



If undelivered please return to:
Sitara Energy Limited
601-602 Business Centre,
Mumtaz Hassan Road, Karachi-74000
Tel: 021-32420620-32413944
Fax: 021-32415452

Registered Office: 021-32415452

**Half Year Financial Statements
December 2019**



Sitara Energy Limited

Company Information	02
Director Report	03
Auditors' Report	05
Condensed Interim Statement of Financial Position	06
Condensed Interim Statement of Profit or Loss Account	07
Condensed Interim Statement of Comprehensive Income	08
Condensed Interim Statement of Cash Flow Statement	09
Condensed Interim Statement of Changes in Equity	10
Condensed Interim Financial Information	11

Consolidated Accounts

(Sitara Energy Ltd and Its Subsidiary Company)

Condensed Interim Consolidated Statement of Financial Position	18
Condensed Interim Consolidated Statement of Profit or Loss Account	19
Condensed Interim Consolidated Statement of Comprehensive Income	20
Condensed Interim Consolidated Statement of Cash Flow Statement	21
Condensed Interim Consolidated Statement of Changes in Equity	22
Condensed Interim Financial Information	23

Company Information

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
Fax: +92 (21) 34168271
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 (Chief Executive Officer)
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 duly reviewed by the statutory auditors for the half year ended on December 31, 2019.

Financial Results:

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

Financial Highlights	July – December 2019	July – December 2018
	Rupees in thousand	Rupees in thousand
Sales – net	338,166	731,637
Cost of generation	295,348	727,663
Gross profit	42,818	3,974
Gross profit ratio to revenue	12.66%	0.54%
(Loss) after tax	(70,705)	(88,056)
(Loss) per share – Basic & diluted (Rs.)	(3.70)	(4.61)

The sales of the Company during the half year of the current financial year decreased to Rs. 338.166 Million, due to minimal operation in most of months on account of non-availability of system gas, as compared with Rs. 731.637 Million during the half year of last financial year. System gas is not available since December 2018 while RLNG price is not viable for operations. However, Gross Profit improved due to reduction in RFO price, cost cutting measures in manufacturing expenses and increase in electricity tariff.

Power plant generated 19,235 MWh of electricity during the half year under review in comparison with 52,726 MWh generated during the half year of the last financial year.

The net loss for the half year of the current financial year decreased to Rs. 70.705 Million as compared with Rs 88.056 Million during the half year of last financial year due to improvement in Gross Profit. The management of the company took measures to curtail operating expenses to the maximum possible lowest level while finance cost increased substantially as a result of very high SBP policy rate since July 2019 in comparison with that prevailing in corresponding period of last financial year.

The profitability of the company during the financial year 2019-20 will largely depends upon affordable prices of fuels (RFO/System Gas/RLNG), substantial decrease in finance cost, increase in electricity tariff, conducive regulatory frame work etc.

We extend our deep gratitude to all our stakeholders, specially our bankers and suppliers, who stood by the company and continued their support. We appreciate the dedication and hard work of all the employees of the company.

By order of the board



Javed Iqbal
Chief Executive Officer

Faisalabad:
February 27, 2020

ستارہ انرجی لمیٹڈ اور اسکی ذیلی کمپنی کا بورڈ آف ڈائریکٹرز، کمپنی کی پہلی ششماہی 31 دسمبر 2019ء کی رپورٹ بمعہ ملخص عبوری مالیاتی معلومات اور نظر ثانی شدہ بمطابق شیڈولڈ ری آڈیٹرز پیش کرتے ہوئے خوش محسوس کر رہے ہیں۔

عملیاتی مالی نتائج:-

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

مالیاتی اعداد و شمار	جولائی - دسمبر 2019ء	جولائی - دسمبر 2018ء
	پاکستانی روپے ہزاروں میں	پاکستانی روپے ہزاروں میں
فروخت آمدنی	338,166	731,637
پیداواری لاگت	295,348	727,663
مجموعی منافع	42,818	3,974
آمدنی میں مجموعی منافع کا تناسب	12.66%	0.54%
ٹیکسیشن کے بعد (تقصان)	(70,705)	(88,056)
ٹی شیئر (تقصان) / آمدنی Basic & diluted (Rs.)	(3.70)	(4.61)

