



**Sitara
Energy
Limited**



**Quarterly Financial Statements
September
(Un-Audited)**

**20
19**



Sitara Energy Limited

Company Information	02
Director Report	03
Condensed Interim Statement of Financial Position	05
Condensed Interim Statement of Profit or Loss Account	06
Condensed Interim Statement of Comprehensive Income	07
Condensed Interim Statement of Cash Flow Statement	08
Condensed Interim Statement of Changes in Equity	09
Condensed Interim Financial Information	10

Consolidated Accounts

(Sitara Energy Ltd and Its Subsidiary Company)

Condensed Interim Consolidated Statement of Financial Position	15
Condensed Interim Consolidated Statement of Profit or Loss Account	16
Condensed Interim Consolidated Statement of Comprehensive Income	17
Condensed Interim Consolidated Statement of Cash Flow Statement	18
Condensed Interim Consolidated Statement of Changes in Equity	19
Consolidated Condensed Interim Financial Information	20



Board of Directors

Ms. Noreen Javed (Chairperson)
Mr. Javed Iqbal (Chief Executive Officer)
Mr. Abdullah Javed
Mr. Shahid Hameed Sheikh
Ms. Naseem Akhtar
Ms. Haniah Javed
Mr. Mubashir Ahmed Zareen

Chief Financial Officer

Mr. Ijaz A. Babar - FCA

Company Secretary

Mr. Mazhar Ali Khan

Legal Advisor

Sahibzada Muhammad Arif

Share Registrar

THK Associates (Private) Limited
1st Floor, 40-C, Block-6,
P.E.C.H.S, Karachi - 75400.
UAN : +92 (21) 111-000-322
Ph: +92 (21) 34168270
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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. Abdullah Javed
Mr. Mubashir Ahmed Zareen

Human Resource & Remuneration Committee

Mr. Mubashir Ahmed Zareen (Chairman)
Mr. Javed Iqbal
Mr. Abdullah 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
Summit Bank Limited
Habib Bank Limited

Website

<http://www.sitara.pk>



DIRECTORS' REVIEW

The Board of Directors of Sitara Energy Limited (the Company) is pleased to present their report together with the Condensed Interim Financial Information and its subsidiary for the first quarter ended September 30, 2019.

Financial Results:

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

Financial Highlights	July – September 2019	July – September 2018
	Rupees in thousand	Rupees in thousand
Sales – net	78,588	452,515
Cost of generation	76,430	428,435
Gross profit	2,158	24,080
Gross profit ratio to revenue	2.75%	5.32%
(Loss) after tax	(51,362)	(24,801)
(Loss) per share – Basic & diluted (Rs.)	(2.69)	(1.30)

The sales of the Company is Rs. 78.588 million during the first quarter of the current financial year in comparison with Rs. 452.515 million during the first quarter of the last financial year. The main reason for decrease in sales is non-availability of system gas inspite of 60% rise in its price. Moreover, RLNG and RFO prices are abnormally higher resulting in unviable selling tariff. All these factors lead to lower demand by Bulk Power Consumers (BPCs) which badly affected our business.

The net loss for the first quarter of the current financial year is Rs. 51.362 million as compared with Rs. 24.801 million in September 2018. This increase in loss is mainly due to nominal gross profit as a result of substantial increase in fuel costs, without corresponding increase in selling tariff, and finance cost.

During the first quarter of the current financial year, the Company generated 3,701 MWh of electricity as compared with 34,108 MWh generated during the first quarter of the last financial year.

The profitability of the company during the financial year 2019-20 will largely depends upon affordable prices of RFO & System gas / RLNG and decrease in finance cost on the one hand and increase in consumer end tariff by NEPRA on the other hand. The company is curtailing all operating expenses at its level to minimize the loss.

