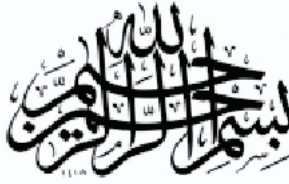




**Quarterly Report (Un-Audited)  
March 31, 2021**



**Sitara Energy  
Limited**



## Sitara Energy Limited

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## Consolidated Accounts

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## 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, Habib Bank Limited  
Karachi – 74000

## Plant

33 K.M., Sheikhupura 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

M/s. 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

## 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 3rd quarter ended on March 31, 2021.

**Operational Financial Results:**

The financial results for nine (9) months of the current financial year as compared with nine (9) months of the last financial year are as under: -

Financial Highlights	July – March 2021	July – March 2020
	Rupees in thousand	Rupees in thousand
Sales – net	497,033	865,891
Cost of generation	462,217	768,480
Gross profit / (loss)	34,816	97,411
Gross profit /(loss) ratio to revenue	7.01%	11.25%
(Loss) after tax	(95,675)	(65,338)
(Loss) per share – Basic & diluted (Rupees)	(5.01)	(3.42)

The sales of the Company during nine (9) months of current financial year decreased to Rs. 497.033 Million as a result of lower load demand by Bulk Power Consumers (BPCs) when compared with corresponding nine (9) months of last financial year. The main reason for such decline in sales is the textile package announced by the Government of Pakistan for textile sector to supply subsidized gas @ \$ 6.5/MMBTU and electricity @ 7.5 Cents/Kwh. Gross Profit of the company decreased to Rs 34.816 Mln during nine (9) months of the current financial year from Rs 97.411 Mln during corresponding nine (9) months of last financial year mainly due to decrease in sales volume and increase in cost of generation.

Power plant generated 30,728 MWh of electricity during nine (9) months of current financial year as compared with 50,337 MWh generated during corresponding nine (9) months of last financial year.

The net loss increased to Rs. 95.675 Million during nine (9) months of the current financial year in comparison with net loss of Rs 65.338 Million during corresponding nine (9) months of last financial year due to decrease in gross margin and other income in spite of the reduction in operating expenses and finance cost through utmost efforts by the management of the company.

The profitability of the company during the financial year 2020-21 will largely depends upon viable prices of fuels (RLNG & RFO), load demand by BPCs and increase in the electricity tariff.

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

By order of the board



Javed Iqbal

Chief Executive Officer

Faisalabad:  
April 26, 2021

ستارہ انرجی لمیٹڈ اور اسکی ذیلی کمپنی کا بورڈ آف ڈائریکٹرز، کمپنی کی تیسری سہ ماہی 31 مارچ 2021ء کی رپورٹ بمعہ مندرجہ ذیل مالیاتی معلومات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

عملیاتی مالی نتائج:-

گزشتہ سال کے نومبر کے مقابلے میں رواں مالی سال کے نومبر کے مالیاتی نتائج حسب ذیل ہیں۔

مالیاتی اعداد و شمار	جولائی - مارچ 2021ء	جولائی - مارچ 2020ء
	پاکستانی روپے ہزاروں میں	پاکستانی روپے ہزاروں میں
فروخت آمدنی	497,033	865,891
پیداواری لاگت	462,217	768,480
مجموعی منافع / (نقصان)	34,816	97,411
آمدنی میں مجموعی منافع / (نقصان) کا تناسب	7.01%	11.25%
ٹیکسیشن کے بعد (نقصان)	(95,675)	(65,338)
ٹیکسیشن (نقصان) Basic & diluted (Rs.)	(5.01)	(3.42)

رواں مالی سال کے نومبر کی فروخت آمدنی گزشتہ مالی سال کی فروخت آمدنی سے کم ہو کر 497.033 ملین روپے ہو گئی ہے۔ جسکے نتیجے میں بلک پاور کنزرویمر (BPCs) کی طرف سے لوڈ میں گزشتہ سال کی نسبت کمی واقع ہوئی ہے۔ اسکی بڑی وجہ Govt. of Pakistan کی طرف سے اعلان کردہ ٹیکسٹائل سیکٹر کے لئے رعایتی گیس 6.5 MMBTU اور بجلی 7.5 Cent/kwh کا ہونا ہے۔ کمپنی کا مجموعی منافع گزشتہ مالی سال کے نومبر میں 97.411 ملین روپے سے کم ہو کر 34.816 ملین روپے ہو گیا ہے۔ جسکی بڑی وجہ پیداواری لاگت میں اضافہ اور فروختی میں کمی کا باعث ہے۔

