGENCIES AND COMMITMENTS			
	14	-	-
		2,982,304,583	3,604,454,466

	Note	2025 Rupees	2024 Rupees
NON-CURRENT ASSETS			
Property, plant and equipment	15	689,553,222	662,739,907
Investment property	16	1,101,282,076	1,328,696,661
Long term loan	17	5,000,000	1,000,000
Long term security deposits	18	1,511,200	1,511,200
		1,797,346,498	1,993,947,768
CURRENT ASSETS			
Stores, spares and loose tools	19	286,196,696	307,689,077
Stocks	20	146,373,349	259,270,744
Trade debts	21	365,114,217	538,994,247
Loans and advances	22	10,860,049	41,843,036
Deposits and prepayments	23	33,057,197	33,589,991
Other receivables	24	241,324,758	77,783,042
Tax refunds due from			
Government	25	58,352,487	60,402,685
Short term investments	26	265,856	256,130
Cash and bank balances	27	43,413,476	290,677,746
		1,184,958,085	1,610,506,698
		2,982,304,583	3,604,454,466

The annexed notes 1 to 45 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the Year Ended June 30, 2025

	Note	2025 Rupees	2024 Rupees
Sales - net	28	176,989,795	916,055,711
Cost of generation / sales	29	214,844,534	908,785,395
Gross (loss) / profit		(37,854,739)	7,270,316
Other income	30	360,660,933	302,696,518
		322,806,194	309,966,834
Operating expenses	31	69,700,568	74,399,955
Other operating expenses	32	78,747,831	3,942,533
Finance cost	33	53,925,987	163,238,327
		202,374,386	241,580,815
Profit for the year before levies and income tax		120,431,808	68,386,019
Levies	34	2,163,972	1,079,849
Profit for the year before income tax		118,267,836	67,306,170
Provision for taxation	35	(2,954,473)	(32,481,441)
Profit for the year		115,313,363	34,824,729
Attributable to:			
Shareholders of the Parent		115,313,363	34,824,729
Earnings per share - Basic and diluted			
Attributable to the shareholders of the Parent	36	6.04	1.82

The annexed notes 1 to 45 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended June 30, 2025

	2025 Rupees	2024 Rupees
Profit for the year	115,313,363	34,824,729
Other comprehensive income	-	-
Total comprehensive income for the year	115,313,363	34,824,729
Attributable to:		
Shareholders of the Parent	115,313,363	34,824,729

The annexed notes 1 to 45 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended June 30, 2025

	Capital and reserves					Total
	Issued, subscribed and paid up capital	Capital reserve	Revenue reserves			
		Share premium	General reserve	Accumulated (loss)	Sub total	
----- Rupees -----						
Balance as at July 01, 2023	190,920,000	143,190,000	970,000,000	(161,228,014)	808,771,986	1,142,881,986
Total comprehensive income for the year						
Profit for the year	-	-	-	34,824,729	34,824,729	34,824,729
Other comprehensive income	-	-	-	-	-	-
	-	-	-	34,824,729	34,824,729	34,824,729
Balance as at June 30, 2024	190,920,000	143,190,000	970,000,000	(126,403,285)	843,596,715	1,177,706,715
Total comprehensive income for the year						
Profit for the year	-	-	-	115,313,363	115,313,363	115,313,363
Other comprehensive income	-	-	-	-	-	-
	-	-	-	115,313,363	115,313,363	115,313,363
Balance as at June 30, 2025	190,920,000	143,190,000	970,000,000	(11,089,922)	958,910,078	1,293,020,078

The annexed notes 1 to 45 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2025

		2025 Rupees	2024 Rupees
(a) CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year before levies and income tax		120,431,808	68,386,019
Adjustments for:			
Depreciation of property, plant and equipment	15.1	22,790,496	18,455,187
Depreciation of investment property	16	24,625,689	22,732,247
Provision for staff retirement benefits	29 & 31	897,998	959,525
Provision for doubtful receivables	32	69,672,504	312,363
Provision / (Reversal) for slow moving and obsolete store items	29.1 & 30	1,990,236	(296,681)
Finance cost	33	53,925,987	163,238,327
(Gain) on disposal of:			
Property, plant and equipment	30	(6,485,824)	-
Investment property	30	(11,168,310)	(180,700,759)
Reversal of provision of interest/ markup on short term borrowings	30	(324,376,089)	(105,496,726)
Dividend Income	30	(8,609,885)	(66,036)
Operating cash flows before working capital changes		(56,305,390)	(12,476,534)
Changes in working capital			
Decrease / (Increase) in current assets			
Stores, spares and loose tools	19	19,502,145	(29,582,728)
Stocks	20	112,897,395	(36,032,475)
Trade debts	21	114,207,526	(292,520,606)
Loans and advances	22	13,117,633	65,832,533
Deposits and prepayments	23	2,675,361	(6,897,755)
Other receivables	24	(163,541,716)	9,599,111
Tax refunds due from government- sales tax	25	4,561,551	15,920,703
(Decrease) / Increase in current liabilities			
Trade and other payables	11	(158,058,045)	135,613,249
		(54,638,150)	(138,067,968)
Cash (used in) operating activities		(110,943,540)	(150,544,502)
Income tax refund paid		(10,105,984)	(9,695,662)
Staff retirement benefits paid		(942,078)	(955,901)
Finance cost paid		(58,533)	(3,805,953)
Net cash (used in) operating activities		(122,050,135)	(165,002,018)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2025

		2025 Rupees	2024 Rupees
(b) CASH FLOWS FROM INVESTING ACTIVITIES			
Additions in property, plant and equipment	15.5	(62,617,988)	(19,201,271)
Proceeds from disposal of :			
Property, plant and equipment		2,700,000	-
Investment property		213,957,206	272,962,000
Advance rent received		25,663,200	-
Increase in long term loan		(4,000,000)	-
Additions in short term investments	26	(9,726)	(256,130)
Dividend Income	30	8,609,885	66,036
Net cash generated from investing activities		188,302,577	253,570,635
(c) CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing paid	8	(141,516,712)	(96,291,691)
(Decrease) in short term bank borrowings	13	(172,000,000)	(10,000,000)
Net cash (used in) financing activities		(313,516,712)	(106,291,691)
Net (decrease) in cash and cash equivalents (a+b+c)		(247,264,270)	(17,723,074)
Cash and cash equivalents at the beginning of the year		290,677,746	308,400,820
Cash and cash equivalents at the end of the year		43,413,476	290,677,746

The annexed notes 1 to 45 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

1. GROUP STATUS AND ACTIVITIES

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

1.2 The Parent is incorporated in Pakistan as a public limited company under the repealed Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act 2017 on May 30, 2017) and is listed on Pakistan Stock Exchange Limited. The main object of the Parent is generation and distribution of electricity. The registered office of the Parent is situated at 601-602 Business centre, Mumtaz Hasan Road, Karachi in the province of Sindh. The generation plant is located at 33-K.M. Sheikhpura Road, Tehsil Jaranwala, District Faisalabad in the province of Punjab.

The Subsidiary is incorporated in Pakistan as a private limited company under the repealed Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act 2017 on May 30, 2017). The principal activity of the Subsidiary is trading in real estate business. The registered office of the Subsidiary is situated at 601-602 Business centre, Mumtaz Hasan Road, Karachi in the province of Sindh.

1.3 The Parent Company has installed solar power plant of 1 Megawatt during the year which started commercial production of solar energy from October 1, 2024.

1.4 The Group incurred profit of Rs.115.31 million (2024: 34.82 million) during the year. However, production and sale of electricity have significantly reduced as the production from generators remained temporarily suspended due to higher fuel prices. As at the reporting date, the current liabilities of the Group exceeded its current assets by Rs. 7.17 million (2024: Rs. 323.01 million).

These events and conditions indicate a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore, the Group may not be able to realize its assets and discharge its liabilities in the normal course of business.

The Parent Company has formulated a multi faceted plan and is taking measures to address these adverse factors. These are briefly discussed below;

- the Parent Company is installing solar power plant to produce electricity at competitive tariff to increase its turnover and improve its operating results;
- the Parent Company is hopeful that the available production capacity will be used in near future on the implementation of Competitive Trading Bilateral Contract Market by the Government as approved by NEPRA and fuel prices may also reduce in future as a result of decreasing demand of fossil fuels, resulting in improved generation and sales of electricity at reasonable profit margin;
- the Parent Company has also entered into agreements with all of its lenders, resulting in conversion of short term finances into long term finances, with pricing at cost of funds of the lenders. As a result, the finance cost is reducing from quarter to quarter and year to year moving the company towards sustainable operations in due course of time;
- the Parent Company is also making all efforts to dispose of non-core assets including investment properties to repay/prepay credit facilities and to further install solar plant which will result in improved sales and profitability; During the year, the Parent Company has disposed off investment property at a consideration of Rs. 213.96 million (2024: Rs. 272.96 million).

The management is committed to implement its plan that will bring the Group back on track and hence, the management is confident that the Group will continue as a going concern.

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

2. BASIS OF CONSOLIDATION

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

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

3. BASIS OF PREPARATION

3.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

- International Financial Reporting Standards (IFRS's) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRS's, the provisions of and directives issued under the Companies Act, 2017 have been followed.

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 year

The following standards, amendments to standards and interpretations have been effective and are mandatory for financial statements of the Group for the periods beginning on or after July 01, 2024 and therefore, have been applied in preparing these financial statements.

i. IAS 1 – Presentation of Financial Statements

The IASB has issued 'Classification of Liabilities as Current or Non-current (Amendments to IAS 1)' providing a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments in Classification of Liabilities as Current or Non-current (Amendments to IAS 1) affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They:

- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that the settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The IASB has further modified the requirements introduced by 'Classification of Liabilities as Current or Non-current' on how an entity classifies debt and other financial liabilities as current or non-current in particular circumstances. Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

These amendments are to be applied retrospectively in accordance with IAS 8. Application of these amendments have no significant impact on the Group's financial statements.

ii. IAS 7 – Statement of Cash Flows and IFRS 7 – Financial Instruments: Disclosures

The IASB has published 'Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)' to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. The amendments in Supplier Finance Arrangements;

- do not define supplier finance arrangements. Instead, the amendments describe the characteristics of an arrangement for which an entity is required to provide the information. The amendments note that arrangements that are solely credit enhancements for the entity or instruments used by the entity to settle directly with a supplier the amounts owed are not supplier finance arrangements;
- add two disclosure objectives. Entities are required to disclose in the notes information that enables users of financial statements;
 - to assess how supplier finance arrangements affect an entity's liabilities and cash flows; and
 - to understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

- complement current requirements in IFRSs by adding to IAS 7 additional disclosure requirements about:
 - › the terms and conditions of the supplier finance arrangements;
 - › for the arrangements, as at the beginning and end of the reporting period;
 - a) the carrying amounts of financial liabilities that are part of the arrangement and the associated line item presented;
 - b) the carrying amount of financial liabilities for which suppliers have already received payment from the finance providers;
 - c) the range of payment due dates (for example, 30 to 40 days after the invoice date);
 - d) comparable trade payables that are not part of a supplier finance arrangement;
 - › and
 - › the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of the arrangement.

The IASB decided that, in most cases, aggregated information about an entity's supplier finance arrangements will satisfy the information needs of users of financial statements.
- add supplier finance arrangements as an example within the liquidity risk disclosure requirements in IFRS 7.