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

By order of the board

Javed Iqbal
Chief Executive Officer

Faisalabad:
October 29, 2019



ستارہ انرجی لمیٹڈ کا بورڈ آف ڈائریکٹرز اور اس کے ذیلی ادارے کی پہلی سہ ماہی 30 ستمبر 2019ء کی ملخص عبوری مالیاتی معلومات پیش کرتے ہوئے خوش محسوس کر رہے ہیں۔

مالی نتائج:

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

مالیاتی اعداد و شمار		جولائی - ستمبر 2019ء	جولائی - ستمبر 2018ء
فروخت آمدنی	78,588	452,515	پاکستانی روپے ہزاروں میں
پیداواری لاگت	76,430	428,435	
مجموعی منافع	2,158	24,080	
آمدنی میں مجموعی منافع کا تناسب	2.75%	5.32%	
ٹیکسیشن کے بعد (نقصان)	(51,362)	(24,801)	
نی شیئر (نقصان)	(2.69)	(1.30)	

Basic & diluted (Rs.)

رواں مالی سال کی پہلی سہ ماہی کی فروخت آمدنی 78,588 ملین روپے ہے جبکہ گزشتہ مالی سال کی فروخت آمدنی 452,515 ملین روپے تھی اسکی بڑی وجہ سسٹم گیس میں ساٹھ فیصد اضافے کے باوجود عدم دستیابی ہے۔ تاہم مائع گیس (RLNG) اور فرنس آئل (RFO) کی قیمتوں میں غیر معمولی اضافے کے نتیجے میں فروخت کا ٹیرف (Tariff) غیر مناسب ہے۔ یہ تمام عوامل بلک پاؤڈر کزنز بومر (BPCs) کی طرف سے کم طلب نے ہمارے کاروبار کو بری طرح متاثر کیا ہے۔

پہلی سہ ماہی کے اختتام پر صافی نقصان 51,362 ملین روپے ہے۔ جبکہ ستمبر 2018ء میں مقابلتا 24,801 ملین روپے تھا۔ اس نقصان میں اضافے کی بڑی وجہ معمولی مجموعی منافع، نتیجتاً فیول کی لاگت میں کافی اضافہ جبکہ مقابلتا فروخت کے ٹیرف (Tariff) میں اضافہ نہ ہونا اور فرانس کی لاگت میں اضافہ ہے۔

گزشتہ مالی سال کی پہلی سہ ماہی میں پیدا ہونے والے 34,108 میگا واٹ آورز کی نسبتاً 3,701 میگا واٹ آورز پیدا کیے۔

مالی سال 2019-20 میں کمپنی کا منافع بہت حد تک ایک طرف تو مناسب قیمتوں پر فرنس آئل اور سسٹم گیس مائع گیس اور فرانس لاگت میں کمی اور دوسری طرف نیپرا (NEPRA) کا بلک پاؤڈر کزنز بومر (BPCs) کے ٹیرف (Tariff) میں اضافے پر ہے۔ کمپنی نے نقصان کو کم کرنے کیلئے اپنے پیداواری اخراجات میں کمی کی ہے۔

ہم اپنے تمام قرض دہندہ سپلائرز کی مشکل وقت میں اور انتظامیہ اور عمل کی ادارے کے مفاد میں دلچسپی اور سخت محنت پر ان کے دل و جان سے مشکور ہیں۔