رواں مالی سال کی پہلی ششماہی کی فروخت آمدنی گزشتہ مالی سال کی فروخت آمدن 731.637 ملین روپے سے کم ہو کر 338.166 ملین روپے ہو گئی ہے۔ جسکی وجہ زیادہ تر مہینوں میں اپریشن کا کم ہونا اور سسٹم گیس کی دستیابی کا نہ ہونا ہے۔ دسمبر 2018ء سے سسٹم گیس کی عدم دستیابی اور اس کے ساتھ مانع قدرتی گیس (RLNG) کی قیمت بھی اپریشن کے لئے موزوں نہیں ہے تاہم فرنس ائیکل کی قیمتوں میں کمی، اخراجات میں کمی کا ہونا اور بجلی کے ٹیرف میں اضافہ کی وجہ سے مجموعی منافع میں بہتری آئی ہے۔

پاور پلانٹ نے گزشتہ مالی سال کی پہلی ششماہی میں پیدا ہونے والے 52.726 میگا واٹ آورز کی نسبتاً 19.235 میگا واٹ آورز پیدا کئے۔

گزشتہ مالی سال کی ششماہی میں صافی نقصان 88.056 ملین روپے تھا جو کہ موجودہ مالی سال کی ششماہی میں کم ہو کر 70.705 ملین روپے ہو گیا ہے جسکی وجہ مجموعی منافع میں بہتری ہے۔ کمپنی کی انتظامیہ آپریشنل لاگت میں کمی کیلئے اقدامات کر رہی ہے۔ جبکہ جولائی 2019ء سے SBP کی بہت زیادہ پالیسی ریٹ میں اضافہ کی وجہ سے گزشتہ مالی سال کی نسبت فنانس لاگت میں اضافہ ہوا ہے۔

مالی سال 2019-20ء کی پہلی ششماہی میں کمپنی کا منافع بہت حد تک فرنس ائیکل، سسٹم گیس / RLNG کی مناسب قیمتوں پر فراہمی، فنانس لاگت میں کافی کمی، بجلی کے ٹیرف میں اضافہ اور سازگار ریگولیٹری فریم ورک وغیرہ کا ہونا ہے۔

ہم اپنے تمام سٹیک ہولڈرز خصوصاً ہمارے بنک اور سپلائرز (Suppliers) کی تہہ دل سے حمایت پر ان کے قدردان ہیں۔ ہم کمپنی کے تمام عملے کی سخت محنت اور لگن پر ان کے مشکور ہیں۔

بجکم بورڈ



جاوید اقبال
چیف ایگزیکٹو آفیسر

فیصل آباد
27 فروری 2020ء

INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of Sitara Energy Limited
Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Sitara Energy Limited (The Company) as at December 31, 2019 and the related condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the financial statements for the half year then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

The figures of the condensed interim statement of profit or loss and condensed interim statement of other comprehensive income for the quarters ended December 31, 2019 and 2018 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2019.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Material Uncertainty relating to Going Concern

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

The engagement partner on the review resulting in this independent auditor's report is Hamid Masood.

RSM AVAIS HYDER LIAQUAT NAUMAN
 CHARTERED ACCOUNTANTS

Place: Faisalabad
 Dated: February 27, 2020

Statement of Financial Position

SITARA ENERGY LIMITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT DECEMBER 31, 2019

	(Un-audited) December 31, 2019	(Audited) June 30, 2019		(Un-audited) December 31, 2019	(Audited) June 30, 2019
NoteRupees in '000'		NoteRupees in '000'	
EQUITY AND LIABILITIES			ASSETS		
SHARE CAPITAL AND RESERVES			NON-CURRENT ASSETS		
Authorised capital			Property, plant and equipment	4	843,694
30,000,000 ordinary shares			Investment property	5	437,370
of Rs. 10/- each	300,000	300,000	Investment in subsidiary		49,995
			Long term loan		1,000
Issued, subscribed			Long term deposits		1,511
and paid up capital	190,920	190,920			1,333,570
Reserves					1,393,164
Capital reserve - Share premium	143,190	143,190			
Revenue reserves					
General reserve	970,000	970,000			
Unappropriated profit	306,427	377,132			
	1,610,537	1,681,242			
NON-CURRENT LIABILITIES			CURRENT ASSETS		
Long term financing	12,500	20,833	Stores, spares and loose tools		275,667
			Stock of oil and lubricants		110,469
CURRENT LIABILITIES			Trade debts		560,441
Trade and other payables	647,574	632,337	Loans and advances	6	665,752
Unclaimed dividend	3,698	3,703	Deposits and prepayments		36,447
Interest / mark up payable	149,135	75,876	Other receivables		251,813
Short term bank borrowings	1,021,673	982,314	Tax refunds		
Current portion of			due from Government		178,329
Long term financing	20,833	20,833	Cash and bank balances	7	53,507
Provision for taxation - income tax	45	544			2,132,425
	1,842,958	1,715,607			2,024,518
CONTINGENCIES					
	-	-			
	3,465,995	3,417,682			