Application of these amendments have no significant impact on the Group's financial statements.

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

There are certain amendments to standards that became effective during the year and are mandatory for accounting periods of the Group beginning on or after July 01, 2024 but are considered not to be relevant to the Group's operations and are, therefore, not disclosed in these financial statements.

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

The following standards, amendments to standards and interpretations have been published and are mandatory for the Group's accounting periods beginning on or after the effective dates specified therein.

i. IAS 21 — The Effects Of Changes In Foreign Exchange Rates

- Specify when a currency is exchangeable into another currency and when it is not — a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency;
- Specify how an entity determines the exchange rate to apply when a currency is not exchangeable — when a currency is not exchangeable at the measurement date, an entity estimates the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing;
- Require the disclosure of additional information when a currency is not exchangeable — when a currency is not exchangeable an entity discloses information that would enable users of its financial statements to evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows.

The pronouncement also includes a new appendix with application guidance on exchangeability and a new illustrative example.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

The amendments also extend to conforming amendments to IFRS 1 which previously referred to, but did not define, exchangeability. Application of these amendments are not expected to have any significant impact on the Group's financial statements.

It will be not applicable where foreign currency transactions are not involved.

ii. **IFRS 7 — Financial Instruments: Disclosures and IFRS 9 — Financial Instruments**

- A** The IASB has issued 'Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)' to address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 'Financial Instruments'. The amendments are as under:

Derecognition of a financial liability settled through electronic transfer

- The amendments to the application guidance of IFRS 9 permit an entity to deem a financial liability (or part of it) that will be settled in cash using an electronic payment system to be discharged before the settlement date if specified criteria are met. An entity that elects to apply the derecognition option would be required to apply it to all settlements made through the same electronic payment system.
- Classification of financial assets:

Contractual terms that are consistent with a basic lending arrangement

- The amendments to the application guidance of IFRS 9 provide guidance on how an entity can assess whether contractual cash flows of a financial asset are consistent with a basic lending arrangement. To illustrate the changes to the application guidance, the amendments add examples of financial assets that have, or do not have, contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

Assets with non-recourse features

- The amendments enhance the description of the term 'non-recourse'. Under the amendments, a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.

Contractually linked instruments

- The amendments clarify the characteristics of contractually linked instruments that distinguish them from other transactions. The amendments also note that not all transactions with multiple debt instruments meet the criteria of transactions with multiple contractually linked instruments and provide an example. In addition, the amendments clarify that the reference to instruments in the underlying pool can include financial instruments that are not within the scope of the classification requirements.

- **Disclosures:**

Investments in equity instruments designated at fair value through other comprehensive income

- The requirements in IFRS 7 are amended for disclosures that an entity provides in respect of these investments. In particular, an entity would be required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss that relates to investments derecognised in the period and the fair value gain or loss that relates to investments held at the end of the period.

Contractual terms that could change the timing or amount of contractual cash flows

- The amendments require the disclosure of contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in a basic lending risks and costs. The requirements apply to each class of financial asset measured at amortised cost or fair value through other comprehensive income and each class of financial liability measured at amortised cost.

- B** The International Accounting Standards Board (IASB) has issued 'Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)'. The amendments are:

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

- the own-use requirements in IFRS 9 are amended to include the factors an entity is required to consider when applying IFRS 9 to contracts to buy and take delivery of renewable electricity for which the source of production of the electricity is nature-dependent; and
- the hedge accounting requirements in IFRS 9 are amended to permit an entity using a contract for nature-dependent renewable electricity with specified characteristics as a hedging instrument:
 - to designate a variable volume of forecast electricity transactions as the hedged item if specified criteria are met; and
 - to measure the hedged item using the same volume assumptions as those used for the hedging instrument.
- The IASB amends IFRS 7 and IFRS 19 to introduce disclosure requirements about contracts for nature-dependent electricity with specified characteristics.

Application of these amendments are not expected to have any significant impact on the Group's financial statements.

iii. **IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information**

The ISSB has published IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information'. IFRS S1 sets out overall requirements with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to the primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is deferred by SECP and will become effective for different categories of companies in three phases starting from July 01, 2025.

The application of this standard will result in additional disclosures in the Group's financial statements in respect of sustainability related information.

iv. **IFRS S2 Climate-related Disclosures**

The International Sustainability Standards Board (ISSB) has published IFRS S2 'Climate-related Disclosures'. IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is deferred by SECP and will be effective to companies in three phases starting from July 01, 2025.

The application of this standard will result in additional disclosures in the Group's financial statements in respect of climate related information.

3.2.4 **Standards, amendments to standards and interpretations becoming effective in future period but not relevant**

There are certain new standards, amendments to standards and interpretations that are effective from different future periods but are considered not to be relevant to the Group's operations, therefore, not disclosed in these financial statements.

3.2.5 **Standards issued by IASB but not applicable in Pakistan**

Following new standards have been issued by IASB which are not yet notified by the SECP for the purpose of applicability in Pakistan:

IFRS 1 - First-time adoption of International Financial Reporting Standards

IFRS 18 - Presentation and Disclosures in Financial Statements

IFRS 19 - Subsidiaries without Public Accountability: Disclosures

3.3 **Basis of measurement**

These financial statements have been prepared under the "historical cost convention" except:

- Short term investments valued at fair value through profit or loss.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION

4.1 Staff retirement benefits

The parent operates defined contribution plan - approved provident fund scheme for all its employees. Equal monthly contributions are made both by the Parent and employees at the rate of 10 percent per annum of the basic salary.

4.2 Trade and other payables

Liabilities for trade and other payables are measured at cost which is the fair value of the consideration to be paid in future for goods and services received whether billed to the group or not.

4.3 Provisions

Provisions are recognised when the group has a present, legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.

4.4 Provision for taxation

Tax Liability is based on taxable income at the current rates of taxation after taking into account available tax credits and rebates and charge / credit for prior years or minimum tax payable under the Income Tax Ordinance, 2001, whichever is higher.

- Current tax

The charge for current taxation is calculated on taxable income using the notified rate of taxation after taking into account tax credits and rebates available, if any is recognized as "current income tax expense".

- Levies

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income and based on revenue or other basis other than taxable income is classified as levy. Minimum taxes in excess over the amount designated as income tax is recognized as levy falling under the scope of IFRIC 12/IAS 37.

- Deferred

Deferred tax is provided, for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of recognised or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the date of statement of financial position.

4.5 Dividend and other appropriations

Dividend is recognised as a liability in the period in which it is approved. Appropriations of profits are reflected in the statement of changes in equity in the period in which such appropriations are made.

4.6 Property, plant and equipment

Operating assets

Operating assets, except freehold land, are stated at cost less accumulated depreciation and accumulated impairment in value, if any. Freehold land is stated at cost less accumulated impairment in value, if any.

When parts of an item of operating asset have different useful lives, they are recognised as separate items of operating assets.

Depreciation is charged to income applying the reducing balance method at the rates specified in the property, plant and equipment note except plant and machinery on which depreciation is charged by applying unit of production method subject to minimum charge of Rs. 5 million to cover obsolescence.

Depreciation on additions other than additions in plant and machinery during the year is charged from the month in which an asset is acquired or capitalised, while no depreciation is charged for the month in which the asset is disposed off. The assets' residual values and useful lives are reviewed at each financial year end and adjusted, if impact on depreciation is significant.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalised.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

Capital work in progress

All expenditure connected with specific assets incurred during installation and construction period are carried under capital work in progress. These are stated at cost less impairment in value, if any and are transferred to specific assets as and when these assets are available for use.

4.7 Impairment

The group assesses at each statement of financial position date whether there is any indication that assets except deferred tax assets may be impaired. If such indications exist, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment loss is recognised in statement of profit or loss, unless the relevant assets are carried at revalued amounts, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

Where impairment loss subsequently reverses, the carrying amounts of the assets are increased to the revised recoverable amounts but limited to the carrying amounts that would have been determined had no impairment loss been recognised for the assets in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant assets are carried at revalued amounts, in which case the reversal of the impairment loss is treated as a revaluation increase.

4.8 Investment property

Long term investment property is property held to earn rentals and / or for capital appreciation, is valued using the cost method i.e. at cost less any accumulated depreciation and impairment in value, if any.

Depreciation on building is charged to income on reducing balance method at the rate of 10% per annum. Depreciation on additions to investment property is charged from the month in which a property is acquired or capitalised while no depreciation is charged for the month in which the property is disposed off.

Gains or losses on disposal of investment property, if any, are included in current income.

4.9 Stores, spares and loose tools

These are valued at cost, determined on moving average method less allowance for slow moving and obsolete items. Items in transit are valued at invoice value plus other charges incurred thereon.

4.10 Stocks

Stock, except wastes, are valued at lower of cost and net realisable value using the moving average method. Items in transit are valued at cost comprising invoice value and other charges incurred thereon.

Wastes are valued at net realisable value. Net realisable value represents the estimated selling price in the ordinary course of business less estimated cost of completion and estimated cost necessary to make the sale.

4.11 Trade debts and other receivables

Trade debts are carried at original invoice amount less an estimate made for doubtful receivables based on review of outstanding amounts at the year end. Balances considered bad are written off when identified. Other receivables are recognised at nominal amount which is fair value of the consideration to be received in future.

4.12 Short term investments

Short term investments are carried at fair value through profit or loss. Fair value gain or loss on short term investment is recognised in profit or loss in the period in which it arises. Any gain or loss on disposal is recognised in profit or loss in the period in which it arises.

4.13 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand, balances with banks, highly liquid short term investments that are convertible to known amount of cash and are subject to insignificant risk of change in value.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

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4.14 Foreign currency translation

Transactions in currencies other than Pakistani Rupee are recorded at the rates of exchange prevailing on the dates of the transactions. At each statement of financial position date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the statement of financial position date except where forward exchange contracts have been entered into for repayment of liabilities, in that case, the rates contracted for are used.

Gains and losses arising on retranslation are included in net profit or loss for the period.

4.15 Financial instruments

4.15.1 Financial assets

The Group classifies its financial assets at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

a) Financial assets at amortised cost

Financial assets at amortised cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

b) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises.

Financial assets are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortized cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

Equity instrument financial assets / mutual funds are measured at fair value at and subsequent to initial recognition changes in fair value of these financial assets are normally recognised in profit or loss. Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Group.

The Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

4.15.2 Financial liabilities

All financial liabilities are recognised at the time when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised costs are initially measured at fair value minus transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit or loss.

The particular recognition methods adopted by the Group are disclosed in the individual policy statements associated with each item of financial instruments.

4.16 Offsetting of financial asset and financial liability

A financial asset and a financial liability is offset and the net amount reported in the statement of financial position, if the Group has a legal enforceable right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.17 Revenue recognition

Revenue is recognized at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For this purpose, the Group:

- identifies the contract with a customer;
- identifies the performance obligations in the contract;
- determines the transaction price which takes into account estimates of variable consideration, if any, and the time value of money;
- allocates the transaction price to the separate performance obligations, if applicable, on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and
- recognizes revenue when or as each performance obligation is satisfied in a manner that depicts the transfer of control of the goods or services promised to the customer.
- Determining the timing of the transfer of control – at a point in time or over time – requires judgment.

Revenue is recognized at the point of time or over the period of time, whichever is applicable, as and when related performance obligation is satisfied.