بحکم بورڈ

جاوید اقبال
چیف ایگزیکٹو آفیسر

فیصل آباد

29 اکتوبر 2019ء



**Condensed Interim Statement of Financial Position (Unaudited)
As at September 30, 2019**

	(Un-audited) September 30, 2019	(Audited) June 30, 2019		(Un-audited) September 30, 2019	(Audited) June 30, 2019		
Note		Rupees in '000'		Note		Rupees in '000'	
SHARE CAPITAL AND RESERVES			NON-CURRENT ASSETS				
Authorised capital 30,000,000 ordinary shares of Rs. 10/- each	300,000	300,000	Property, plant and equipment	4	846,515	902,345	
Issued, subscribed and paid up capital	190,920	190,920	Investment property	5	437,950	439,313	
Capital reserve - share premium	143,190	143,190	Investment in subsidiary		49,995	49,995	
Revenue reserves			Long term loan		1,000	1,000	
General reserve	970,000	970,000	Long term deposits		511	511	
Unappropriated profit	325,770	377,132			1,335,971	1,393,164	
	1,629,880	1,681,242					
NON-CURRENT LIABILITIES							
Long term financing	20,833	20,833					
CURRENT LIABILITIES			CURRENT ASSETS				
Trade and other payables	638,144	632,337	Stores, spares and loose tools		275,872	276,563	
Unclaimed dividend	3,703	3,703	Stock of oil and lubricants		27,501	22,157	
Interest / mark up payable	110,206	75,876	Trade debts		536,894	561,033	
Short term bank borrowings	999,044	982,314	Loans and advances		628,785	631,526	
Current portion of:			Deposits and prepayments		36,629	33,264	
Long term financing	20,833	20,833	Other receivables		254,841	101,647	
Provision for taxation - income tax	545	545	Tax refunds due from Government		172,650	183,959	
	1,772,475	1,715,608	Cash and bank balances	6	154,045	214,370	
					2,087,217	2,024,519	
CONTINGENCIES AND COMMITMENTS							
	3	-					
	3,423,188	3,417,683			3,423,188	3,417,683	

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



**Condensed Interim Statement of Profit or Loss Account (Unaudited)
For the First Quarter ended September 30, 2019**

		Quarter ended September 30, 2019	Quarter ended September 30, 2018
	Note	Rupees in '000'	
Sales - net	7	78,588	452,515
Cost of generation	8	76,430	428,435
Gross profit		2,158	24,080
Other operating income		10,528	1,278
		12,686	25,358
Operating expenses		16,910	19,303
Finance cost		47,138	30,856
		64,048	50,159
(Loss) for the period before taxation		(51,362)	(24,801)
Provision for taxation		-	-
(Loss) for the period		(51,362)	(24,801)
(Loss) per share - Basic and diluted		(2.69)	(1.30)

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



Condensed Interim Statement of Comprehensive Income (Unaudited) For the First Quarter ended September 30, 2019

	Quarter ended September 30, 2019	Quarter ended September 30, 2018
..... Rupees in '000'		
(Loss) for the period	(51,362)	(24,801)
Other comprehensive income for the period	-	-
Total comprehensive (loss) for the period	(51,362)	(24,801)

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

**Condensed Interim Statement of Cash Flow Statement (Unaudited)
For the First Quarter ended September 30, 2019**

	Quarter ended September 30, 2019	Quarter ended September 30, 2018
..... Rupees in '000'		
a) CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) for the period before taxation	(51,362)	(24,801)
Adjustments for:		
Depreciation of property, plant and equipment	4,334	9,082
Depreciation of investment property	730	728
Provision for staff retirement benefits	327	579
(Gain) on disposal of:		
Property, plant and equipment	(8,334)	-
Investment Property	(2,167)	-
Finance cost	47,138	30,856
Operating cash flows before working capital changes	(9,334)	16,444
Changes in working capital		
(Increase) / Decrease in current assets		
Stores, spares and loose tools	691	(5,750)
Stock of oil and lubricants	(5,344)	(15,870)
Trade debts	24,139	24,314
Loans and advances	(95)	34,270
Deposits and prepayments	(13,376)	(6,300)
Other receivables	(153,193)	(6,410)
Tax refund due from government- Sales tax	11,309	(11,367)
(Decrease) / Increase in current liabilities		
Trade and other payables	8,682	(40,255)
	(127,187)	(27,368)
Cash (used in) operating activities	(136,521)	(10,924)
Income tax paid	(87)	(395)
Staff retirement benefits paid	(438)	(407)
Finance cost paid	(12,809)	(30,527)
Net cash (used in) operating activities	(149,855)	(42,253)
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of:		
Property, plant and equipment	70,000	-
Investment Property	2,800	-
Net cash generated from investing activities	72,800	-
c) CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of:		
Liabilities against assets subject to finance lease	-	(540)
Increase in short term bank borrowings - net	16,730	48,722
Net cash generated from financing activities	16,730	48,182
Net (decrease) / increase in cash and cash equivalents (a+b+c)	(60,325)	5,929
Cash and cash equivalents at the beginning of the period	214,370	20,594
Cash and cash equivalents at the end of the period	154,045	26,523