The annexed notes form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

Statement of Profit or Loss

SITARA ENERGY LIMITED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Note	Half year ended December 31,		Quarter ended December 31,	
		2019	2018	2019	2018
		Rupees in 000			
Sales - net	8	338,166	731,637	259,578	279,122
Cost of generation	9	295,348	727,663	218,918	299,228
Gross profit		42,818	3,974	40,660	(20,106)
Other income		10,694	19,202	166	17,924
		53,512	23,176	40,826	(2,182)
Operating expenses		33,085	41,513	16,175	22,210
Finance cost		91,244	67,165	44,106	36,309
		124,329	108,678	60,281	58,519
(Loss) for the period before taxation		(70,817)	(85,502)	(19,455)	(60,701)
Provision for taxation	10	(112)	2,554	(112)	-
(Loss) for the period		(70,705)	(88,056)	(19,343)	(60,701)
(Loss) per share - Basic and diluted (Rupees)		(3.70)	(4.61)	(1.01)	(3.18)

The annexed notes form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

Statement of other Comprehensive Income

SITARA ENERGY LIMITED CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Half year ended December 31,		Quarter ended December 31,	
	2019	2018	2019	2018
 Rupees in 000			
(Loss) for the period	(70,705)	(88,056)	(19,343)	(60,701)
Other comprehensive income	-	-	-	-
Total comprehensive (loss) for the period	<u>(70,705)</u>	<u>(88,056)</u>	<u>(19,343)</u>	<u>(60,701)</u>

The annexed notes form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Statement of Cash Flows

SITARA ENERGY LIMITED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Half year ended December 31,	
	2019	2018
	Rupees in 000	
a) CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) for the period before taxation	(70,817)	(85,502)
Adjustments for :		
Depreciation of property, plant and equipment	8,356	16,390
Depreciation of investment property	1,310	1,455
Provision for staff retirement benefits	545	1,089
(Gain) on disposal of operating assets	(8,334)	(16,577)
(Gain) on disposal of investment property	(2,167)	-
Finance cost	91,244	67,165
Operating cash flows before working capital changes	20,137	(15,980)
Changes in working capital		
Decrease / (increase) in current assets		
Stores, spares and loose tools	896	29
Stock of oil and lubricants	(88,312)	(39,306)
Trade debts	592	(75,006)
Loans and advances	(35,959)	9,090
Deposits and prepayments	(3,184)	(2,989)
Tax refunds due from government - sales tax	7,051	(29,104)
Other receivables	(150,166)	43,347
Increase / (decrease) in current liabilities		
Trade and other payables	15,429	(47,911)
	(253,653)	(141,850)
Cash (used in) operating activities	(233,516)	(157,830)
Staff retirement benefits paid	(737)	(1,013)
Finance cost paid	(17,985)	(62,201)
Income tax paid	(75)	(1,683)
Net cash (used in) operating activities	(252,313)	(222,727)
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of Operating assets	59,829	29,750
Proceeds from disposal of Investment property	2,800	-
Advance for purchase of land	(1,200)	-
Long term deposits	(1,000)	-
Net cash generated from investing activities	60,429	29,750
c) CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of :		
Liabilities against assets subject to finance lease	-	(1,270)
Long term financing	(8,333)	149,547
Increase in short term bank borrowings - net	39,359	43,528
Dividend paid	(5)	-
Net cash generated from financing activities	31,021	191,805
Net (decrease) / in cash and cash equivalents (a+b+c)	(160,863)	(1,172)
Cash and cash equivalents at the beginning of the period	214,370	20,594
Cash and cash equivalents at the end of the period	53,507	19,422

The annexed notes form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Statement of Changes in Equity

SITARA ENERGY LIMITED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Issued, subscribed and paid up capital	Capital reserve	Revenue reserve			Total
		Share premium	General reserve	Unappropriated profit	Sub total	
Rupees in 000						
Balance as at July 01, 2018 - (Audited)	190,920	143,190	970,000	568,943	1,538,943	1,873,053
Total comprehensive (loss) for the period						
(Loss) for the period	-	-	-	(88,056)	(88,056)	(88,056)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	(88,056)	(88,056)	(88,056)
Balance as at December 31, 2018 - (Un-audited)	190,920	143,190	970,000	480,887	1,450,887	1,784,997
Total comprehensive (loss) for the period						
(Loss) / for the period	-	-	-	(103,755)	(103,755)	(103,755)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	(103,755)	(103,755)	(103,755)
Balance as at June 30, 2019 - (Audited)	190,920	143,190	970,000	377,132	1,347,132	1,681,242
Total comprehensive (loss) for the period						
(Loss) for the period	-	-	-	(70,705)	(70,705)	(70,705)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	(70,705)	(70,705)	(70,705)
Balance as at December 31, 2019 - (Un-audited)	190,920	143,190	970,000	306,427	1,276,427	1,610,537

The annexed notes form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

SITARA ENERGY LIMITED
NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

1. STATUS AND ACTIVITIES

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

These condensed interim financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency.