Revenue from sale of land is recognised when the full payment is received or possession is handed over to the buyer whichever is earlier.

Dividend income is recognized when the right to receive dividend is established.

Rental income is recognised on time proportionate basis.

4.18 Transactions with related parties

Transactions with related parties are carried out at arm's length. The prices are determined in accordance with comparable uncontrolled price method, which sets the price by reference to comparable goods and services sold in an economically comparable market to a buyer unrelated to the seller. The power is sold to related parties at the rates determined by National Electric Power Regulatory Authority.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

4.19 Critical accounting estimates and judgments

The preparation of financial statements in conformity with International Accounting Standards / International Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and 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 judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

Significant areas requiring the use of management estimates in these financial statements relate to the contingencies, investment property valuation, useful life of depreciable assets, short-term investments, provision for taxation, doubtful receivables and slow moving inventory. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

5. Issued, subscribed and paid up capital

2025	2024		2025	2024
			Rupees	Rupees
Number of shares				
<u>19,092,000</u>	<u>19,092,000</u>	Ordinary shares of Rs. 10/- each		
		fully paid in cash.	<u>190,920,000</u>	<u>190,920,000</u>

5.1 656,000 (2024: 656,000) shares are held by an associated undertaking - Sitara Fabrics Limited.

6. Share Premium

6.1 The share premium can be used in accordance with provisions of section 81 of the Companies Act, 2017.

	Note	2025 Rupees	2024 Rupees
7. Revenue reserves			
General reserve	7.1	970,000,000	970,000,000
Accumulated (loss)			
Opening balance		(126,403,285)	(161,228,014)
Total comprehensive income for the year		115,313,363	34,824,729
		(11,089,922)	(126,403,285)
		<u>958,910,078</u>	<u>843,596,715</u>

7.1 The general reserve is an appropriation from accumulated profits and is available for distribution.

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For the Year Ended June 30, 2025

	Note	2025 Rupees	2024 Rupees
8. Long term financing			
Secured			
From banking company			
Under mark up arrangements			
Term finance	8.1	43,748,000	72,916,000
Demand finance	8.2	222,576,742	289,700,433
Diminishing musharakah	8.3	152,594,353	152,594,353
		418,919,095	515,210,786
Less: Paid during the year		(141,516,712)	(96,291,691)
	8.4	277,402,383	418,919,095
Less: Current portion			
Instalments due		-	(18,550,000)
Payable within one year		(126,931,921)	(141,515,255)
		(126,931,921)	(160,065,255)
		150,470,462	258,853,840

8.1 It represents the re-structuring of short term - term finance in 2023. It is secured against first exclusive charge over fixed assets of the Parent Company. It is further secured against first joint charge over current assets of the Parent Company ranking pari passu with the charges created in respect of other long term financing and short term borrowings and also by personal guarantee of chief executive of the Parent Company.

It is subject to mark up at the fixed rate of 4.76% per annum (2024: 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.

8.2 It represents the re-structuring of short term - running finance in 2024. It is secured against specific charge over investment property owned by the Parent Company and its wholly owned subsidiary. It is further secured against first joint charge over current assets of the Parent Company ranking pari passu with the charges created in respect of other long term financing and short term borrowings, first ranking charge over fixed assets, and by personal guarantees of two directors of the Parent Company.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

It is subject to markup at cost of funds. 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.

- 8.3** It represents the re-structuring of short term - morabaha finance-I and running finance in 2024. It is secured against first joint charge over current assets of the Parent Company ranking pari passu with the charges created in respect of other long term financing and short term borrowings. It is further secured against first joint charge over fixed assets of the Parent Company ranking pari passu with the charges created in respect of short term borrowings and by personal guarantees of two directors of the Parent Company.

It is subject to markup at cost of funds. Interest/markup past due till the date of re-structuring, along with future accrued markup is repayable in two equal quarterly installments commencing from September 15, 2028 and ending on December 15, 2028.

Effective rate of mark up charged during the year ranges from 4.76 % to 17.26% per annum (2024: 4.76% to 10.72% per annum).

- 8.4** These are repayable in equal quarterly installments as detailed below;

Nature of loan	Balance rupees	No of instalments		Commencement date	Ending date	Mark up arrangement
		Total	Outstanding			
Term Finance	14,580,000	12	2	31-Mar-23	31-Dec-25	4.76% per annum
Demand Finance	148,376,618	14	8	31-Dec-23	31-Mar-27	cost of funds
Diminishing Musharakah	114,445,765	16	12	15-Sep-24	15-Jun-28	cost of funds

277,402,383

	Note	2025 Rupees	2024 Rupees
9 Deferred interest / markup			
Opening balance		234,379,237	21,893,551
Mark-up on short term financing - rescheduled	13.1	50,000,000	185,510,332
		284,379,237	207,403,883
Accrued for the year		53,867,454	26,975,354
	9.1	338,246,691	234,379,237
Current portion of markup payable		(13,236,307)	-
		325,010,384	234,379,237

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

- 9.1 Interest / markup past due till the date of restructuring and accrued on long term finances (Refer Note 8) are repayable as under ;

Nature of loan	Balance in Rupees			No of installments		Commencement date	Ending date
	Past due till date of restructuring	Subsequently accrued	Total	Total	Outstanding		
Term finance	19,455,000	7,017,614	26,472,614	4	4	31-Mar-26	31-Dec-26
Demand finance	109,583,472	57,051,087	166,634,559	4	4	11-Sep-27	11-Jun-28
Diminishing musharakah	75,926,860	19,212,658	95,139,518	2	2	15-Sep-28	15-Dec-28
Running finance			50,000,000	1	1	17-Dec-26	17-Dec-26

338,246,691

10. Advance rent

Balance received
Adjusted during the year

Less: Current portion

Adjustable within one year

2025
Rupees

2024
Rupees

30,192,000	-	
(964,466)	-	
29,227,534	-	
(7,548,000)	-	
21,679,534	-	

- 10.1** Ground floor of Sitara Tower is let on lease for a period of twelve years. The advance rent received shall be adjusted against 50% of the monthly rentals. The entire amount will be adjusted within a period of 48 months commencing from May 15, 2025.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

	Note	2025 Rupees	2024 Rupees
11. Trade and other payables			
Creditors		172,205,630	271,645,014
Accrued liabilities		33,621,931	125,287,182
Provident fund - related party		137,254	181,334
Workers' profit participation fund	11.1	9,075,327	3,630,170
Withholding taxes	11.2	68,012,625	66,307,892
Gas Infrastructure development cess (GIDC) payable	11.3	363,917,571	363,917,571
Electricity duty payable	11.4	90,742,089	88,981,390
Levies		3,233,916	1,079,849
Other		10,139,654	8,510,555
		<u>751,085,997</u>	<u>929,540,957</u>
11.1 Workers' profit participation fund			
Opening balance		3,630,170	-
Interest on funds utilised in the Company's business		20,602	-
		<u>3,650,772</u>	<u>-</u>
Paid to workers on behalf of the fund		(3,650,772)	-
Allocation for the year		9,075,327	3,630,170
		<u>9,075,327</u>	<u>3,630,170</u>
11.2	This includes income tax of Rs. 61.69 million (2024: Rs. 61.69 million) charged in the bills to the customers which are still outstanding, and hence, will be deposited on collection.		
11.3	The payment has been suspended since last year owing to stay granted by the Honourable Sindh High Court.		
11.4	The matter of payment of electricity duty is sub-judice as the relevant case is pending before Honourable Supreme Court of Pakistan.		

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

	Note	2025 Rupees	2024 Rupees
12. Interest / mark up payable			
Interest / mark up on secured:			
Long term financing		1,692,296	1,692,296
Current portion of markup on long term financing	9	13,236,307	-
Short term bank borrowings		-	374,376,089
		<u>14,928,603</u>	<u>376,068,385</u>
13. Short term bank borrowings			
Secured - under mark up arrangements			
Running finances	13.1	<u>259,656,021</u>	<u>431,656,021</u>

13.1 The unavailed short term financing facilities available to the company are Nil (2024: Rs. 28.344 million).

Running finance is restructured during the year. The principal is repayable in four equal semi-annual installments, commencing from December 17, 2024. A lumpsum markup of Rs. 50,000,000/- on rescheduled loan is repayable in the fifth installment in lieu of all the respective interest markup amounting to Rs. 393,153,761/- accrued till the date of restructuring.

It is secured against joint charge over fixed assets of the Parent Company ranking pari passu with the charges created in respect of long term financing (Refer Note 8). It is further secured against token registered mortgage of Rs. 4.3 million, equitable mortgage of land owned by the Parent Company and personal properties of directors. It is also secured by personal guarantee of two directors of the Parent Company.

It was subject to mark up at the rate of 3 months KIBOR plus 2.00% per annum (2024: 3 months KIBOR plus 2.00% per annum) with a prompt payment rebate of 0.25% per annum.

Effective mark up rate charged during the year till rescheduling was ranged from 13.25% to 21.25% per annum (2024: 23.90% to 25.11% per annum).

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

14.1.1 Bank guarantees issued in favour of Sui Northern Gas Pipelines Limited for supply of gas aggregate Rs. 42,609,000/- (2024 : Rs. 42,609,000/-) have been expired.

14.1.2 The order of Commissioner Appeals in favour of the company regarding disputed demand of Income tax for the tax years 2004 to 2006 amounting Rs.1,313,929/- (2024: Rs.1,313,929/-) was vacated by the Appellate Tribunal. The company has filed an appeal on April 14, 2010 before Sindh High Court against the Appellate Tribunal Order. Pending

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

the outcome of the matter, no provision has been made in these financial statements. The management is hopeful of favourable outcome on the basis of feedback from its legal advisors.

- 14.1.3** Demand of gas Infrastructure development cess amounting Rs.128,150,602/- (2024: Rs.128,150,602/-) not acknowledged. The Honourable Supreme Court of Pakistan has passed a judgement on August 13, 2020 holding that GIDC is payable in 24 instalments without late payment surcharge. The company has challenged the levy from year 2011 to 2015 before the Honourable Lahore High Court, Lahore on the ground that GIDC cannot be recovered on the basis of section 8 of GIDC Act, 2015. Company has paid instalments of Rs. 42,716,867/- as per court order. Based on the opinion of the legal advisor there is every possibility that the petition may be decided in favour of the company to the extent of total amount of arrears. In view of the above pending appeal no provision has been made in the financial statement.
- 14.1.4** The Parent Company had executed Power Purchase Agreement (PPA) with Faisalabad Electric Supply company (FESCO) which was expired in 2011, and was due for regularisation as per NEPRA rules. FESCO filed Power Acquisition Request (PAR) in 2011. NEPRA approved reduced fuel cost in 2017 and ordered to recover excess amount. Being aggrieved by the orders company filed review petition before NEPRA which was dismissed by the Authority. The company filed an appeal before Islamabad High Court against which stay is granted. On January 19, 2024 the Islamabad High Court remanded back the case to the Appellate Tribunal (NEPRA), Islamabad. On June 13, 2024 the Appellate Tribunal (NEPRA), Islamabad passed an order in which the matter was remanded to NEPRA (Being the authority) with a direction to hear and decide the matter afresh. Currently the matter is pending and there is no demand against the company.
- 14.1.5** The assessing officer of Inland Revenue passed order in respect of tax periods from 2004 to 2008 and created demand of Rs. 5,505,105/- (2024: Rs. 5,505,105/-). Being aggrieved by the order the company filed appeal before the CIR(A). The CIR(A), Karachi has passed an order against the company. The company has filed the second appeal before ATIR, Karachi. The management, based on opinion of its legal advisor believes that there is reasonable probability that the matter will be decided in favour of the company. Pending the outcome of the matter, no provision has been made in these financial statements.
- 14.1.6** The assessing officer of Inland Revenue passed an order in respect of tax year 2016 under section 161 of the Income Tax Ordinance, 2001 and created demand of Rs. 128,195,734/- (2024: 128,195,734/-). Being aggrieved by the order, the company filed an appeal before the CIR(A), Karachi. The CIR(A), Karachi remanded back the case via order dated January 18, 2024. Later, the company has filed the second appeal before Honorable Appellate Tribunal Inland Revenue, ATIR, Karachi against the order of CIR(A), Karachi. Currently the case is pending for adjudication before ATIR. The management, based on opinion of its legal advisor believes that there is reasonable probability that the matter will be decided

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

in favour of the company. Pending the outcome of the matter, no provision has been made in these financial statements.