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



**Condensed Interim Statement of Changes in Equity (Unaudited)
For the First Quarter ended September 30, 2019**

	Issued, subscribed and paid up capital	Capital reserve Share premium	Revenue reserve			Total
			General reserve	Unappropriated profit	Sub total	
----- Rupees in '000' -----						
Balance as at July 01, 2018	190,920	143,190	970,000	568,943	1,538,943	1,873,053
Total comprehensive (loss) for the period						
(Loss) for the period	-	-	-	(24,801)	(24,801)	(24,801)
Other comprehensive income	-	-	-	(24,801)	(24,801)	(24,801)
Balance as at September 30, 2018	190,920	143,190	970,000	544,142	1,514,142	1,848,252
Total comprehensive (loss) for the period						
(Loss) for the period	-	-	-	(167,010)	(167,010)	(167,010)
Other comprehensive income	-	-	-	-	-	-
Balance as at June 30, 2019	190,920	143,190	970,000	377,132	1,347,132	1,681,242
Total comprehensive (loss) for the period						
(Loss) for the period	-	-	-	(51,362)	(51,362)	(51,362)
Other comprehensive income	-	-	-	-	-	-
Balance as at September 30, 2019	190,920	143,190	970,000	325,770	1,295,770	1,629,880

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



Selected Explanatory Notes to the Condensed Interim Financial Information (Unaudited) For The First Quarter Ended September 30, 2019

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017

2.1.2 Where the provision of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.1.3 These condensed interim financial statements are unaudited as required under section 237 of Companies Act, 2017 and should be read in conjunction with audited annual financial statements of the Company for the year ended June 30, 2019.

2.2 Application of new and revised International Financial Reporting Standards

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

There are certain new standards, amendments and International Financial Reporting Interpretations Committee (IFRIC) interpretations that became effective during the period and are mandatory for accounting periods of the Company beginning on or after July 01, 2019 but are considered not to be relevant or not to have any significant effect on the Company's operations. The



new standards, amendments and IFRIC interpretations that are relevant to the operations of the Company are disclosed in the published audited financial statements for the year ended June 30, 2019.

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

There are other new standards, amendments and IFRIC interpretations that are mandatory for accounting periods of the Company beginning on or after July 01, 2019 but are considered not to be relevant or not to have any significant effect on the Company's operations. The new standards, amendments and IFRIC interpretations that are relevant to the operations of the Company are disclosed in the published audited financial statements for the year ended June 30, 2019.

2.3 Basis of preparation

This condensed interim financial information has been prepared under the "historical cost convention".

2.4 Accounting policies and methods of computation

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the published audited financial statements for the year ended June 30, 2019.

2.5 Estimates, judgments and risk management policies

2.5.1 The preparation of condensed interim financial information in conformity with approved accounting standards, as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on amounts recognized in this condensed interim financial information are the same as those disclosed in the published audited financial statements for the year ended June 30, 2019.

2.5.2 Risk management policies and procedures are consistent with those disclosed in the published audited financial statements for the year ended June 30, 2019.



3. CONTINGENCIES AND COMMITMENTS

There are no significant changes in contingent and commitments liabilities since the date of published audited financial statements for the year ended June 30, 2019.

		(Un-Audited) September 30, 2019	(Audited) June 30, 2019
Note		----- Rupees in '000' -----	
4. Property, plant and equipment			
Operating assets	4.1	821,543	877,373
Advance for purchase of land		24,972	24,972
		<u>846,515</u>	<u>902,345</u>
4.1 Operating assets			
Book value at beginning of period / year		877,373	906,297
Add: Transfer / addition during the period / year	4.1.1	-	141,607
Less: Transfer / disposal during the period / year		(51,495)	(142,148)
Depreciation charge during the period / year		(4,334)	(28,383)
		<u>821,543</u>	<u>877,373</u>
4.1.1 Additions to operating assets, during the period / year were as follow			
Freehold land		-	51,168
Building on freehold land		-	90,439
		<u>-</u>	<u>141,607</u>
5. Investment property			
Cost		42,400	42,400
Accumulated depreciation		(16,934)	(16,204)
		25,466	26,196
Freehold land		412,484	413,117
		<u>437,950</u>	<u>439,313</u>
5.1 Reconciliation of written down value for the period / year			
Book value at beginning of period / year		26,196	29,107
Depreciation charged during the period / year		(730)	(2,911)
		<u>25,466</u>	<u>26,196</u>