1.2

The Company suffered financial and operational difficulties due to non availability of system gas along with substantial increase in gas tariff and abnormal increase in rate of furnace oil. The

- 1.3** Company has suffered loss of Rs.70.705 million during the period, energy generation decreased by 62% as compared to first interim period of last reporting year due to adverse market conditions compared to energy cost.

Company's sales during first four months of the interim period remained at minimal level due to partial closure of operations. The Company has not been able to comply with terms of certain loan agreements.

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

-

The operations of the Company improved in last two months of interim period due to substantial decrease in the price of furnace oil and increase in tariff by NEPRA. Moreover, the company is making efforts to curtail its operational and administrative expenses to minimum possible level without affecting the operational efficiency of the Company. Disposal of non-core assets like properties is also planned and hopefully materialise in due course. The implementation on plan for investment in renewable energy (solar power plant) is expected in 2021 and would result in drastic reduction in production cost to make the existing project viable. The management is confident that there will be further improvement in operational efficiency and profitability in future and the Company will continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

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

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

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

- 2.1.3** These condensed interim financial statements are unaudited but subject to limited scope review by the auditors, 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, interpretations and amendments to approved accounting standards which are mandatory for the Company's accounting periods beginning on or after July 1, 2019 but are considered not to be relevant or have any significant effect on the Company's financial reporting, except as mentioned below:

IFRS 16 – Leases

This standard replaces the previous lease standard: IAS 17 Leases. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low value leases.

The changes laid down by this standard do not have any impact on these condensed interim financial statements of the company.

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

2.2.2 There are other new standards, amendments and IFRIC interpretations that are mandatory for accounting periods of the Company beginning on or after July 01, 2020 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

These condensed interim consolidated financial statements have 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 these condensed interim consolidated financial statements are the same as those applied in the preparation of the published audited consolidated financial statements for the year ended June 30, 2019.

2.5 Estimates, judgments and risk management policies

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

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

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

Notes to the Financial Statements

3. CONTINGENCIES

Contingencies

There are no significant changes in contingent liabilities since the date of published audited financial statements for the year ended June 30, 2019, except the following :

	(Un-Audited) December 31, 2019	(Audited) June 30, 2019
	----- Rupees in '000' -----	
Bank guarantees issued in favour of Sui Northern Gas Pipelines Limited for supply of gas	154,809	155,809
Demand of late payment surcharge charged by SNGPL on non payment of gas Infrastructure development cess has not been acknowledged. The charge is challenged before The Sindh High Court on October 13, 2015 . The management is of the view that surcharge can only be levied on willful default, non payment of principal amount of GIDC is due to stay order granted by court of competent jurisdiction therefore LPS could not be charged. No provision of late payment surcharge has been made as the appeals against levy of GIDC are pending before the court of law.	264,988	208,501
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 intends to file appeal before Islamabad High Court. The quantum of liability cannot be determined at this stage. The management believes that there is reasonable probability that the matter will be decided in favor of the Company. Pending the outcome of the matter, no provision has been made in these financial statements.	-	-

Notes to the Financial Statements

	(Un-Audited) December 31, 2019	(Audited) June 30, 2019
Note	Rupees in '000'	
4. Property, plant and equipment		
Operating assets	817,522	877,373
Advance for purchase of land	26,172	24,972
	<u>843,694</u>	<u>902,345</u>
4.1 Operating assets		
Book value at beginning of period / year	877,373	906,997
Transfer from Capital work in progress during the period / year	-	141,607
Disposals during the period / year	(51,495)	(142,148)
Depreciation charged during the period / year	(8,356)	(28,383)
	<u>817,522</u>	<u>877,373</u>
5. Investment property		
Cost	454,884	455,517
Accumulated depreciation	(17,514)	(16,204)
Net book value	<u>437,370</u>	<u>439,313</u>
5.1 Reconciliation of written down value for the period / year		
Book value at beginning of period / year	439,313	29,107
Additions during the period / year	-	15,601
Transferred from non-operating land during the period / year	-	463,374
Disposals during the period / year	(633)	(65,858)
Depreciation charged during the period / year	(1,310)	(2,911)
	<u>437,370</u>	<u>439,313</u>
6. Loans and advances		
Considered good		
Loans to staff	905	1,102
Loan to subsidiary	620,704	620,704
Advances		
Suppliers	7,833	7,220
Income tax	76	1,809
For purchases / expenses	36,234	690
	<u>665,752</u>	<u>631,525</u>
6.1	It represents the loan to subsidiary M/s Sitara International (Private) Limited. This Loan is interest free.	