- 14.1.7** The assessing officer of Inland Revenue passed an order in respect of tax year 2017 under section 122(5A) of the Income Tax Ordinance, 2001 and created demand of Rs. 2,401,297/- (2024: 2,401,297/-). Being aggrieved by the order, the company filed an appeal before the CIR(A), Karachi. The CIR(A) has confirmed the demand of Rs. 2,401,297/- via order dated October 13, 2023. Later, the company has filed second appeal before the Honorable Appellate Tribunal Inland Revenue, Karachi against the order of CIR (A), Karachi. Currently, the case is pending for adjudication before ATIR. The management, based on opinion of its legal advisor believes that there is reasonable probability that the matter will be decided in favour of the company. Pending the outcome of the matter, no provision has been made in these financial statements.
- 14.1.8** The assessing officer of Inland Revenue passed an order in respect of tax year 2018 under section 122(1) of the Income Tax Ordinance, 2001 and created demand of Rs. 172,924,958/- (2024: Rs. 172,924,958/-). Being aggrieved by the order, the company has filed an appeal before the Appellate Tribunal Inland Revenue, Karachi which is pending for adjudication. The management, based on opinion of its legal advisor believes that there is reasonable probability that the matter will be decided in favour of the company. Pending the outcome of the matter, no provision has been made in these financial statements.
- 14.1.9** The assessing officer of Inland Revenue passed an order in respect of tax period(s) from July 2019 till June 2020 and tax period(s) from July 2020 till June 2021 under section 25 read with section 11 of the Sales Tax Act, 1990 dated 28 June, 2024 and created demands of Rs. 1,158,282/- (2024: Rs. 1,158,282/-) and Rs. 2,317,756/- (2024: Rs. 2,317,756/-) respectively. Being aggrieved by the orders, the company has filed appeals before CIR (A), Karachi which is pending for adjudication. The management, based on opinion of its legal advisor believes that there is reasonable probability that the matter will be decided in favour of the company. Pending the outcome of the matter, no provision has been made in these financial statements.
- 14.1.10** According to the rescheduling / restructuring arrangement with the lender, the markup accrued till date of rescheduling aggregating to Rs. 456,648,178/- (2024: Rs. 132,227,089/-) has been agreed on reduced rate subject to the condition that the company makes no default in making payments of principal and markup as agreed under rescheduling/ restructuring arrangement.

	2025 Rupees	2024 Rupees
14.2 Commitments		
Against installation of solar panels	-	4,703,200

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

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Sitara Energy Limited

Property, plant and equipment

	Note	2025 Rupees	2024 Rupees
Operating assets	15.1	673,053,222	627,472,907
Capital work in progress- Electric installations	15.5	-	18,767,000
Advance for purchase of property		16,500,000	16,500,000
		<u>689,553,222</u>	<u>662,739,907</u>

15.1 Operating assets

Note	Freehold land	Building on freehold land	Plant and machinery	Electric installations	Factory equipment	Electric Appliances	Furniture and fixtures	Office equipment	Arms and ammunitions	Vehicles	Total
At July 01, 2023											
Cost	40,772,399	223,827,224	1,620,830,131	169,920,812	4,297,647	11,834,460	6,802,670	15,878,183	29,625	83,662,496	2,177,855,647
Accumulated depreciation	-	(189,698,388)	(1,132,959,193)	(139,587,480)	(3,857,336)	(8,278,919)	(5,378,436)	(13,161,870)	(24,851)	(55,415,351)	(1,548,361,824)
Net book value	40,772,399	34,128,836	487,870,938	30,333,332	440,311	3,555,541	1,424,234	2,716,313	4,774	28,247,145	629,493,823
Year ended June 30, 2024											
Opening net book value	40,772,399	34,128,836	487,870,938	30,333,332	440,311	3,555,541	1,424,234	2,716,313	4,774	28,247,145	629,493,823
Additions	-	-	-	-	-	-	100,000	124,500	-	16,209,771	16,434,271
Depreciation charge	-	(3,412,884)	(5,000,000)	(3,033,333)	(44,031)	(355,554)	(145,756)	(276,894)	(477)	(6,186,258)	(18,455,187)
Closing net book value	40,772,399	30,715,952	482,870,938	27,299,999	396,280	3,199,987	1,378,478	2,563,919	4,297	38,270,658	627,472,907
At June 30, 2024											
Cost	40,772,399	223,827,224	1,620,830,131	169,920,812	4,297,647	11,834,460	6,902,670	16,002,683	29,625	99,872,267	2,194,289,918
Accumulated depreciation	-	(193,111,272)	(1,137,959,193)	(142,620,813)	(3,901,367)	(8,634,473)	(5,524,192)	(13,438,764)	(25,328)	(61,601,609)	(1,566,817,011)
Net book value	40,772,399	30,715,952	482,870,938	27,299,999	396,280	3,199,987	1,378,478	2,563,919	4,297	38,270,658	627,472,907
At July 01, 2024											
Cost	40,772,399	223,827,224	1,620,830,131	169,920,812	4,297,647	11,834,460	6,902,670	16,002,683	29,625	99,872,267	2,194,289,918
Accumulated depreciation	-	(193,111,272)	(1,137,959,193)	(142,620,813)	(3,901,367)	(8,634,473)	(5,524,192)	(13,438,764)	(25,328)	(61,601,609)	(1,566,817,011)
Net book value	40,772,399	30,715,952	482,870,938	27,299,999	396,280	3,199,987	1,378,478	2,563,919	4,297	38,270,658	627,472,907
Year ended June 30, 2025											
Opening net book value	40,772,399	30,715,952	482,870,938	27,299,999	396,280	3,199,987	1,378,478	2,563,919	4,297	38,270,658	627,472,907
Transferred from capital work in progress	-	-	-	81,384,988	-	-	-	-	-	-	81,384,988
Disposals:											
Cost	-	-	-	-	-	-	-	-	-	(29,579,120)	(29,579,120)
Accumulated depreciation	-	-	-	-	-	-	-	-	-	16,564,943	16,564,943
	-	-	-	-	-	-	-	-	-	(13,014,177)	(13,014,177)
Depreciation charge	15.2.1	(3,071,595)	(5,000,000)	(8,825,723)	(39,628)	(319,999)	(137,848)	(256,392)	(430)	(5,138,881)	(22,790,496)
Closing net book value	40,772,399	27,644,357	477,870,938	99,859,264	356,652	2,879,988	1,240,630	2,307,527	3,867	20,117,600	673,053,222
At June 30, 2025											
Cost	40,772,399	223,827,224	1,620,830,131	251,305,800	4,297,647	11,834,460	6,902,670	16,002,683	29,625	70,293,147	2,248,095,786
Accumulated depreciation	-	(196,182,867)	(1,142,959,193)	(151,446,536)	(3,940,995)	(8,954,472)	(5,662,040)	(13,695,156)	(25,758)	(50,175,547)	(1,573,042,564)
Net book value	40,772,399	27,644,357	477,870,938	99,859,264	356,652	2,879,988	1,240,630	2,307,527	3,867	20,117,600	673,053,222
Annual rate of depreciation (%)	-	10	-	10	10	10	10	10	10	20	20

15.2 Depreciation for the year has been allocated as under:

Note	2025 Rupees	2024 Rupees
Cost of generation	16,936,946	11,490,248
Operating expenses	<u>5,853,550</u>	<u>6,964,939</u>
	<u>22,790,496</u>	<u>18,455,187</u>

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

15.2.1 Actual depreciation on plant and machinery based on unit of production method amounts to Rs 0.75 million (2024:Rs. 0.28 million). The excess amount is charged to cover obsolescence.

15.3 Particulars of immovable property (i.e. land and building) in the name of the Parent company are as follows:

	Location	Usage of immovable property	Total Area (in marlas)	Covered Area (in square foot)
a)	33-K.M.Sheikhupura Road, Chak # 61 R.B / 53 G.B , Tehsil Jaranwala, District Faisalabad	.Generation Plant	7,821	151,337
b)	3rd Floor, Sitara Tower, Bilal Square, New Civil Lines, Faisalabad	Head Office	33.83	9,210
c)	Office # 606 and 608, Sixth Floor Business Centre, Mumtaz Hasan Road, Karachi, 74000	Office	2.24	610.95

15.4 Detail of disposal of property, plant and equipment

-----2025-----							
Description	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain on disposal	Particulars of buyers	Relationship with buyer
Rupees							
Vehicles (sold by negotiation)	1,907,335	1,623,603	283,732	2,700,000	2,416,269	Haji Majid Ali, Quran academy road P-53 Saeed colony no. 2, Faisalabad	None
	24,617,177	12,422,506	12,194,671	14,500,000	2,305,329	M/s Sufi Goods Transport Company	None
	3,054,608	2,518,834	535,774	2,300,000	1,764,227	Mr.Raja Habib ur Rehman,H-297 Mohallah Gulberg, Faisalabad	None
	29,579,120	16,564,943	13,014,177	19,500,000	6,485,824		
2024							

No assets were disposed off during the year ended June 30,2024.