	(Un-Audited) September 30, 2019	(Audited) June 30, 2019
----- Rupees in '000' -----		
6. Cash and bank balances		
Cash in hand	35,333	15,987
Cash at banks		
In current accounts	12,312	198,383
In CDC account - Refund bonds	106,400	-
	<u>154,045</u>	<u>214,370</u>
	Quarter ended September 30, 2019	Quarter September 30, 2018
----- Rupees in '000' -----		
7. Sales - net		
Electricity	92,377	499,760
Steam	-	7,335
	<u>92,377</u>	<u>507,095</u>
Less: Sales tax	(13,422)	(52,285)
	<u>78,955</u>	<u>454,810</u>
Less: Electricity duty	(367)	(2,295)
	<u>78,588</u>	<u>452,515</u>
8. Cost of generation		
Cost of gas, oil and lubricants	63,165	388,200
Salaries and wages and benefits	6,883	14,294
Staff retirement benefits	192	401
Stores, spares and loose tools	992	11,017
Insurance	842	1,031
Repairs and maintenance	460	1,797
Depreciation	2,917	7,317
Other	979	4,378
	<u>76,430</u>	<u>428,435</u>
8.1 Cost of gas, oil and lubricants		
Gas	7,380	171,942
Oil and lubricants	55,785	216,258
	<u>63,165</u>	<u>388,200</u>



9. AGGREGATE TRANSACTIONS WITH RELATED PARTIES

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

Name of the related party	Relationship and Percentage	Nature of transaction	Quarter ended	Quarter ended
			September 30, 2019	September 30, 2018
			----- Rupees in '000' -----	
Sitara Fabrics Limited	Associated company by virtue of common directorship	Sale of Electricity & Steam	-	57,034
Sitara Chemtek (Pvt) Limited	Associated company by virtue of common directorship	Sale of Electricity	-	828
Sitara Energy Limited Staff Provident Fund Trust	Other related party	Contribution for the period	327	579

10. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial report was authorised for issue on October 29, 2019 by the Board of Directors of the Company.

11. GENERAL

- 11.1** No provision for taxation has been made in this condensed Interim financial report as the profits and gains derived by the Company from electric power generation project are exempt from levy of Income tax.
- 11.2** There is no unusual item included in this condensed interim financial report which is affecting equity, liabilities, assets, (loss), comprehensive (loss) or cash flows of the Company.
- 11.3** Figures have been rounded off to the nearest thousand of Rupees except (loss) per share which is in Rupees.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



Condensed Interim Consolidated Statement of Financial Position (Unaudited) As at September 30, 2019

	(Un-audited) September 30, 2019	(Audited) June 30, 2019		(Un-audited) September 30, 2019	(Audited) June 30, 2019
	Note Rupees in '000'			Note Rupees in '000'	
SHARE CAPITAL AND RESERVES			NON-CURRENT ASSETS		
Authorised capital 30,000,000 ordinary shares of Rs. 10/- each	300,000	300,000	Property, plant and equipment	5 846,540	902,370
Issued, subscribed and paid up capital	190,920	190,920	Investment property	6 437,950	439,313
Capital reserve - share premium	143,190	143,190	Long term loan	1,000	1,000
Revenue reserves			Long term deposits	511	511
General reserve	970,000	970,000		1,286,001	1,343,194
Unappropriated profit	326,382	377,795			
	1,630,492	1,681,905			
Non-controlling interest	7	7			
	1,630,499	1,681,912			
NON-CURRENT LIABILITIES			CURRENT ASSETS		
Long term financing	20,833	20,833	Stores, spares and loose tools	275,872	276,563
CURRENT LIABILITIES			Stock	437,638	432,294
Trade and other payables	639,207	633,400	Investment Property	63,403	63,403
Unclaimed dividend	3,703	3,703	Trade debts	536,894	561,033
Interest / mark up payable	110,206	75,876	Loans and advances	198,730	201,471
Short term bank borrowings	999,044	982,314	Deposits and prepayments	36,629	33,265
Current portion of:			Other receivables	254,841	101,647
Long term financing	20,833	20,833	Tax refunds due from Government	173,802	185,111
Provision for taxation - income tax	1,202	1,202	Cash and bank balances	7 161,717	222,092
	1,774,195	1,717,328		2,139,526	2,076,879
CONTINGENCIES AND COMMITMENTS				3,425,527	3,420,073
	4 -	-		3,425,527	3,420,073