Notes to the Financial Statements

		(Un Audited) December 31, 2019	(Audited) June 30, 2019
		Rupees in '000'	
7. Cash and bank balances			
Cash in hand		26,486	15,987
Cash at banks			
In current accounts		27,021	198,383
		<u>53,507</u>	<u>214,370</u>
		(Un-audited) Half year ended December 31, 2019	(Un-audited) Quarter ended December 31, 2018
		2019	2018
		(Rupees in '000')	
8. Sales - net			
Electricity		397,794	802,595
Steam		1,685	11,129
		<u>399,479</u>	<u>813,724</u>
Less: Sales tax		(58,383)	(78,547)
		<u>341,096</u>	<u>735,177</u>
Less: Electricity duty		(2,930)	(3,540)
		<u>338,166</u>	<u>731,637</u>
9. Cost of generation			
Cost of gas, oil and lubricants	9.1	269,415	656,987
Salaries, wages and benefits		13,355	26,026
Retirement benefits		339	736
Stores, spares and loose tools		1,944	18,571
Insurance		1,684	1,961
Repairs and maintenance		795	3,030
Depreciation		5,520	12,859
Other		2,296	7,493
		<u>295,348</u>	<u>727,663</u>
9.1 Cost of gas, oil and lubricants			
Gas		7,424	309,294
Oil and lubricants		261,991	347,693
		<u>269,415</u>	<u>656,987</u>
10. Provision for taxation			
Current			
For the period	10.1	45	761
For prior period		(157)	1,793
		<u>(112)</u>	<u>2,554</u>

Notes to the Financial Statements

10.1 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 which is subject to tax under normal tax regime.

11. AGGREGATE TRANSACTIONS WITH RELATED PARTIES

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

Name of the related party	Relationship and Percentage	Transactions during the year	Un-Audited Half year ended December 31,	
			2019	2018
			Rupees in '000'	
Sitara Fabrics Limited	Associated company by virtue of common directorship	Sale of Electricity and Steam	1,685	64,207
Sitara Fabrics Limited	Associated company by virtue of common directorship	Disposal of Machinery	59,829	-
Sitara Chemtek (Private) Limited	Associated company by virtue of common directorship	Sale of Electricity	-	1,949
Sitara Energy Limited Staff Provident Fund Trust	Other related party	Contribution for the period	545	1,089

12. DATE OF AUTHORISATION FOR ISSUE

These condensed interim consolidated financial statements were authorised for issue on February 27, 2020 by the Board of Directors of the Company.

13. GENERAL

13.1 Provisions for taxation made in these condensed interim financial statements are subject to adjustment in annual financial statements.

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

13.3 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

Consolidated Statement of Financial Position

SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2019

	(Un-audited) December 31, 2019	(Audited) June 30, 2019		(Un-audited) December 31, 2019	(Audited) June 30, 2019	
Note	Rupees in '000'		Note	Rupees in '000'		
SHARE CAPITAL AND RESERVES			NON-CURRENT ASSETS			
Authorised capital			Property, plant and equipment	5	843,718	902,370
30,000,000 ordinary shares			Investment property	6	437,370	439,313
of Rs. 10/- each	300,000	300,000	Long term loan		1,000	1,000
			Long term deposits		1,511	511
Issued, subscribed					1,283,599	1,343,194
and paid up capital	190,920	190,920				
Reserves						
Capital reserve						
Share premium	143,190	143,190				
Revenue reserves						
General reserve	970,000	970,000				
Unappropriated profit	308,841	377,795				
	1,612,951	1,681,905				
Non-controlling interest	7	7				
	1,612,958	1,681,912				
NON-CURRENT LIABILITIES			CURRENT ASSETS			
Long term financing	12,500	20,833	Stores, spares and loose tools		275,667	276,563
CURRENT LIABILITIES			Stocks		520,606	432,294
Trade and other payables	648,662	633,400	Investment property	7	65,189	63,403
Unclaimed dividend	3,698	3,703	Trade debts		560,441	561,033
Interest / mark up payable	149,135	75,876	Loans and advances	8	234,362	201,472
Short term bank borrowings	1,021,673	982,314	Deposits and prepayments		36,447	33,264
Current portion of :			Other receivables		251,813	101,647
Long term financing	20,833	20,833	Tax refunds			
Provision for taxation - income tax	12 45	1,202	due from Government		180,204	185,111
	1,844,046	1,717,328	Cash and bank balances	9	61,176	222,092
					2,185,905	2,076,879
CONTINGENCIES AND COMMITMENTS	4 -	-			3,469,504	3,420,073
	3,469,504	3,420,073			3,469,504	3,420,073