15.5 Capital work in progress

Electric installations

Opening balance

Additions

Transferred to operating assets

Closing balance

**2025
Rupees**

**2024
Rupees**

18,767,000	-
62,617,988	18,767,000
(81,384,988)	-
-	18,767,000

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

16. Investment property

	Freehold land	Building on freehold land	Total
	----- Rupees -----		
At July 01, 2023			
Cost	384,766,764	46,204,099	430,970,863
Accumulated depreciation	-	(27,214,964)	(27,214,964)
Net book value	384,766,764	18,989,135	403,755,899
Year ended June 30, 2024			
Opening net book value	387,710,214	18,989,135	403,755,899
Additions	809,518,090	250,000,000	1,059,518,090
Adjustment of unrealized profit	(19,583,840)	-	(19,583,840)
	789,934,250	250,000,000	1,039,934,250
Disposals during the year	(92,261,241)	-	(92,261,241)
Depreciation charge	-	(22,732,247)	(22,732,247)
Closing net book value	1,082,439,773	246,256,888	1,328,696,661
At June 30, 2024			
Cost	1,082,439,773	296,204,099	1,378,643,872
Accumulated depreciation	-	(49,947,211)	(49,947,211)
Net book value	1,082,439,773	246,256,888	1,328,696,661
At July 01, 2024			
Cost	1,082,439,773	296,204,099	1,378,643,872
Accumulated depreciation	-	(49,947,211)	(49,947,211)
Net book value	1,082,439,773	246,256,888	1,328,696,661
Year ended June 30, 2025			
Opening net book value	1,082,439,773	246,256,888	1,328,696,661
Disposals during the year	(202,788,896)	-	(202,788,896)
Depreciation charge	-	(24,625,689)	(24,625,689)
Closing net book value	879,650,877	221,631,199	1,101,282,076
At June 30, 2025			
Cost	879,650,877	296,204,099	1,175,854,976
Accumulated depreciation	-	(74,572,900)	(74,572,900)
	879,650,877	221,631,199	1,101,282,076
Annual rate of depreciation (%)	-	10	

16.1 Investment property include land worth Rs. 700.83 million (2024: Rs. 901.25 million) and building on freehold land Rs. 250 million (2024: Rs. 250 million) which are not in the name of the Parent Company. These are in the name of subsidiary and associated undertaking respectively. The Parent Company has possession as well as full ownership rights as per the terms of the relevant agreements, and is entitled to get the land transferred in its name or buyers in future, as and when required. The fair value of investment property is approximately Rs. 1,719.20 million as at June 30, 2025 (2024: Rs. 1,842.29 million). The valuation has been carried out by independent valuers M/s Empire Enterprises (Pvt.) Limited. The forced sale value of investment property is approximately Rs. 1,461.32 million as at June 30, 2025 (2024: Rs. 1565.94 million). The valuation is based on the unobservable inputs - level 3 classification.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

16.2 Disposal of Investment Property

Description	Carrying Value	Sale proceeds	Gain on Disposal	Particulars of buyers
Investment Property - Land (Sold by negotiation)	2,372,626	8,025,000	5,652,374	Ali Tabassam House no. 54/J, Paradise valley, phase 1, Faisalabad.
Investment Property - Land (Sold by negotiation)	25,661,856	26,238,091	576,235	Shabbir Ahmad Chak No. 198/RB,Munianwala,Faisalabad
Investment Property - Land (Sold by negotiation)	6,369,760	6,467,760	98,000	Muhammad Zubair Amir Chak No. 198/RB,Munianwala,Faisalabad
Investment Property - Land (Sold by negotiation)	9,654,413	9,942,199	287,786	Manzor Ahmad Chak No. 197/RB,Baghiwal,Faisalabad
Investment Property - Land (Sold by negotiation)	6,319,577	6,416,800	97,223	Muhammad Afzal Divisional Public School Campus Faisalabad
Investment Property - Land (Sold by negotiation)	2,275,000	2,345,000	70,000	Muhammad Saeed Akhtar 30/G, Wapda City, Faisalabad
Investment Property - Land (Sold by negotiation)	11,375,000	11,725,000	350,000	Muhammad Shakeel Akhtar 30/G, Wapda City, Faisalabad
Investment Property - Land (Sold by negotiation)	9,750,000	10,050,000	300,000	Sajid Mahmood P-95, Judicial Colony Faisalabad
Investment Property - Land (Sold by negotiation)	14,751,654	15,205,551	453,897	Shahzad Chak No. 199/RB,Gatwala, Faisalabad
Investment Property - Land (Sold by negotiation)	11,020,129	11,359,210	339,081	Irfan Shahzad Rafique Chak No. 174/RB,Manka,Tehsil Sumundri,District Faisalabad
Investment Property - Land (Sold by negotiation)	5,005,239	5,159,246	154,007	Muhammad Hamid Jan P-50,Street No. 3, Jalal Colony,214/RB, Dhudiwala, Faisalabad
Investment Property - Land (Sold by negotiation)	5,466,452	5,550,550	84,098	Imran Akram Chak No. 198/RB,Munianwala,Faisalabad
Investment Property - Land (Sold by negotiation)	4,875,000	4,950,000	75,000	Adnan Akram Chak No. 198/RB,Munianwala,Faisalabad
Investment Property - Land (Sold by negotiation)	4,875,000	4,950,000	75,000	Muhammad Tauseef Hassan Chak No. 200/RB,Lathianwala,Tehsil Jaranwala, District Faisalabad
Investment Property - Land (Sold by negotiation)	8,775,000	9,045,000	270,000	Muhammad Arshad Chak No. 198/RB,Munianwala,Faisalabad
Investment Property - Land (Sold by negotiation)	4,550,000	4,690,000	140,000	Ali Imran Khan Chak No. 207/RB, Mansoorabad Mohala Gujjar Khan Wala Faisalabad
Investment Property - Land (Sold by negotiation)	4,550,000	4,690,000	140,000	Muhammad Sarmad Khalid House No. P-4,Street No.2,Alnajaf Colony, Tariq Road,Faisalabad
Investment Property - Land (Sold by negotiation)	3,250,000	3,350,000	100,000	Nauman Aslam House No. P-14/A,Rehmania Road, Nazimabad, Faisalabad
Investment Property - Land (Sold by negotiation)	3,250,000	3,350,000	100,000	Muhammad Asif Chak No. 198/RB,Munianwala,Faisalabad
Investment Property - Land (Sold by negotiation)	3,250,000	3,350,000	100,000	Khalid Idrees Lodhi House No.P-393,Street No. 12,Afghanabad No. 1,Faisalabad
Investment Property - Land (Sold by negotiation)	9,750,000	10,050,000	300,000	Ghazanfar Ali S/o Muhammad Saddique Chak No. 198/RB,Munianwala,Faisalabad
Investment Property - Land (Sold by negotiation)	5,525,000	5,695,000	170,000	Muhammad Saleem Chak No. 193/RB,Sharianwala,Tehsil Jaranwala,District Faisalabad
Investment Property - Land (Sold by negotiation)	10,496,785	10,820,997	324,212	Asim Bashir Chak No. 198/RB,Munianwala,Faisalabad

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

Description	Carrying Value	Sale proceeds	Gain on Disposal	Particulars of buyers
Investment Property - Land (Sold by negotiation)	1,625,000	1,675,000	50,000	Adeel Ahmad Chak No. 148/RB, Tehsil Jhumra, District Faisalabad
Investment Property - Land (Sold by negotiation)	3,250,000	3,350,000	100,000	Muhammad Afzal Chak No. 573/RB, Dakhana Khas, Tesil & District Nankana Sahib
Investment Property - Land (Sold by negotiation)	1,625,000	1,675,000	50,000	Safia Imran House No. 1049/B, Peoples Colony No.2, Faisalabad
Investment Property - Land (Sold by negotiation)	3,250,000	3,350,000	100,000	Javed Iqbal Shahzad House No. 86, Sitara Sapna City, Faisalabad
Investment Property - Land (Sold by negotiation)	2,076,654	2,140,550	63,896	Muhammad Tahir Maqsood Chak No. 198/RB, Munianwala, Faisalabad
Investment Property - Land (Sold by negotiation)	4,468,750	4,606,250	137,500	Muhammad Aslam House No.747, Street No.2, Data Nagar, Malikpur, 203 RB Faisalabad
Investment Property - Land (Sold by negotiation)	1,625,000	1,675,000	50,000	Abdul Malik A-Block Jamilabad, Street No.2, Faisalabad
Investment Property - Land (Sold by negotiation)	1,625,000	1,675,000	50,000	Sh.Muhammad Shaid House No.16-W-7, Madina Town, Faisalabad
Investment Property - Land (Sold by negotiation)	1,625,000	1,675,000	50,000	Muhammad Ashfaq House No. 18, Shoaib Block, Muslim Town No.1, Faisalabad
Investment Property - Land (Sold by negotiation)	1,625,000	1,675,000	50,000	Muhammad Yasin Street No. 4, Dastgir Colony, Mansoorabad, Faisalabad
Investment Property - Land (Sold by negotiation)	1,625,000	1,675,000	50,000	Muhammad Farhan Baig House No.444-A, Gulistan Colony No.2, Faisalabad
Investment Property - Land (Sold by negotiation)	1,950,000	2,010,000	60,000	Muhammad Iqbal House No. P-201, Jangilsingh Wala, Faisalabad
Investment Property - Land (Sold by negotiation)	1,625,000	1,675,000	50,000	Muhammad Imran Munawar House No. P-105, Khayaban Colony, Faisalabad
Investment Property - Land (Sold by negotiation)	1,625,000	1,675,000	50,000	Umer Riaz House No. 262-A, Gulfishan Colony, Jhang Road, Faisalabad
2025	202,788,896	213,957,206	11,168,310	

Description	Carrying Value	Sale proceeds	Gain on Disposal	Particulars of buyers
Investment Property - Land (Sold by negotiation)	59,733,981	115,962,000	56,228,019	M/S Niagara Mills (Pvt.) Limited
	16,263,630	78,500,000	62,236,370	Muhammad Zahid s/o Bashir Ahmed, House no. 175-C, Street no. 1/1, Raza Town, Faisalabad
	16,263,630	78,500,000	62,236,370	Muhammad Nazir Nasir s/o Bashir Ahmed, House no. 175-D, Street no. 1/1, Raza Town, Faisalabad
2024	92,261,241	272,962,000	180,700,759	

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

16.2.1 The Parent Company does not have any relationship with the buyers.

16.2.2 Particulars of immovable property in the name of the Parent Company are as follows:

Location	Usage of immovable property	Total Area (in marlas)	Covered Area (in square feet)
a) Chak # 125 G.B, Tehsil Jaranwala, District Faisalabad.	Plots	332	N/A
b) Chak # 165 R.B, Tehsil Jaranwala, District Faisalabad.	Plots	1,379	N/A
c) Chak # 193 R.B, Tehsil Jaranwala, District Faisalabad.	Plots	340	N/A
d) Chak # 197 R.B, Tehsil Faisalabad, District Faisalabad.	Plots	796	N/A
e) Chak # 198 R.B, Tehsil Faisalabad, District Faisalabad.	Plots	333	N/A
f) Chak # 200 R.B, Tehsil Jaranwala, District Faisalabad.	Plots	6,093	N/A
g) Chak # 204 R.B, Tehsil Faisalabad, District Faisalabad.	Plots	9	N/A
h) Chak # 206 R.B, Tehsil Jaranwala, District Faisalabad.	Plots	40	N/A
i) Chak # 60 R.B, Tehsil Jaranwala, District Faisalabad.	Plots	60	N/A
j) Chak # 61 R.B, Tehsil Jaranwala, District Faisalabad.	Plots	1,378	N/A
k) Ground floor, Sitara Tower situated at Bilal Square, New Civil Lines, Faisalabad.	held for earning rentals	18	5,032
l) 318, 3rd Floor Siddique Trade Centre, Main Boulevard, Gulberg, Lahore.	held for earning rentals	3	819

16.2.3 Particulars of property held but not in the name of the Parent Company are as follows:

Location	Usage of immovable property	Total Area (in marlas)	Covered Area (in square feet)
a) Chak # 193 R.B, Tehsil Jaranwala, District Faisalabad.	Plots	440	N/A
b) Chak # 200 R.B, Tehsil Jaranwala, District Faisalabad.	Plots	3,354	N/A
c) Chak # 198 R.B, Tehsil Faisalabad, District Faisalabad.	Plots	1,326	N/A
d) Chak # 197 R.B, Tehsil Faisalabad, District Faisalabad.	Plots	1,406	N/A
e) Chak # 206 R.B, Tehsil Jaranwala, District Faisalabad.	Plots	249	N/A
f) Chak # 212 R.B, Plot # 44-A, Peoples Colony no. 1, Faisalabad.	Plots	39	N/A
g) Chak # 61 R.B, Tehsil Jaranwala, District Faisalabad.	Plots	1,759	N/A
h) Chak # 7 J.B, Tehsil City Faisalabad, District Faisalabad.	Plots	811	N/A
i) Chak # 206 R.B, Tehsil Jaranwala, District Faisalabad.	Plots	812	N/A
j) Chak # 60 R.B, Tehsil Jaranwala, District Faisalabad.	Plots	366	N/A
k) Chak # 193 R.B, Tehsil Jaranwala, District Faisalabad.	Plots	1,473	N/A
l) Chak # 200 R.B, Tehsil Jaranwala, District Faisalabad.	Plots	397	N/A
m) First floor, Sitara Tower situated at Bilal Square, New Civil Lines, Faisalabad.	Floor	35	9,460

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

	2025 Rupees	2024 Rupees
17. Long term loan		
Considered good		
Due from executive	5,000,000	1,000,000

17.1 The interest free loan is given to executive of the Group for personal use in accordance with the terms of employment. Long term loan has been carried at cost as the effect of carrying this balance at amortised cost would not be material in the overall context of these financial statements.