پاور پلانٹ نے موجودہ مالی سال کے نومبر میں دوران 30,728 Mwh پونٹ بجلی پیدا کی۔ جبکہ اسکے مقابلے میں گزشتہ مالی سال کے نومبر میں 50,337 Mwh پونٹ بجلی پیدا کی۔

گزشتہ مالی سال میں صافی نقصان 65.338 ملین روپے تھا۔ جبکہ رواں مالی سال کے نومبر میں صافی نقصان بڑھ کر 95.675 ملین روپے ہو گیا ہے۔ کمپنی کی انتظامیہ کی کوششوں کی وجہ سے اپریشن لاگت میں کمی اور فنانس لاگت میں کمی کے باوجود مجموعی منافع اور دیگر آمدنی میں کمی ہوئی۔ سال 2020-21 میں کمپنی کا منافع بہت حد تک فرنس اسٹیل / مائع گیس (RLNG) کی مناسب قیمتوں کے ساتھ ساتھ بلک پاور کنزرویمر (BPCs) کی طرف سے بجلی کی طلب میں اضافہ اور بجلی کے ٹیرف میں اضافہ پر ہے۔

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

بجلم بورڈ  
جاوید اقبال  
چیف ایگزیکٹو آفیسر

فیصل آباد  
26 اپریل 2021ء



**SITARA ENERGY LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2021**

		Nine month ended March 31,		Quarter ended March 31,	
		2021	2020	2021	2020
Note		Rupees in '000'			
Sales - net	8	497,033	865,891	119,454	527,725
Cost of generation	9	462,217	768,480	107,823	473,132
Gross profit		34,816	97,411	11,631	54,593
Other income		4,468	21,375	1,475	10,681
		39,284	118,786	13,106	65,274
Operating expenses		42,229	50,687	13,072	17,602
Other operating expense		11,921	-	-	-
Finance cost		79,177	133,325	26,036	42,081
		133,327	184,012	39,108	59,683
(Loss)/profit for the period before taxation		(94,043)	(65,226)	(26,002)	5,591
Provision for taxation	10	1,632	112	323	224
(Loss) / profit for the period		(95,675)	(65,338)	(26,325)	5,367
(Loss) / profit per share - Basic and diluted (Rupees)		(5.01)	(3.42)	(1.38)	0.28

The annexed notes 1 to 13 form an integral part of this condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

**SITARA ENERGY LIMITED**  
**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2021**

	Nine month ended March 31,		Quarter ended March 31,	
	2021	2020	2021	2020
	Rupees in '000'			
(Loss) / profit for the period	(95,675)	(65,338)	(26,325)	5,367
Other comprehensive income	-	-	-	-
Total comprehensive (loss) for the period	<u>(95,675)</u>	<u>(65,338)</u>	<u>(26,325)</u>	<u>5,367</u>

The annexed notes 1 to 13 form an integral part of this condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