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



**Condensed Interim Consolidated Statement of Profit or Loss Account (Unaudited)
For the First Quarter ended September 30, 2019**

		Quarter ended September 30, 2019	Quarter ended September 30, 2018
	Note Rupees in '000'	
Sales - net	8	78,588	452,515
Cost of generation and sales	9	76,430	428,435
Gross profit		2,158	24,080
Other operating income		10,528	1,278
		12,686	25,358
Operating expenses		16,961	19,304
Finance cost		47,138	30,856
		64,099	50,160
(Loss) for the period before taxation		(51,413)	(24,802)
Provision for taxation		-	-
(Loss) for the period		(51,413)	(24,802)
Attributable to:			
Shareholders of the Parent		(51,413)	(24,802)
Non-controlling interest		-	-
		(51,413)	(24,802)
(Loss) per share - Basic and diluted		(2.69)	(1.30)

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

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**Condensed Interim Consolidated Statement of Comprehensive Income (Unaudited)
For the First Quarter ended September 30, 2019**

	Quarter ended September 30, 2019	Quarter ended September 30, 2018
..... Rupees in '000'		
(Loss) for the period	(51,413)	(24,802)
Other comprehensive income for the period	-	-
Total comprehensive (loss) for the period	(51,413)	(24,802)
Attributable to:		
Shareholders of the Parent	(51,413)	(24,802)
Non-controlling interest	-	-
	(51,413)	(24,802)

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

CHIEF EXECUTIVE OFFICER

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**Condensed Interim Consolidated Statement of Cash Flow Statement (Unaudited)
For the First Quarter ended September 30, 2019**

	Quarter ended September 30, 2019	Quarter ended September 30, 2018
..... Rupees in '000'		
a) CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) for the period before taxation	(51,413)	(24,802)
Adjustments for:		
Depreciation of property, plant and equipment	4,335	9,083
Depreciation of investment property	730	728
Provision for staff retirement benefits	327	579
Gain on disposal of:		
Property, plant and equipment	(8,334)	-
Investment property	(2,167)	-
Finance cost	47,138	30,856
Operating cash flows before working capital changes	<u>(9,384)</u>	<u>16,444</u>
Changes in working capital		
(Increase) / Decrease in current assets		
Stores, spares and loose tools	691	(5,750)
Stocks	(5,344)	(15,870)
Trade debts	24,139	24,314
Loans and advances	(95)	34,270
Deposits and prepayments	(13,376)	(6,300)
Other receivables	(153,193)	(6,410)
Tax refund due from government- Sales tax	11,309	(11,367)
(Decrease) / Increase in current liabilities		
Trade and other payables	8,682	(40,443)
	<u>(127,187)</u>	<u>(27,556)</u>
Cash (used in) operating activities	<u>(136,571)</u>	<u>(11,112)</u>
Income tax paid	(87)	(395)
Staff retirement benefits paid	(438)	(407)
Finance cost paid	(12,809)	(30,527)
Net cash (used in) operating activities	<u>(149,905)</u>	<u>(42,441)</u>
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of:		
Property, plant and equipment	70,000	-
Investment property	2,800	-
Net cash generated from investing activities	<u>72,800</u>	<u>-</u>
c) CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of:		
Liabilities against assets subject to finance lease	-	(540)
Increase in short term bank borrowings - net	16,730	48,722
Net cash generated from financing activities	<u>16,730</u>	<u>48,182</u>
Net (decrease) / increase in cash and cash equivalents (a+b+c)	<u>(60,375)</u>	<u>5,741</u>
Cash and cash equivalents at the beginning of the period	222,092	56,418
Cash and cash equivalents at the end of the period	<u>161,717</u>	<u>62,159</u>