	2025 Rupees	2024 Rupees
18. Long term deposits		
Security deposits	1,511,200	1,511,200
19. Stores, spares and loose tools		
Stores	16,493,786	25,445,946
Spares	283,816,790	294,231,354
Loose tools	1,621,555	1,756,976
	301,932,131	321,434,276
Less: Provision for slow moving and obsolete items	(15,735,435)	(13,745,199)
	286,196,696	307,689,077

19.1 Stores and spares include items that may result in fixed capital expenditure but are not distinguishable.

	2025 Rupees	2024 Rupees
20. Stock		
Furnace oil		
In hand	9,018,881	28,624,402
In transit	-	92,788,719
Diesel oil	5,146,398	6,616,797
Lube oil	3,781,870	2,640,534
Waste	62,538	54,038
Land	128,363,662	128,546,254
	146,373,349	259,270,744

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

	Note	2025 Rupees	2024 Rupees
21. Trade debts			
Unsecured			
Considered good			
Related parties			
Sitara Fabrics Limited	21.1	7,625,003	-
Others		357,489,214	538,994,247
		<u>365,114,217</u>	<u>538,994,247</u>
Considered doubtful - Others		59,984,867	312,363
Less: Provision for doubtful receivables		(59,984,867)	(312,363)
		<u>-</u>	<u>-</u>
		<u>365,114,217</u>	<u>538,994,247</u>

21.1 The maximum aggregate amount due from associated undertaking Sitara Fabrics Limited at the end of any month during the year was Rs.15,513,368/- (2024: Rs. 248,173,250/-).

	Note	2025 Rupees	2024 Rupees
22. Loans and advances			
Considered good			
Loans to staff		134,667	107,538
Advances			
Income tax		5,830,308	9,695,662
Suppliers	22.1	4,595,074	31,953,187
For purchases / expenses		300,000	86,649
		<u>10,725,382</u>	<u>41,735,498</u>
Considered doubtful- suppliers		10,000,000	-
Less: Provision for doubtful receivables		(10,000,000)	-
		<u>-</u>	<u>-</u>
		<u>10,860,049</u>	<u>41,843,036</u>

22.1 This includes advance of Nil (2024: Rs.15,460,000/-) given to associated undertaking - Sitara Chemtek Private Limited.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

	Note	2025 Rupees	2024 Rupees
23. Deposits and prepayments			
Deposits			
Guarantee margin		30,782,700	30,782,700
Prepayments			
Insurance		122,025	2,797,386
Levies		2,152,472	9,905
		<u>33,057,197</u>	<u>33,589,991</u>
24. Other receivables			
Considered good			
Receivable against:			
Sale of investment property	24.1	224,222,206	73,966,161
Rent		277,200	3,691,304
Others		16,825,352	125,577
		<u>241,324,758</u>	<u>77,783,042</u>
Considered doubtful - Rent		5,273,519	5,273,519
Less: Provision for doubtful receivables		(5,273,519)	(5,273,519)
		<u>241,324,758</u>	<u>77,783,042</u>

24.1 The sales proceeds of Rs. 101.39 million (2024: Rs. 35.89 million) has been received subsequently.

	2025 Rupees	2024 Rupees
25. Tax refunds due from government		
Sales tax	14,090,932	18,652,483
Income tax	44,261,555	41,750,202
	<u>58,352,487</u>	<u>60,402,685</u>
26. Short term investments		
Investment- at Fair value through profit or loss		
Investment in mutual fund		
Meezan Daily Income Fund		
5317.1272 units of Rs.50/- each		
(June 24 : 5122.6 units of Rs.50/- each)	265,856	256,130

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

	As at July 01, 2024	Purchased during the year	Units redeemed during the year	As at June 30, 2025
Meezan Daily Income Fund (units)	5,122.60	5,814,921.93	5,814,727.40	5,317.13
Value at Rs 50/ unit each (Rupees)	256,130	290,746,097	290,736,371	265,856

26.1 Effective rate of profit during the year was 20.43% (2024:18.1%) per annum.

26.2 The fair value of the quoted securities is determined based on the quoted prices (unadjusted) in active market for identical assets. It represents Level 1 hierarchy.

	Note	2025 Rupees	2024 Rupees
27. Cash and bank balances			
Cash in hand		1,378,801	1,608,109
Cash at banks			
In current accounts		42,034,675	289,069,637
		<u>43,413,476</u>	<u>290,677,746</u>
28. Sales - net			
Electricity		209,839,982	1,091,755,197
Less: Sales tax		32,009,489	166,538,929
		<u>177,830,493</u>	<u>925,216,268</u>
Less: Electricity duty		1,760,698	9,160,557
		<u>176,069,795</u>	<u>916,055,711</u>
Land		920,000	-
		<u>176,989,795</u>	<u>916,055,711</u>
29. Cost of generation / sales			
Cost of generation	29.1	214,661,942	908,785,395
Cost of sales- land		182,592	-
		<u>214,844,534</u>	<u>908,785,395</u>
29.1 Cost of generation			
Cost of oil and lubricants		153,968,297	854,273,737
Salaries, wages and benefits		30,559,613	32,471,528
Staff retirement benefits		562,713	562,477
Stores, spares and loose tools		2,564,078	3,355,851
Travelling and conveyance		100,955	133,416
Vehicles running and maintenance		1,131,863	1,466,483
Insurance		2,252,023	1,082,585
Repairs and maintenance		2,508,973	2,250,295
Entertainment		867,113	251,674
Depreciation	15.2	16,936,946	11,490,248
Provision for slow moving and obsolete store items	19	1,990,236	-
Others		1,219,132	1,447,101
		<u>214,661,942</u>	<u>908,785,395</u>

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

	Note	2025 Rupees	2024 Rupees
30. Other income			
Income from financial assets:			
Dividend Income		8,609,885	66,036
Income from assets other than financial assets:			
Sale of scrap and waste		47,844	8,193,575
Rental Income		9,972,981	7,942,741
Gain on disposal of			
Property, plant and equipment		6,485,824	-
Investment property		11,168,310	180,700,759
Reversal of:			
Provision of interest/ markup on short term borrowings	13.1	324,376,089	105,496,726
Provision for slow moving and obsolete store items		-	296,681
		<u>360,660,933</u>	<u>302,696,518</u>
31. Operating expenses			
Directors' remuneration		7,800,000	7,800,000
Salaries and benefits		14,745,379	13,372,313
Staff retirement benefits		335,285	397,048
Postage and telephone		1,004,452	1,078,829
Vehicles running and maintenance		3,395,562	2,815,559
Travelling and conveyance		647,094	1,383,210
Printing and stationery		976,356	955,147
Entertainment		462,162	654,868
Legal and professional		3,761,900	4,002,853
Fee, subscription and periodicals		1,264,764	6,640,274
Rent, rates and taxes		532,510	795,445
Advertisement		365,969	159,042
Insurance		571,308	105,084
Auditors' remuneration	31.1	1,665,000	1,555,000
Repairs and maintenance		211,803	806,880
Donations	31.2	784,620	617,350
Depreciation on property, plant and equipment	15.2	5,853,550	6,964,939
Depreciation on investment property	16	24,625,689	22,732,247
Utilities		328,327	1,234,683
Other		368,838	329,184
		<u>69,700,568</u>	<u>74,399,955</u>

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

		2025 Rupees	2024 Rupees
31.1 Auditors' remuneration			
Audit fee		1,335,000	1,240,000
Fee for the review of half yearly financial information		169,000	156,500
Other certifications		68,100	66,100
Out of pocket expenses		92,900	92,400
		<u>1,665,000</u>	<u>1,555,000</u>
31.2	This represents donation given to Safia Ghafour Trust. The directors or their spouses had no interest in the donee.		
	Note	2025 Rupees	2024 Rupees
32. Other operating expenses			
Provision for doubtful receivables		69,672,504	312,363
Workers' profit participation fund		9,075,327	3,630,170
		<u>78,747,831</u>	<u>3,942,533</u>
33. Finance cost			
Interest / mark-up on :			
Long term financing		53,867,454	17,112,835
Short term bank borrowings		-	144,995,910
Workers' profit participation fund	11.1	20,602	-
Bank charges and commission		37,931	1,129,582
		<u>53,925,987</u>	<u>163,238,327</u>
34. Levies			
Minimum tax differential	34.1	11,500	1,069,944
Final tax	34.2	2,152,472	9,905
		<u>2,163,972</u>	<u>1,079,849</u>

34.1 This represents portion of minimum tax paid under section 113 of the Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/IAS 37.

34.2 This represents final tax paid under section 150 of the Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/IAS 37.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

	Note	2025 Rupees	2024 Rupees
35. Provision for taxation			
Current			
For the year	35.1	3,139,271	32,481,232
For prior years		(184,798)	209
Deferred	35.4	-	-
		<u>2,954,473</u>	<u>32,481,441</u>
35.1	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 except rental income and capital gain which is subject to tax under separate block income.		
35.2	Reconciliation of current tax charged as per tax laws for the year, with current tax recognised in the profit and loss account, is as follows:		
		2025 Rupees	2024 Rupees
Current tax liability for the year as per applicable tax laws		5,303,243	33,561,081
Portion of current tax liability as per tax laws:			
representing income tax under IAS 12		(3,139,271)	(32,481,232)
representing levy in terms of requirements of IFRIC 21/IAS 37		(2,163,972)	(1,079,849)
Difference		<u>-</u>	<u>-</u>
35.3 Relationship between tax expense and accounting profit			
Profit for the year before taxation		120,431,808	68,386,019
Tax on Accounting profit- exempt (Refer Note 35.1)		-	-
Add: Tax effect of unrealized profit on inter group sales		-	5,679,314
Add: Inadmissible expenses		-	470
Less: Admissible expenses		-	(170,417)
Tax effect of :			
Separate block of rental income		2,889,851	2,300,471
Expenses that are admissible in earning rental income		(577,970)	(460,094)
Capital gain		827,390	25,131,488
Effect of:		<u>3,139,271</u>	<u>32,481,232</u>
Prior year adjustment		(184,798)	209
Minimum Tax		11,500	1,069,944
Final tax		<u>2,152,472</u>	<u>9,905</u>
	34 & 35	<u>5,118,445</u>	<u>33,561,290</u>

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

35.4 Deferred taxation

Deferred tax asset after considering tax losses and tax credits available for adjustment works out to Rs.12,176,748/- (2024: Rs.1,961,489/-). This is not recognized in these financial statements due to uncertain future results.