**SITARA ENERGY LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2021**

	Nine month ended March 31,	
	2021	2020
	Rupees in '000'	
<b>a) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) for the period before taxation	(94,043)	(65,226)
Adjustments for :		
Depreciation of property, plant and equipment	15,896	12,754
Depreciation of investment property	1,768	2,190
Provision for staff retirement benefits	699	766
Loss / (gain) on disposal of operating assets	11,921	(8,334)
(Gain) on disposal of investment property	-	(11,435)
Finance cost	79,177	133,325
Operating cash flows before working capital changes	15,418	64,040
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(638)	1,047
Stock of oil and lubricants	(8,596)	(58,788)
Trade debts	(192,180)	4,379
Loans and advances	14,802	(58,359)
Deposits and prepayments	331	(1,506)
Other receivables	(70,992)	(154,682)
Tax refunds due from Government	23,849	30,815
Increase in current liabilities		
Trade and other payables	(7,700)	(68,137)
	(241,124)	(305,231)
Cash (used in) operating activities	(225,706)	(241,191)
Staff retirement benefits paid	(723)	(960)
Finance cost paid	(4,463)	(21,198)
Income tax paid	(1,114)	(75)
Net cash (used in) operating activities	(232,006)	(263,424)
<b>b) CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of operating assets	66,000	59,829
Proceeds from disposal of investment property	-	36,842
Advance for purchase of land	(500)	(1,200)
Long term deposits	-	(1,000)
Net cash generated from investing activities	65,500	94,471
<b>c) CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of :		
Long term financing	-	(12,499)
Increase in short term bank borrowings - net	(7,001)	38,441
Dividend paid	(1)	(7)
Net cash (used in) / generated from financing activities	(7,002)	25,935
Net (decrease) in cash and cash equivalents (a+b+c)	(173,508)	(143,018)
Cash and cash equivalents at the beginning of the period	274,642	214,370
Cash and cash equivalents at the end of the period	101,134	71,352

The annexed notes 1 to 13 form an integral part of this 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 NINE MONTHS ENDED MARCH 31, 2021

	Issued, subscribed and paid up capital	Capital reserve  Share premium	Revenue reserves			Total
			General reserve	Unappropriated profit	Sub total	
	-----Rupees in '000'-----					
Balance as at July 01, 2019 - (Audited)	190,920	143,190	970,000	377,132	1,347,132	1,681,242
Total comprehensive income for the period						
(Loss) for the period	-	-	-	(65,338)	(65,338)	(65,338)
Other comprehensive income	-	-	-	-	-	-
	-	-		(65,338)	(65,338)	(65,338)
Balance as at March 31, 2019 - (Un-audited)	190,920	143,190	970,000	311,794	1,281,794	1,615,904
Total comprehensive income for the period						
(Loss) for the period	-	-	-	(70,291)	(70,291)	(70,291)
Other comprehensive income	-	-	-	-	-	-
Effect of correction of prior period error	-	-	-	(8,185)	(8,185)	(8,185)
	-	-	-	(78,476)	(78,476)	(78,476)
Balance as at June 30, 2020 - (Audited)	190,920	143,190	970,000	233,318	1,203,318	1,537,428
Total comprehensive income for the period						
(Loss) for the period	-	-	-	(95,675)	(95,675)	(95,675)
Other comprehensive income	-	-	-	-	-	-
	-	-		(95,675)	(95,675)	(95,675)
Balance as at March 31, 2021 - (Un-audited)	190,920	143,190	970,000	137,643	1,107,643	1,441,753

The annexed notes 1 to 13 form an integral part of this 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 NINE MONTHS ENDED MARCH 31, 2021**

**1. STATUS AND ACTIVITIES**

- 1.1** Sitara Energy Limited (the Company) is incorporated in Pakistan as a public limited Company under the Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act 2017 on May 30, 2017) and is listed on Pakistan stock exchange. The main object of the Company is generation and distribution of electricity. The registered office of the Company is situated at 601-602 Business Centre, Mumtaz Hasan Road, Karachi in the province of Sindh. The project is located at Tehsil Jaranwala, District Faisalabad in the province of Punjab.
- 1.2** These condensed interim financial statements are 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 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 do not include all the information required for complete set of financial statements, and should be read in conjunction with the Company's published audited financial statements for the year ended June 30, 2020.

**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, 2020 but are considered not to be relevant or have any significant effect on the Company's financial reporting.

**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, 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, 2020.

## 2.3 Basis of preparation

These condensed interim 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 financial statements are the same as those applied in the preparation of the published audited financial statements for the year ended June 30, 2020.

## 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, 2020.

**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, 2020.

## 2.6 Correction of prior period error

In annual financial statements of 2020, minimum depreciation charged on plant and machinery to cover obsolescence was omitted. Now the financial statements of 2020 has been restated to correct this error.