The annexed notes form an integral part of these condensed interim consolidated financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

Consolidated Statement of Profit or Loss

SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Note	Half year ended December 31		Quarter ended December 31	
		2019	2018	2019	2018
		Rupees in '000'			
Sales - net	10	338,166	731,637	259,578	279,122
Cost of generation	11	295,348	727,663	218,918	299,228
Gross profit		42,818	3,974	40,660	(20,106)
Other income		12,480	19,202	1,952	17,924
		55,298	23,176	42,612	(2,182)
Operating expenses		33,120	41,566	16,209	22,345
Finance cost		91,244	67,165	44,106	36,309
		124,364	108,731	60,315	58,654
(Loss) for the period before taxation		(69,066)	(85,555)	(17,703)	(60,836)
Provision for taxation	12	(112)	2,554	(112)	-
(Loss) for the period		(68,954)	(88,109)	(17,591)	(60,836)
Attributable to :					
Shareholder of the Parent		(68,954)	(88,109)	(17,591)	(60,836)
Non-controlling interest		-	-	-	-
		(68,954)	(88,109)	(17,591)	(60,836)
(Loss) per share - Basic and diluted					
Attributable to shareholders of the Parent (Rupees)		(3.61)	(4.61)	(0.92)	(3.19)

The annexed notes form an integral part of these condensed interim consolidated financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

Consolidated Statement of other Comprehensive Income

SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY CONDENSED INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Half year ended December 31		Quarter ended December 31	
	2019	2018	2019	2018
	Rupees in '000'			
(Loss) for the period	(68,954)	(88,109)	(17,591)	(60,836)
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) for the period	(68,954)	(88,109)	(17,591)	(60,836)
Attributable to :				
Shareholder of the Parent	(68,954)	(88,109)	(17,591)	(60,836)
Non-controlling interest	-	-	-	-
	(68,954)	(88,109)	(17,591)	(60,836)

The annexed notes form an integral part of these condensed interim consolidated financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Consolidated Cash Flow Statement

SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Half year ended December 31,	
	2019	2018
	Rupees in '000	
a) CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) for the period before taxation	(69,066)	(85,555)
Adjustments for :		
Depreciation of property, plant and equipment	8,357	16,392
Depreciation of investment property	1,310	1,455
Provision for staff retirement benefits	545	1,089
(Gain) on disposal of operating assets	(8,334)	(16,577)
(Gain) on disposal of investment property	(2,167)	-
(Gain) arising from change in fair value of investment property	(1,786)	-
Finance cost	91,245	67,166
Operating cash flows before working capital changes	20,104	(16,030)
Changes in working capital		
Decrease / (increase) in current assets		
Stores, spares and loose tools	896	29
Stocks	(88,312)	(39,306)
Trade debts	592	(75,006)
Loans and advances	(35,959)	9,090
Deposits and prepayments	(3,183)	(2,989)
Tax refunds due from government	7,051	(29,104)
Other receivables	(150,166)	43,347
Increase / (decrease) in current liabilities		
Trade and other payables	15,459	(48,070)
	(253,622)	(142,009)
Cash (used in) operating activities	(233,518)	(158,039)
Income tax paid	(125)	(1,683)
Staff retirement benefits paid	(737)	(1,013)
Finance cost paid	(17,986)	(62,202)
Net cash (used in) operating activities	(252,366)	(222,937)
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of :		
Operating assets	59,829	29,750
Investment property	2,800	-
Advance for purchase of land	(1,200)	-
Long term deposits	(1,000)	-
Net cash generated from investing activities	60,429	29,750
c) CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of :		
Liabilities against assets subject to finance lease	-	(1,270)
Long term financing	(8,333)	149,547
Increase in short term bank borrowings - net	39,359	43,528
Dividend paid	(5)	-
Net cash generated from financing activities	31,021	191,805
Net (decrease) in cash and cash equivalents (a+b+c)	(160,916)	(1,382)
Cash and cash equivalents at the beginning of the period	222,092	56,418
Cash and cash equivalents at the end of the period	61,176	55,036

The annexed notes form an integral part of these condensed interim consolidated financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