	2025 Rupees	2024 Rupees
36. Earnings per share - Basic and diluted		
Profit for the year attributable to shareholders of the Parent (Rupees)	115,313,363	34,824,729
Weighted average number of ordinary shares	19,092,000	19,092,000
Earnings per share - Basic and diluted (Rupees)	6.04	1.82

36.1 There is no dilutive effect on the basic profit per share of the Group.

37. REMUNERATION TO CHIEF EXECUTIVE OFFICER AND EXECUTIVES

	2025		2024	
	Chief Executive Officer	Executives	Chief Executive Officer	Executives
	-----Rupees-----			
Remuneration	6,545,455	5,922,982	6,545,455	5,922,982
Medical allowance	654,545	592,298	654,545	592,298
Perquisites	600,000	-	600,000	-
Contribution to provident fund	-	312,732	-	312,732
	7,800,000	6,828,012	7,800,000	6,828,012
Number of persons	1	2	1	2

37.1 The Chief Executive Officer is entitled to free use of company maintained car and other perquisites. One executive is entitled to conveyance facility. The monetary value of these benefits approximates Rs. 3,059,780/- (2024: 2,323,892/-). The Directors have waived off their meeting fee.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

38. TRANSACTIONS WITH RELATED PARTIES

The group in the normal course of business carries out transactions with various related parties which comprise of associated undertakings, directors of the group, key management personnel and post employment benefit plan. Amounts due from and due to related parties are shown under the relevant notes to the financial statements. Remuneration to Chief Executive Officer and Executives of the parent is disclosed in Note 37. Other significant transactions with related parties are as follows:

Name of the related party	Relationship and Percentage	Transactions during the year	2025 Rupees	2024 Rupees
Sitara Fabrics Limited	Associated company by virtue of common directorship	Sale of electricity	29,620,062	-
		Received against sale of electricity	21,995,059	
		Adjustment of receivable balances against land	-	283,173,250
Sitara Energy Limited Staff Provident Fund Trust	Other related party	Company's Contribution for the year	897,998	959,525
Sitara International (Pvt.) Limited	Subsidiary company	Repayment of loan	-	84,823,750
		Adjustment of loan against land	-	526,344,840
Mr.Ijaz Ahmad Babar	Key Management Personnel	Loan given	4,000,000	-
Sitara Chemtek Private Limited	Associated Undertaking	Advance returned	15,460,000	-

39. PLANT CAPACITY AND ACTUAL PRODUCTION

	2025	2024
Number of generators installed	20	20
Number of generators worked	3	6
Installed energy generation capacity (Mega watt hours)	683,893	683,893
Installed solar generation capacity (Mega watt hours)	1,460	-
Actual energy generation (Mega watt hours)	5,203	23,315
Actual average load (Mega watt)	0.59	2.66

Reasons for low generation: - Installed generators include three standby generators.
- Planned utilisation as per demand.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

		2025	2024
40. DISCLOSURE WITH REGARDS TO PROVIDENT FUND			
Size of the fund	(Rupees)	10,557,112	9,392,700
Cost of investments made	(Rupees)	4,603,435	4,603,435
Percentage of investments made	(% age)	43.61	49.01
Fair value of investments	(Rupees)	9,405,071	7,926,337

40.1 The figures are based on the un-audited financial statements of the provident fund. Investment has been made in mutual fund in accordance with the provisions of section 218 of the Companies Act 2017 and conditions specified thereunder.

		2025	2024
41. NUMBER OF EMPLOYEES			
Total number of employees as at year end		60	84
Total number of generation plant / factory employees as at year end		52	76
Average number of employees for the year		69	76
Average number of generation plant / factory employees for the year		61	68

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group finances its operations through mix of equity, debt and working capital with a view to maintain an appropriate mix between various sources of finance to minimise risk. The overall risk management is carried out by the finance department under the oversight of Board of Directors in line with the policies approved by the Board.

	2025 Rupees	2024 Rupees
42.1 FINANCIAL INSTRUMENTS BY CATEGORIES		
Financial assets at amortised cost:		
Long term loan	5,000,000	1,000,000
Long term deposits	1,511,200	1,511,200
Trade debts	365,114,217	538,994,247
Loans and advances	134,667	107,538
Deposits and prepayments	30,782,700	30,782,700
Other receivables	241,324,758	77,783,042
Cash and bank balances	43,413,476	290,677,746
	<u>687,281,018</u>	<u>940,856,473</u>
Financial assets at fair value through profit and loss:		
Short term investments	265,856	256,130
Financial liabilities at amortised cost:		
Long term financing	277,402,383	418,919,095
Trade and other payables	670,764,129	858,523,046
Unclaimed dividend	3,702,824	3,702,824
Interest / markup payable	339,938,987	610,447,622
Short term bank borrowings	259,656,021	431,656,021
	<u>1,551,464,344</u>	<u>2,323,248,608</u>

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

42.2 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Group's activities expose it to a variety of financial risks (credit risk, liquidity risk and market risk). Risks measured and managed by the Group are explained below:

42.2.1 Credit risk and concentration of credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties failed completely to perform as contracted. The Parent is exposed to concentration of credit risk towards the major customers M/S Sitara Chemical Industries Limited and M/S Sitara Peroxide Limited. The trade debts receivable from these customers constitute 87.49% (2024: 83.21%) of total receivables. The maximum exposure to credit risk at the reporting date is as follows:

	2025 Rupees	2024 Rupees
Long term loan	5,000,000	1,000,000
Long term deposits	1,511,200	1,511,200
Trade debts	365,114,217	538,994,247
Loans and advances	134,667	107,538
Deposits and prepayments	30,782,700	30,782,700
Other receivables	241,324,758	77,783,042
Short term investments	265,856	256,130
Bank balances	42,034,675	289,069,637
	<u>686,168,073</u>	<u>939,504,494</u>

Due to Group's long standing relations with counterparties and after giving due consideration to their financial standing, the management does not expect non performance by these counter parties on their obligations to the Group.

For trade debts credit quality of the customer is assessed, taking into consideration its financial position and previous dealings, individual credit limits are set. The management regularly monitor and review customers credit exposure.

The Group's most significant customers are M/S Sitara Chemical Industries Limited and M/S Sitara Peroxide Limited. The break-up of amount due from customers is as follows:

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

	2025 Rupees	2024 Rupees
Sitara Chemical Industries Limited	109,200,709	186,033,238
Less: Provision for doubtful receivables	(18,290,000)	-
	90,910,709	186,033,238
Sitara Peroxide Limited	262,456,104	262,456,104
Other industrial users	53,442,271	90,817,268
Less: Provision for doubtful receivables	(41,694,867)	(312,363)
	11,747,404	90,504,905
	365,114,217	538,994,247

The aging of trade debts as at statement of financial position date is as under:

	2025 Rupees	2024 Rupees
Not past due	8,475,897	177,577,480
Past due		
4 to 6 months	7,836,695	-
7 to 12 months	59,137,602	5,444,160
More than 1 year	349,648,890	356,284,970
Less: Provision for doubtful receivables	(59,984,867)	(312,363)
	356,638,320	361,416,767
	365,114,217	538,994,247
Not past due		
Related parties	-	-
Others	8,475,897	177,577,480
	8,475,897	177,577,480
Past due		
Related parties	7,625,003	-
Others- net of provision	349,013,317	361,416,767
	356,638,320	361,416,767
	365,114,217	538,994,247

Appropriate provision has been made in respect of trade debts, other receivables and advances to suppliers considered doubtful. The credit risk exposure is limited in respect of bank balances and short term investments as these are placed with local banks and asset management company having good credit rating from international and local credit rating agencies

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

The bank balances along with credit rating is as follows.

Bank name	Credit Rating	2025 Rupees	2024 Rupees
United Bank Limited	AAA	71,302	73,052
Muslim Commercial Bank Limited	AAA	1,021,163	114,776
Allied bank limited	AAA	3,752,770	3,753,722
Meezan Bank Limited	AAA	5,285,381	9,246,946
National Bank Limited	AAA	34,434	32,706
Standard Chartered Bank	AAA	1,381,730	1,381,730
Habib Bank Limited	AAA	70,106	255,330,140
Bank Al-Falah Limited	AAA	22,477	22,477
Askari Bank Limited	AA+	27,281	27,981
The Bank of Punjab	AA+	8,114	8,714
Faysal Bank Limited	AA	45,892	45,892
Al Barka Bank (Pakistan) Limited	AA -	30,210,038	16,019,319
First Women Bank Limited	A -	79,472	2,987,132
Bank Makramah Limited	BBB -	24,515	25,050
		<u>42,034,675</u>	<u>289,069,637</u>

The analysis of credit rating of investees' in relation to short term investment is as follows:

		2025 Rupees	2024 Rupees
Al Meezan Investment Management Limited	A-1+	<u>265,856</u>	<u>256,130</u>

Based on the past experience and taking into consideration, the financial position, and previous record of recoveries, the group believes that trade debts past due do not require any impairment. The credit risk exposure is limited in respect of deposits and bank balances and short term investments as majority of deposits and all bank balances are placed with local banks and asset management company having good credit rating.

42.2.2 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group's approach to manage liquidity is to maintain sufficient level of liquidity of the Group on the basis of expected cash flows, requirements of holding highly liquid assets and maintaining adequate reserve borrowing facilities to cover liquidity risk. This includes maintenance of statement of financial position liquidity ratios through working capital management. Following are the contractual maturities of financial liabilities including interest payments as at June 30, 2025 and 2024:

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

Financial liabilities:

Long term financing	277,402	373,844	91,386	76,458	206,000
Unclaimed dividend	3,703	3,703	3,703	-	-
Trade and other payables	670,764	670,764	670,764	-	-
Short term bank borrowings	259,656	259,656	43,844	215,812	-
Interest / mark up payable	339,939	339,939	14,928	-	325,011
	<u>1,551,464</u>	<u>1,647,906</u>	<u>824,625</u>	<u>292,270</u>	<u>531,011</u>

Financial liabilities:

Long term financing	418,919	418,919	89,305	70,758	258,856
Unclaimed dividend	3,703	3,703	3,703	-	-
Trade and other payables	858,523	858,523	858,523	-	-
Short term bank borrowings	431,656	537,152	52,748	484,404	-
Interest / mark up payable	610,448	610,448	376,068	-	234,380
	<u>2,323,249</u>	<u>2,428,745</u>	<u>1,380,347</u>	<u>555,162</u>	<u>493,236</u>

The contractual cash flows relating to mark up on long term and short term bank borrowings have been determined on the basis of mark up rates as applicable at June 30, 2025. The Company is exposed to liquidity risk, however, it will manage the liquidity risk from its own source through equity and working capital management.

42.2.3 Market risk management

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing returns.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate risk arises from long term and short term bank borrowings. The interest rate profile of the Group's interest bearing financial

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

instruments is presented in relevant notes to the financial statements.