The correction of the error is accounted for retrospectively as per IAS 8, and the corresponding figures have been restated. The error has been corrected by restating each of the affected financial statement line items for the prior periods, as follows:

Effect on statement of financial position	As at June 30,2020	Increase / (decrease)	As at July 1,2020 (Restated)
	----- Rupees in '000' -----		
Property, plant and equipment - operating assets	763,066	(8,185)	754,881
Total effect on Equity	763,066	(8,185)	754,881

## 3. CONTINGENCIES

There are no significant changes in contingent liabilities since the date of published audited financial statements for the year ended June 30, 2020.

		(Un-audited) March 31, 2021	(Audited) June 30, 2020 (Restated)
	Note	Rupees in '000'	
<b>4. Property, plant and equipment</b>			
Operating assets	4.1	668,064	754,881
Advance for purchase of property		16,500	16,500
Advance for purchase of vehicle		-	7,000
		<u>684,564</u>	<u>778,381</u>
	Note	(Un-audited) March 31, 2021	(Audited) June 30, 2020 (Restated)
		Rupees in '000'	
<b>4.1 Operating assets</b>			
Book value at beginning of period / year		754,881	877,373
Add: Addition during the period / year		7,000	108
Disposal during the period / year		(77,921)	(96,899)
Depreciation charge during the period / year		(15,895)	(25,701)
		<u>668,064</u>	<u>754,881</u>
<b>4.1.1 Additions to operating assets, during the period / year were as follow</b>			
Office equipment			108
Vehicles		7,000	-
		<u>7,000</u>	<u>108</u>
<b>5. Investment property</b>			
Cost		430,110	430,110
Accumulated depreciation		(20,592)	(18,823)
Net book value		<u>409,518</u>	<u>411,287</u>
<b>5.1 Reconciliation of written down value for the period / year</b>			
Book value at beginning of period / year		411,287	439,313
Disposal during the period / year		-	(25,407)
Depreciation charged during the period / year		(1,769)	(2,619)
		<u>409,518</u>	<u>411,287</u>
<b>6. Stock of oil and lubricants</b>			
Furnace oil		22,241	13,816
Diesel oil		1,482	2,788
Lube oil		4,189	2,712
Waste		69	69
		<u>27,981</u>	<u>19,385</u>
<b>7. Cash and bank balances</b>			
Cash in hand		97,797	42,045
Cash at banks			
In current accounts		3,337	232,597
		<u>101,134</u>	<u>274,642</u>

	Nine months ended March 31,		Quarter ended March 31,	
	2021	2020	2021	2020
Note	----- Rupees in '000' -----			
8. Sales - net				
Electricity	561,902	1,012,365	136,100	614,571
Steam	9,008	10,298	1,359	8,613
	570,910	1,022,664	137,459	623,185
Less: Sales tax	(69,892)	(148,592)	(17,040)	(90,209)
	501,018	874,072	120,419	532,976
Less: Electricity duty	(3,985)	(8,181)	(965)	(5,251)
	497,033	865,891	119,454	527,725

		Nine months ended March 31,		Quarter ended March 31,		
		2021	2020	2021	2020	
Note		----- Rupees in '000' -----				
<b>9. Cost of generation</b>						
	Cost of gas, oil and lubricants	9.1	403,559	725,133	93,869	455,718
	Salaries, wages and benefits		22,571	20,832	6,725	7,477
	Retirement benefits		468	485	161	146
	Stores, spares and loose tools		14,867	5,603	1,532	3,659
	Insurance		2,435	2,508	849	824
	Repairs and maintenance		1,676	1,853	630	1,058
	Depreciation		12,112	8,501	2,723	2,981
	Other		4,529	3,565	1,334	1,269
			462,217	768,480	107,823	473,132

**9.1 Cost of gas, oil and lubricants**

Gas	199,630	7,589	2,616	165
Oil and lubricants	203,929	717,544	91,253	455,553
	403,559	725,133	93,869	455,718

**10. Provision for taxation**

Current					
For the period	10.1	1,078	269	323	224
For prior period		554	(157)	-	-
		1,632	112	323	224

- 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	Nine months ended	
			March 31,	
			2021	2020
			----- Rupees in '000' -----	
Sitara Fabrics Limited	Associated company by virtue of common directorship	Sale of Electricity & Steam	74,884	10,299
Sitara Fabrics Limited	Associated company by virtue of common directorship	Disposal of Machinery	-	59,829
Sitara Energy Limited Staff Provident Fund Trust	Other related party	Contribution for the period	699	766