Consolidated Statement of Changes in Equity

SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Issued, subscribed and paid up capital	Capital reserve	Revenue reserve			Total	Non controlling interest
		Share premium	General reserve	Unappropriated profit	Sub total		
Rupees in '000'							
Balance as at July 01, 2018 - (Audited)	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	-	-	-	(88,109)	(88,109)	(88,109)	-
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	(88,109)	(88,109)	(88,109)	-
Balance as at December 31, 2018 - (Un-audited)	190,920	143,190	970,000	479,889	1,449,889	1,783,999	7
Total comprehensive (loss) for the period							
(Loss) for the period	-	-	-	(102,094)	(102,094)	(102,094)	-
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	(102,094)	(102,094)	(102,094)	-
Balance as at June 30, 2019 - (Audited)	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	-	-	-	(68,954)	(68,954)	(68,954)	-
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	(68,954)	(68,954)	(68,954)	-
Balance as at December 31, 2019 - (Un-audited)	190,920	143,190	970,000	308,841	1,278,841	1,612,951	7

The annexed notes form an integral part of these condensed interim consolidated financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Notes to the Financial Statements

SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

1. GROUP STATUS AND ACTIVITIES

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

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

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

- 1.2 These consolidated condensed interim financial statements are presented in Pak Rupee, which is the Group's functional and presentation currency.

The Parent suffered financial and operational difficulties due to non availability of system gas along with substantial increase in gas tariff and abnormal increase in rate of furnace oil. The Parent has suffered loss of Rs. 70.705 million during the period, energy generation decreased by 62% as compared to first interim period of last reporting year due to adverse market conditions compared to energy cost.

Parent's sales during first four months of the interim period remained at minimal level due to partial closure of operations. The Parent has not been able to comply with terms of certain loan agreements. Moreover, the subsidiary has not carried out any commercial activity during the period.

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

The operations of the Parent improved in last two months of interim period due to substantial decrease in the price of furnace oil and increase in tariff by NEPRA. Moreover, the Parent is making efforts to curtail its operational and administrative expenses to minimum possible level without affecting the operational efficiency of the Parent. Disposal of non-core assets like properties is also planned and hopefully materialise in due course. The implementation on plan for investment in renewable energy (solar power plant) is expected in 2021 and would result in drastic reduction in production cost to make the existing project viable. The management is confident that there will be further improvement in operational efficiency and profitability in future and the Parent will continue as a going concern.

2. BASIS OF CONSOLIDATION

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance

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

- 3.1.3 These condensed interim financial statements are unaudited but subject to limited scope review by the auditors, 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

Notes to the Financial Statements

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, interpretations and amendments to approved accounting standards which are mandatory for the Company's accounting periods beginning on or after July 1, 2019 but are considered not to be relevant or have any significant effect on the Company's financial reporting, except as mentioned below:

IFRS 16 – Leases

This standard replaces the previous lease standard: IAS 17 Leases. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low value leases.

The changes laid down by this standard do not have any impact on these condensed interim financial statements of the company.

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, 2020 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.

3.3 Basis of preparation

These condensed interim consolidated financial statements have been prepared under the "historical cost convention" except short term investment property and investments which are stated at their fair value.

3.4 Accounting policies and methods of computation

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

3.5 Estimates, judgments and risk management policies

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

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

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

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

Notes to the Financial Statements

4. CONTINGENCIES AND COMMITMENTS

4.1 Contingencies

There are no significant changes in contingent liabilities since the date of published audited financial statements for the year ended June 30, 2019, except the following :

	(Un-Audited) December 31, 2019	(Audited) June 30, 2019
Note	----- Rupees in '000' -----	
Bank guarantees issued in favour of Sui Northern Gas Pipelines Limited for supply of gas	154,809	155,809
Demand of late payment surcharge charged by SNGPL on non payment of gas Infrastructure development cess has not been acknowledged. The charge is challenged before The Sindh High Court on October 13, 2015 . The management is of the view that surcharge can only be levied on willful default, non payment of principal amount of GIDC is due to stay order granted by court of competent jurisdiction therefore LPS could not be charged. No provision of late payment surcharge has been made as the appeals against levy of GIDC are pending before the court of law.	264,988	208,501
The Parent 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 Parent filed review petition before NEPRA which was dismissed by the Authority. The Parent intends to file appeal before Islamabad High Court. The quantum of liability cannot be determined at this stage. The management believes that there is reasonable probability that the matter will be decided in favor of the Parent. Pending the outcome of the matter, no provision has been made in these financial statements.	-	-
4.2 Commitments		
Under agreement for purchase of land	69,000	69,000