Sensitivity to interest rate risk arises from mismatches of financial assets and financial liabilities that mature or reprice in a given period.

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit and loss, therefore a change in interest rates at the reporting date would not effect profit and loss account.

Had the interest rate been increased / decreased by 1% at the reporting date with all other variables held constant, profit for the year and equity would have been lower / higher by 6.94 million (2024: Rs. 9.04 million).

ii) **Currency risk**

Currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings. Currency risk is covered through forward foreign exchange contracts whenever it is considered appropriate to hedge foreign currency exposure. The Group is not exposed to any currency risk.

iii) **Equity price risk**

Equity price risk is the risk of unfavorable changes in the fair value of the equity securities as a result of changes in the levels of Stock Exchange indexes and the value of individual shares (including the units of mutual funds). The equity price risk exposure arises from the parent company's short term investments for which prices in the future are uncertain. The parent company's policies to manage price risk through diversification and selection of securities within specified limits set by the internal risk management guidelines.

The Group is not exposed to any significant equity price risk.

42.3 Fair value of financial instruments

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

42.4 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or obtain / repay long term and short term financing from / to financial institutions.

The Group manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investment requirements and expectation of the shareholders. Debt is calculated as total borrowings ('long term financing' and 'short term bank borrowings' as shown in the statement of financial position). Total capital comprises shareholders' equity as shown in the statement of financial position under 'share capital and reserves' and net debt (Debt less cash and cash equivalents).

The salient information relating to capital risk management of the Group was as follows:

	Note	2025 Rupees	2024 Rupees
Total Debt	8 & 13	537,058,404	850,575,116
Less: Cash and cash equivalents	27	43,413,476	290,677,746
Net Debt		493,644,928	559,897,370
Total equity		1,293,020,078	1,177,706,715
Total capital		1,786,665,006	1,737,604,085
Gearing ratio		27.63%	32.22%

43. DATE OF AUTHORISATION FOR ISSUE

These financial statements have been approved by the Board of Directors of the Group and authorised for issue on November 07, 2025.

43. RE-ARRANGEMENTS / RE- CLASSIFICATION

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison. The significant reclassification / restatement made are as under;

- Gas Infrastructure Development Cess payable amounting to Rs. 363,917,571/- (2024: Rs. 363,917,571/-) was grouped in "Creditors" under head "Trade and other payables". It has now reclassified and presented separately under the same head. GIDC receivable of Rs. 53,562,194/- (2024: Rs. 53,562,194)/- grouped in "Other receivables" is netted off against GIDC payable which is presented separately.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

- Electricity duty payable amounting to Rs. 90,742,089/- (2024: Rs. 88,981,390/-) was grouped in "Accrued liabilities" under head "Trade and other payables". It has now reclassified and presented separately under the same head.
- Levies payable amounting to Rs. 3,233,916/- (2024: Rs. 1,079,849/-) has been re-arranged and grouped under the head "Trade and other payables" from its earlier classification under head "Provision for taxation".

45. GENERAL

45.1 NOMENCLATURE

The Nomenclature of "Cost of generation" has been changed to "Cost of generation / sales" for better presentation.

The Nomenclature of "Income tax" grouped under the head "Deposits and prepayments" has been changed to "Levies" for better presentation.

- 45.2** Figures have been rounded off to the nearest Rupee except where mentioned Rupees in thousands.



Chief Executive Officer



Director



Chief Financial Officer

GENDER PAY GAP STATEMENT

Under SECP Circular 10 of 2024

Sitara Energy Limited is committed to creating a work environment that promotes inclusion, equity, and diversity. As an equal-opportunity employer, the company constantly benchmarks and employs techniques to guarantee that all employees, regardless of gender, receive fair and equitable compensation.

Following is gender pay gap calculated for the year ended June 30, 2025:

Mean Gender Pay Gap	-15.2%
Median Gender Pay Gap	-57.0%

The above percentage reflect the gender pay gap of relevant Male versus Female Employees across the Organization.

SITARA ENERGY LIMITED

CIRCULATION OF ANNUAL AUDITED ACCOUNTS

The Company Secretary
Sitara Energy Limited
601-602, Business Centre,
Mumtaz Hasan Road,
Karachi

Subject : Circulation of Annual Audited Accounts via Email or any other Media

Pursuant to the directions given by the Securities and Exchange Commission of Pakistan through its SRO No. 470(I)/2016 dated 31ST May, 2016, that have allowed companies to circulate their Annual Audited Accounts (i.e. Annual Balance Sheet and Profit and Loss Accounts, Auditor's Report and Directors' Report etc ("Annual Report") along with the Notice of Annual General Meeting ("Notice") to its shareholders through Email or any other Electronic Media at the registered addresses.

Shareholders who wish to receive the hardcopy of Financial Statements shall have to fill the below form and send us to Company address.

I/We hereby consent Option 1 or Option 2 to the above SROs for Audited Financial Statements and Notice of General Meeting(s) delivered to me hard from instead Email or any other Electronic Media.

☐ Option 1 – Via Email

Name of the Members/Shareholders

CNIC NO.

Folio / CDC Account Number

Valid Email Address

(to receive Financial Statements alongwith
Notice of General Meetings instead of
hardcopy/CD/DVD/USB)

☐ Option 2 – Via Hard copy

Name of the Members/Shareholders

CNIC NO.

Folio / CDC Account Number

Mailing Address

(to receive Financial Statements alongwith
Notice of General Meetings instead of
Email/CD/DVD/USB and other Electronic Media)

I/We hereby confirm that the above mentioned information is correct and in case of any change thereon, I/We will immediately intimate to the Company's Share Registrar. I/we further confirm that the transmission of Company's Annual Audited Financial Statements and Notice of General Meeting(s) through my/our above address would be taken as compliance with the Companies Act, 2017.

**FORM OF PROXY
ANNUAL GENERAL MEETING**

I/We _____ S/o/D/o/W/o _____ of _____ being a member of SITARA ENERGY LIMITED and holder of _____ Ordinary Shares as per Share Register Folio No. _____ and/or CDC Participant ID No. _____ and Account / Sub-account No. _____ do hereby appoint Mr./Mrs./Miss _____ of _____ failing him/her, Mr/Mrs./Miss _____ of _____ as my/our proxy to attend, act and vote for me/us on my/our behalf at Annual General Meeting of the Company to be held on Thursday November 27, 2025 at 3:00 pm at Auditorium of Institute of Chartered Accountants of Pakistan, chartered Accountants Avenue, Block 8 Clifton, Karachi in person and via Zoom video link and at any adjournment thereof in the same manner as I/we myself/ ourselves would vote if personally present at such meeting.

Five Rupees
Revenue Stamp

Signature of Shareholder
Folio / CDC A/C No.

Signature of Proxy

Dated this _____ day of _____ 2025

Witness:

Witness:

1. Signature _____
Name _____
Address _____

CNIC or _____
Passport No. _____

2. Signature _____
Name _____
Address _____

CNIC or _____
Passport _____

Notes:

1. A member entitled to attend and vote at the meeting may appoint a proxy in writing to attend the meeting and vote on member's behalf.
2. If a member is unable to attend the meeting. He/She may complete and sign this form and send it to the Company's Share Registrar M/s. THK Associates (Pvt) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi so as to reach not less than 48 hours before the time appointed for holding the Meeting.
3. For CDC Account Holders / Corporate Entities; in addition to the above, the following requirements have to be met:
 - (a) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers be stated on the form.
 - (b) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.
 - (c) The proxy shall produce his original CNIC or original passport at the time of the meeting. In case of a corporate entity, the Board of Directors resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

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M/s THK Associates (Pvt) Limited
Plot No. 32-C, Jami Commercial
Street 2, D.H.A. Phase VII,
Karachi -75500

ستاره انرجی لمیٹڈ

پراکسی فارم

اجلاس عام

میں رہم _____ ستاره انرجی لمیٹڈ کے ممبر/ممبران رجسٹرڈ فلیو نمبر/شرکاء

کی آئی ڈی سی ڈی سب اکاؤنٹ نمبر _____ کے مطابق _____ عمومی شیئرز رکھتے ہیں۔

بذریعہ ہذا _____ یا ان کی عدم موجودگی کی صورت میں _____

پراکسی 27 نومبر 2025 بروز جمعرات کو سہ پہر 3:00 بجے انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کے آڈیٹوریم میں چارٹرڈ اکاؤنٹنٹس ایونیو بلاک 8 کلفٹن کراچی ذاتی طور پر اور زوم ویڈیو لنک کے ذریعے منعقد ہونے والے اجلاس عام اور اُس کے کسی التواء تک میری/ہماری جانب سے ووٹ دینا اور اجلاس میں شرکت کرنے کا حق دیتا ہوں/دیتے ہیں۔

ریونیو اسٹامپ
5/-

دستخط پراکسی _____ دستخط شیئر ہولڈر _____

بتاریخ _____ سہ 2025

گواہان:

دستخط _____	دستخط _____
نام _____	نام _____
ایڈریس _____	ایڈریس _____
شناختی کارڈ _____	شناختی کارڈ _____
پاسپورٹ _____	پاسپورٹ _____

۱۔ ایک رکن جو اجلاس عام میں شرکت کرنے اور ووٹ دینے کا اہل ہے اس کو حق حاصل ہے کہ وہ کسی دوسرے فرد کو بطور پراکسی اپنی جانب سے شرکت کرنے اور ووٹ دینے کے لیے مقرر کرے۔

۲۔ اگر کوئی رکن اجلاس میں شرکت کرنے کے قابل نہیں ہے تو وہ یہ فارم مکمل اور تصدیق شدہ کمپنی کے شیئر رجسٹرار میسرز THK ایسوسی ایٹس پلاٹ نمبر: C-32 جامی کمرشل سٹریٹ 2، ڈی۔ ایچ۔ اے۔ فیئر 7 کراچی کو اجلاس کے منعقد ہونے سے 48 گھنٹے قبل بھجوائیں۔

۳۔ CDC اکاؤنٹ ہولڈر/ر Corporate Entity مندرجہ بالا کے علاوہ مندرجہ ذیل شقوں پر عمل کریں:

- پراکسی فارم میں دو گواہان کے دستخط نیز ان کے پتے اور شناختی کارڈ نمبر کا اندراج بھی لازمی ہے۔
- رکن اور پراکسی کے تصدیق شدہ قومی شناختی کارڈ یا پاسپورٹ کی نقول کی فراہمی
- پراکسی کے لیے لازم ہے کہ وہ اجلاس کے وقت اپنا اصل قومی شناختی کارڈ یا پاسپورٹ تصدیق کے لیے فراہم کرے۔ Corporate Entity کی صورت میں بورڈ آف ڈائریکٹرز کی تصدیق شدہ قرارداد کی نقل بشمول Power of Attorney دستخط کے ساتھ (بجز اگر پہلے ہی جمع کرا دی گئی ہے)۔ پراکسی فارم کے ہمراہ کمپنی کے شیئر رجسٹرار کو جمع کروائے۔

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Street 2, D.H.A. Phase VII,
Karachi -75500



If undelivered please return to:

Sitara Energy Limited

601-602 Business Centre,
Mumtaz Hassan Road, Karachi-74000
Tel: 021-32420620-32413944
Fax: 021-32415452