## 12. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 26, 2021 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.
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CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER





# Statement of Profit or Loss

## SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

		Nine months ended March 31,		Quarter ended March 31,	
		2021	2020	2021	2020
Note		Rupees in '000'			
Sales - net	9	697,033	865,891	119,454	527,725
Cost of generation	10	656,689	768,480	107,823	473,132
Gross profit / (loss)		40,344	97,411	11,631	54,593
Other income		4,468	23,161	1,475	10,681
		44,812	120,572	13,106	65,274
Operating expenses		42,270	50,723	13,077	17,603
Other operating expenses		11,921	-	-	-
Finance cost		79,177	133,325	26,036	42,081
		133,368	184,048	39,113	59,684
(Loss) / profit for the period before taxation		(88,556)	(63,476)	(26,007)	5,590
Provision for taxation	11	4,132	112	323	224
(Loss) / profit for the period		(92,688)	(63,588)	(26,330)	5,366
Attributable to:					
Shareholders of the Parent		(92,691)	(63,588)	(26,333)	5,366
Non-controlling interest		3	-	3	-
		(92,688)	(63,588)	(26,330)	5,366
(Loss) / profit per share - Basic and diluted					
Attributable to shareholders of the Parent (Rupees)		(4.85)	(3.33)	(1.38)	0.28

The annexed notes 1 to 14 form an integral part of this condensed interim consolidated financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

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# Statement of other Comprehensive Income

## SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY CONDENSED INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

	Nine Months ended March 31,		Quarter ended March 31,	
	2021	2020	2021	2020
	-----Rupees in '000'-----			
(Loss) / profit for the period	(92,688)	(63,588)	(26,330)	5,366
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / profit for the period	<u>(92,688)</u>	<u>(63,588)</u>	<u>(26,330)</u>	<u>5,366</u>
Attributable to:				
Shareholders of the Parent	(92,691)	(63,588)	(26,333)	5,366
Non-controlling interest	<u>3</u>	<u>-</u>	<u>3</u>	<u>-</u>
	<u>(92,688)</u>	<u>(63,588)</u>	<u>(26,330)</u>	<u>5,366</u>

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CHIEF EXECUTIVE OFFICER



DIRECTOR



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**SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2021**

	Nine month ended March 31,	
	2021	2020
	-----Rupees in '000'-----	
<b>a) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) for the period before taxation	(88,556)	(63,476)
Adjustments for :		
Depreciation of property, plant and equipment	15,897	12,756
Depreciation of investment property	1,768	2,190
Provision for staff retirement benefits	699	766
Loss / (gain) on disposal of operating assets	11,921	(8,334)
(Gain) on disposal of investment property	-	(11,435)
(Gain) arising from change in fair value of investment property	-	(1,786)
Finance cost	79,177	133,325
Operating cash flows before working capital changes	20,906	64,006
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(638)	1,047
Stocks	876	(58,788)
Trade debts	(206,680)	4,379
Loans and advances	14,802	(57,029)
Deposits and prepayments	331	(1,506)
Other receivables	(70,992)	(154,682)
Tax refunds due from Government	23,849	30,092
Increase in current liabilities		
Trade and other payables	(7,950)	(68,106)
	(246,402)	(304,593)
Cash (used in) operating activities	(225,496)	(240,587)
Staff retirement benefits paid	(723)	(960)
Finance cost paid	(4,463)	(21,198)
Income tax paid	(1,114)	(732)
Net cash (used in) operating activities	(231,796)	(263,477)
<b>b) CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of Operating assets	66,000	59,829
Proceeds from disposal of Operating assets Non operating land	-	36,842
Advance for purchase of land	(500)	(1,200)
Long term deposits	-	(1,000)
Net cash generated from investing activities	65,500	94,471
<b>c) CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of Long term financing	-	(12,499)
Increase in short term bank borrowings - net	(7,001)	38,441
Dividend paid	(1)	(7)
Net cash (used in) / generated from financing activities	(7,002)	25,935
Net (decrease) in cash and cash equivalents (a+b+c)	(173,298)	(143,071)
Cash and cash equivalents at the beginning of the period	282,311	222,092
Cash and cash equivalents at the end of the period	109,013	79,021

The annexed notes 1 to 14 form an integral part of this condensed interim consolidated financial statements.