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

CHIEF EXECUTIVE OFFICER

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**Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)
For the First Quarter ended September 30, 2019**

	Issued, subscribed and paid up capital	Capital Reserve	Revenue Reserves			Total	Non-Controlling Interest
		Share Premium	General Reserve	Unappropriated profit	Sub total		
----- Rupees in '000' -----							
Balance as at July 01, 2018	190,920	143,190	970,000	567,998	1,537,998	1,872,108	7
Total comprehensive (loss) for the period							
(Loss) for the period	-	-	-	(24,802)	(24,802)	(24,802)	-
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	(24,802)	(24,802)	(24,802)	-
Balance as at September 30, 2018	190,920	143,190	970,000	543,196	1,513,196	1,847,306	7
Total comprehensive (loss) for the period							
(Loss) for the period	-	-	-	(165,401)	(165,401)	(165,401)	-
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	(165,401)	(165,401)	(165,401)	-
Balance as at June 30, 2019	190,920	143,190	970,000	377,795	1,347,795	1,681,905	7
Total comprehensive (loss) for the period							
(Loss) for the period	-	-	-	(51,413)	(51,413)	(51,413)	-
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	(51,413)	(51,413)	(51,413)	-
Balance as at September 30, 2019	190,920	143,190	970,000	326,382	1,296,382	1,630,492	7

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

CHIEF EXECUTIVE OFFICER

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Selected Explanatory Notes to the Condensed Interim Financial Information (Unaudited) For The First Quarter Ended September 30, 2019

1. GROUP STATUS AND ACTIVITIES

- 1.1 The Group consists of Sitara Energy Limited (the Parent) and Sitara International (Private) Limited (the Subsidiary).
- 1.2 The Parent is incorporated in Pakistan as a public limited company under the 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 activities of the Subsidiary is trading in textile goods / machinery and real estate business. The registered office of the Subsidiary is situated at 601-602 Business centre, Mumtaz Hasan Road, Karachi in the province of Sindh.

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

2. BASIS OF CONSOLIDATION

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017

3.1.2 Where the provision of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.



3.1.3 These condensed interim financial statements are unaudited as required under section 237 of Companies Act, 2017 and should be read in conjunction with audited annual financial statements of the Company for the year ended June 30, 2019.

3.1.4 These condensed interim consolidated financial statements do not include all the information required for complete set of consolidated financial statements, and should be read in conjunction with the Group's published audited consolidated financial statements for the year ended June 30, 2019.

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

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

There are certain new standards, amendments and International Financial Reporting Interpretations Committee (IFRIC) interpretations that became effective during the period and are mandatory for accounting periods of the Company beginning on or after July 01, 2019 but are considered not to be relevant or not to have any significant effect on the Company's operations. The new standards, amendments and IFRIC interpretations that are relevant to the operations of the Company are disclosed in the published audited consolidated financial statements for the year ended June 30, 2019.

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

There are other new standards, amendments and IFRIC interpretations that are mandatory for accounting periods of the Company beginning on or after July 01, 2019 but are considered not to be relevant or not to have any significant effect on the Company's operations. The new standards, amendments and IFRIC interpretations that are relevant to the operations of the Company are disclosed in the published audited consolidated financial statements for the year ended June 30, 2019.

3.3 Basis of preparation

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

3.4 Accounting policies and methods of computation

The accounting policies and methods of computation adopted in the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of the published audited consolidated financial statements for the year ended June 30, 2019.

3.5 Estimates, judgments and risk management policies

3.5.1 The preparation of consolidated financial information in conformity with approved accounting standards, as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.



Significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on amounts recognized in this condensed interim consolidated financial information are the same as those disclosed in the published audited consolidated financial statements for the year ended June 30, 2019.

3.5.2 Risk management policies and procedures are consistent with those disclosed in the published audited consolidated financial statements for the year ended June 30, 2019.

4. CONTINGENCIES AND COMMITMENTS

There are no significant changes in contingent and commitments liabilities since the date of published audited financial statements for the year ended June 30, 2019.

		(Un-Audited) September 30, 2019	(Audited) June 30, 2019
Note		Rupees in '000'	
5. Property, plant and equipment			
		821,568	877,398
	Operating assets	24,972	24,972
	Non-operating land	846,540	902,370
5.1 Operating assets			
	Book value at beginning of period / year	877,398	906,325
	Add: Transfer / addition during the period / year	-	141,607
	Less: Transfer / disposal during the period / year	(51,495)	(142,148)
	Depreciation charge during the period / year	(4,334)	(28,386)
		821,568	877,398
5.1.1 Additions to operating assets, during the period / year were as follow			
	Freehold land	-	51,168
	Building on freehold land	-	90,439
		-	141,607
6. Investment property			
	Cost	42,400	42,400
	Accumulated depreciation	(16,934)	(16,204)
		25,466	26,196
	Freehold land	412,484	413,117
		437,950	439,313



	(Un-Audited) September 30, 2019	(Audited) June 30, 2019
----- Rupees in '000' -----		
6.1 Reconciliation of written down value for the period / year		
Book value at beginning of period / year	26,196	29,107
Depreciation charged during the period / year	(730)	(2,911)
	<u>25,466</u>	<u>26,196</u>
7. Cash and bank balances		
Cash in hand	41,889	22,593
Cash at banks		
In current accounts	13,428	199,499
In CDC account - Refund bonds	106,400	-
	<u>161,717</u>	<u>222,092</u>
	Quarter ended September 30, 2019	Quarter September 30, 2018
----- Rupees in '000' -----		
8. Sales - net		
Electricity	92,377	499,760
Steam	-	7,335
	<u>92,377</u>	<u>507,095</u>
Less: Sales tax	(13,422)	(52,285)
	<u>78,955</u>	<u>454,810</u>
Less: Electricity duty	(367)	(2,295)
	<u>78,588</u>	<u>452,515</u>
9. Cost of generation		
Cost of gas, oil and lubricants	63,165	388,200
Salaries and wages and benefits	6,883	14,294
Staff retirement benefits	192	401
Stores, spares and loose tools	992	11,017
Insurance	842	1,031
Repairs and maintenance	460	1,797
Depreciation	2,917	7,317
Other	979	4,378
	<u>76,430</u>	<u>428,435</u>
9.1 Cost of gas, oil and lubricants		
Gas	7,380	171,942
Oil and lubricants	55,785	216,258
	<u>63,165</u>	<u>388,200</u>



10. AGGREGATE TRANSACTIONS WITH RELATED PARTIES

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

Name of the related party	Relationship and Percentage	Nature of transaction	Quarter ended	Quarter ended
			September 30, 2019	September 30, 2018
			----- Rupees in '000' -----	
Sitara Fabrics Limited	Associated company by virtue of common directorship	Sale of Electricity & Steam	-	57,034
Sitara Chemtek (Pvt) Limited	Associated company by virtue of common directorship	Sale of Electricity	-	828
Sitara Energy Limited Staff Provident Fund Trust	Other related party	Contribution for the period	327	579

11. DATE OF AUTHORISATION FOR ISSUE

This condensed interim consolidated financial information was authorised for issue on October 29, 2019 by the Board of Directors of the Group.

12. GENERAL

12.1 No provision for taxation has been made in this condensed interim consolidated financial information as the profits and gains derived by the Parent from electric power generation project are exempt from levy of Income tax under clause (132) of Part-I and clause 11A (v) of Part-IV of the Second Schedule to the Income Tax Ordinance, 2001. Provision for taxation of subsidiary is nil due to current loss during the period.

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

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



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