Notes to the Financial Statements

		(Un-Audited) December 31, 2019	(Audited) June 30, 2019
	Note	Rupees in '000'	
5. Property, plant and equipment			
Operating assets	5.1	817,522	877,398
Advance for purchase of land		26,172	24,972
		<u>843,718</u>	<u>902,370</u>
5.1 Operating assets			
Book value at beginning of period / year		877,398	906,325
Transfer from Capital work in progress during the period / year		-	141,607
Disposals during the period / year		(51,495)	(142,148)
Depreciation charged during the period / year		(8,357)	(28,386)
		<u>817,546</u>	<u>877,398</u>
6. Investment property			
Cost		454,884	455,517
Accumulated depreciation		(17,514)	(16,204)
Net book value		<u>437,370</u>	<u>439,313</u>
6.1 Reconciliation of written down value for the period / year			
Book value at beginning of period / year		439,313	29,107
Additions during the period / year		-	15,601
Transferred from non-operating land during the period / year		-	463,374
Disposals during the period / year		(633)	(65,858)
Depreciation charged during the period / year		(1,310)	(2,911)
		<u>437,370</u>	<u>439,313</u>
7 Investment property			
Cost		25,145	25,145
Increase in fair value of investment property		40,044	38,258
		<u>65,189</u>	<u>63,403</u>
7.1	The investment property comprises of 89 Kanals and 6 Marlas of land situated at Chak # 198 R.B, District Faisalabad and was held for capital appreciation.		
7.2	The fair value of the investment property has been determined on the basis of market value by an independent valuer as at December 31, 2019.		
7.3	The forced sale value of investment property is approximately Rs. 55.41 million as at December 31,2019.		
		(Un-Audited) December 31, 2019	(Audited) June 30, 2019
	Note	Rupees in '000'	
8. Loans and advances			
	8.1	<u>234,362</u>	<u>201,472</u>
8.1	It includes advance of Rs. 147.7 million for purchase of land through associated undertakings for development project under joint venture arrangement.		

Notes to the Financial Statements

	(Un Audited) December 31, 2019	(Audited) June 30, 2019
	Rupees in '000'	
9. Cash and bank balances		
Cash in hand	33,039	22,593
Cash at banks		
In current accounts	28,137	199,499
	61,176	222,092

		(Un-audited) Half year ended December 31, 2019	(Un-audited) Quarter ended December 31, 2019	(Un-audited) Quarter ended December 31, 2018
	Note	2018	(Rupees in '000')	
10. Sales - net				
Electricity		397,794	802,595	305,417
Steam		1,685	11,129	1,685
		399,479	813,724	307,102
Less: Sales tax		(58,383)	(78,547)	(44,961)
		341,096	735,177	262,141
Less: Electricity duty		(2,930)	(3,540)	(2,563)
		338,166	731,637	259,578
				279,122
11. Cost of generation				
Cost of gas, oil and lubricants	11.1	269,415	656,987	206,250
Salaries, wages and benefits		13,355	26,026	6,472
Retirement benefits		339	736	147
Stores, spares and loose tools		1,944	18,571	952
Insurance		1,684	1,961	842
Repairs and maintenance		795	3,030	335
Depreciation		5,520	12,859	2,603
Other		2,296	7,493	1,317
		295,348	727,663	218,918
				299,228
11.1 Cost of gas, oil and lubricants				
Gas		7,424	309,294	44
Oil and lubricants		261,991	347,693	206,206
		269,415	656,987	206,250
				268,787
12. Provision for taxation				
Current				
For the period	12.1	45	761	45
For prior period		(157)	1,793	(157)
		(112)	2,554	(112)
				-

Notes to the Financial Statements

12.1 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 which is subject to tax under normal tax regime.

13. AGGREGATE TRANSACTIONS WITH RELATED PARTIES

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

Name of the related party	Relationship and Percentage	Transactions during the year	Un-Audited Half year ended December 31,	
			2019	2018
			Rupees in '000'	
Sitara Fabrics Limited	Associated company by virtue of common directorship	Sale of Electricity and Steam	1,685	64,207
Sitara Fabrics Limited	Associated company by virtue of common directorship	Disposal of Machinery	59,829	-
Sitara Chemtek (Private) Limited	Associated company by virtue of common directorship	Sale of Electricity	-	1,949
Sitara Energy Limited Staff Provident Fund Trust	Other related party	Contribution for the period	545	1,089

14. DATE OF AUTHORISATION FOR ISSUE

These condensed interim consolidated financial statements were authorised for issue on February 27, 2020 by the Board of Directors of the Parent.

15. GENERAL

15.1 Provisions for taxation made in these condensed interim financial statements are subject to adjustment in annual financial statements.

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

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Notes

[illegible]