CHIEF EXECUTIVE OFFICER

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# Statement of Changes in Equity

## SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

	Issued, subscribed and paid up capital	Capital reserves	Revenue reserves			Total	Non controlling interest
		Share premium	General reserve	Unappropriated profit	Sub total		
Balance as at July 01, 2019 - (Audited)	190,920	143,190	970,000	377,795	1,347,795	1,681,905	7
Total comprehensive income for the period							
(Loss) for the period	-	-	-	(63,588)	(63,588)	(63,588)	-
Other comprehensive income	-	-	-	-	-	-	-
Balance as at March 31, 2019 - (Un-audited)	190,920	143,190	970,000	314,207	1,284,207	1,618,317	7
Total comprehensive income for the period							
(Loss) for the period	-	-	-	(68,631)	(68,631)	(68,631)	1
Other comprehensive income	-	-	-	(8,185)	(8,185)	(8,185)	-
Effect of correction of prior period error	-	-	-	-	-	-	-
	-	-	-	(76,816)	(76,816)	(76,816)	1
Balance as at June 30, 2020 - (Audited)	190,920	143,190	970,000	237,391	1,207,391	1,541,501	8
Total comprehensive income for the period							
(Loss) for the period	-	-	-	(92,688)	(92,688)	(92,688)	3
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	(92,688)	(92,688)	(92,688)	3
Balance as at March 31, 2021 - (Un-audited)	190,920	143,190	970,000	144,703	1,114,703	1,448,813	11

The annexed notes 1 to 14 form an integral part of this condensed interim consolidated financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

## SITARA ENERGY LIMITED AND ITS SUBSIDIARY COMPANY NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

### 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.

### 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 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, 2020

- 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, 2020.

#### 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, 2020 but are considered not to be relevant or have any significant effect on the Company's financial reporting, except as mentioned below:

### 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, 2020.

### 3.3 Basis of preparation

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

### 3.4 Accounting policies and methods of computation

The accounting policies and methods of computation adopted in the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of the published audited consolidated financial statements for the year ended June 30, 2020.

### 3.5 Estimates, judgments and risk management policies

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

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

Significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on amounts recognized in this condensed interim consolidated financial statements are the same as those disclosed in the published audited consolidated financial statements for the year ended June 30, 2020.

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, 2020.

### 3.6 Correction of prior period error

In annual financial statements of parent for the year ended June, 2020, minimum depreciation charged on plant and machinery to cover obsolescence was omitted. Now the financial statements of 2020 has been restated to correct this error.

The correction of the error is accounted for retrospectively as per IAS 8, and the corresponding figures have been restated. The error has been corrected by restating each of the affected financial statement line items for the prior periods, as follows:

Effect on statement of financial position	As at June 30,2020	Increase / (decrease)	As at July 1,2020 (Restated)
	----- Rupees in '000' -----		
Property, plant and equipment - operating assets	786,588	(8,185)	778,403
Total effect on Equity	<u>786,588</u>	<u>(8,185)</u>	<u>778,403</u>

## 4. CONTINGENCIES AND COMMITMENTS

### Contingencies

There are no significant changes in contingent liabilities since the date of published audited financial statements for the year ended June 30, 2020.

(Un-audited) March 31, 2021	(Audited) June 30, 2020 (Restated)
----- Rupees in '000' -----	

## 5. PROPERTY, PLANT AND EQUIPMENT

Operating assets	5.1	668,085	754,903
Advance for purchase of land		16,500	16,500
Advance for purchase of vehicle		-	7,000
		<u>684,585</u>	<u>778,403</u>

### 5.1 Operating fixed assets

Book value at beginning of period / year		754,903	877,397
Addition during the period / year		7,000	108
Disposal during the period / year		(77,921)	(96,899)
Depreciation charge during the period / year		(15,897)	(25,703)
		<u>668,085</u>	<u>754,903</u>

#### 5.1.1 Additions to operating assets during the period / year were as follow

Office equipment		-	108
Vehicles		7,000	-
		<u>7,000</u>	<u>108</u>

## 6. Investment property

		430,110	430,110
Cost		(20,592)	(18,823)
Accumulated depreciation		<u>409,518</u>	<u>411,287</u>
Net book value			

### 6.1 Reconciliation of written down value for the period / year

Book value at beginning of period / year		411,287	439,313
Disposal during the period / year		-	(25,407)
Depreciation charged during the period / year		(1,763)	(2,619)
		<u>409,524</u>	<u>411,287</u>

## 7. Investment property

Cost		25,145	25,145
Increase in fair value of investment property		41,830	41,830
		<u>66,975</u>	<u>66,975</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 June 30, 2020.

7.3 The forced sale value of investment property is approximately Rs. 56.93 million as at June 30, 2020.

# Notes to the Financial Statements

## 8. Cash and bank balances

	(Un-audited) March 31, 2021	(Audited) June 30, 2020 (Restated)
	Rupees in '000'	
Cash in hand	104,538	48,598
Cash at banks		
In current accounts	4,475	233,713
	<u>109,013</u>	<u>282,311</u>

## 9. Sales - net

	Nine months ended March 31,		Quarter ended March 31,	
	2021	2020	2021	2020
	Rupees in '000'			
Electricity	561,902	1,012,366	136,100	614,572
Steam	9,008	10,298	1,359	8,613
Land	200,000	-	-	-
	<u>770,910</u>	<u>1,022,664</u>	<u>137,459</u>	<u>623,185</u>
Less: Sales tax	(69,892)	(148,592)	(17,040)	(90,209)
	<u>701,018</u>	<u>874,072</u>	<u>120,419</u>	<u>532,976</u>
Less: Electricity duty	(3,985)	(8,181)	(965)	(5,251)
	<u>697,033</u>	<u>865,891</u>	<u>119,454</u>	<u>527,725</u>

## 10. Cost of generation and sales

Cost of generation	10.1	462,217	768,480	107,823	473,132
Cost of sales - land		<u>194,472</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>656,689</u>	<u>768,480</u>	<u>107,823</u>	<u>473,132</u>

### 10.1 Cost of generation

Cost of fuel, oil, gas and lubricants	10.1	403,559	725,133	93,869	455,718
Salaries, wages and benefits		22,571	20,832	6,725	7,477
Retirement benefits		468	485	161	146
Stores, spares and loose tools		14,867	5,603	1,532	3,659
Insurance		2,435	2,508	849	824
Repairs and maintenance		1,676	1,853	630	1,058
Depreciation		12,112	8,501	2,723	2,981
Other		4,529	3,565	1,334	1,269
		<u>462,217</u>	<u>768,480</u>	<u>107,823</u>	<u>473,132</u>

### 10.1 Cost of gas, oil and lubricants

Gas	199,630	7,589	2,616	165
Oil and lubricants	<u>203,929</u>	<u>717,544</u>	<u>91,253</u>	<u>455,553</u>
	<u>403,559</u>	<u>725,133</u>	<u>93,869</u>	<u>455,718</u>

## 11. Provision for taxation

Current				
For the year	11.1	3,578	269	323
For prior year's		<u>554</u>	<u>(157)</u>	<u>-</u>
		<u>4,132</u>	<u>112</u>	<u>323</u>
				<u>224</u>

11.1 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 rental income which is subject to tax under normal tax regime.



## 12. AGGREGATE TRANSACTIONS WITH RELATED PARTIES

The Group in the normal course of business carries out transactions with various related parties which comprise of 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	Nine months ended	
			March 31,	
			2021	2020
			----- Rupees in '000' -----	
Sitara Fabrics Limited	Associated company by virtue of common directorship	Sale of Electricity & Steam	74,884	10,299
Sitara Fabrics Limited	Associated company by virtue of common directorship	Disposal of Machinery	-	59,829
Sitara Energy Limited Staff Provident Fund Trust	Other related party	Contribution for the period	699	766

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CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER





If undelivered please return to:

**Sitara Energy Limited**

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