

**Sitara
Energy
Limited**

**Quarterly Report March 31, 2019
(Un-Audited)**



Sitara Energy Limited

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Consolidated Accounts

(Sitara Energy Ltd and Its Subsidiary Company)

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Board of Directors

Ms. Noureen Javed (Chairperson)
Mr. Javed Iqbal (Chief Executive Officer)
Mr. Abdullah Javed
Mr. Hameed Ahmed 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. Abdullah Javed (Chairman)
Ms. Haniah Javed
Ms. Noureen Javed

Human Resource & Remuneration Committee

Mr. Hameed Ahmed Sheikh (Chairman)
Ms. Haniah Javed
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
Habib Bank Limited

Website

<http://www.sitara.pk>

DIRECTORS' REVIEW

The Board of Directors of Sitara Energy Limited (the Company) is pleased to present their report together with the Condensed Interim Financial Information and its subsidiary for the third quarter ended on March 31, 2019.

Operational Financial Results:

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

Financial Highlights	July – March 2019	July – March 2018
	Rupees in thousand	Rupees in thousand
Sales – net	960,828	1,906,512
Cost of generation	963,401	1,824,424
Gross profit / (loss)	(2,572)	82,088
Gross profit /(loss) ratio to revenue	(0.27)%	4.31%
(Loss) after tax	(127,716)	(97,302)
(Loss) per share – Basic & diluted (Rupees)	(6.69)	(5.10)

The sales of the Company during the nine (9) months of the current financial year decreased due to rising price of RFO leading to higher electricity cost and resultantly nominal demand by Bulk Power Consumers (BPCs). The recent textile package by the Government of Pakistan for textile sector to allow subsidized gas @ \$ 6.5/MMBTU and electricity @ 7.5 Cents/Kwh affected the demand for our electricity. The allocation of system gas and RLNG is in the ratio of 28%:72% while the price of system gas was also increased by 30% in September 2018. Moreover, the price of RLNG is almost double of the price of system gas and is not viable for usage. The supply of system gas was not available during December 2018 till April 2019 at all. The power plant generated 65,832 MWh of electricity during the period of nine (9) months of the current financial year as compared with 168,635 MWh generated during the corresponding period of the last financial year.

Although the management of the company took measures to reduce operating expenses but finance cost increased substantially due to continuous rise in SBP Policy Rate and Kibor Rate from time to time.

As a result of the aforesaid adverse circumstances, the Company posted gross loss of Rs 2.572 Mln and net loss of Rs. 127.716 Mln as compared with gross profit of Rs 82.088 Mln and net loss of Rs. 97.302 Mln during the corresponding period of the last financial year.

The profitability of the company during the financial year 2018-19 will largely depends upon affordable prices of RFO, additional allocation of system gas, increase in tariff by NEPRA and increase in demand by our BPCs.

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

By order of the board



Javed Iqbal
Chief Executive Officer

Faisalabad:
April 26, 2019

ستارہ انرجی لمیٹڈ اور اسکی ذیلی کمپنی کا بورڈ آف ڈائریکٹرز، کمپنی کی تیسری سہ ماہی 31 مارچ 2019ء کی رپورٹ بمعہ ملخص عبوری مالیاتی معلومات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

عملیاتی مالی نتائج:

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

مالیاتی اعداد و شمار	جولائی-مارچ 2019ء	جولائی-مارچ 2018ء
پاکستانی روپے ہزاروں میں	پاکستانی روپے ہزاروں میں	
فروخت آمدنی	960,828	1,906,512
پیداواری لاگت	963,401	1,824,424
مجموعی منافع	(2,572)	82,088
آمدنی میں مجموعی منافع / (نقصان) کا تناسب	(0.27)%	4.31%
ٹیکسیشن کے بعد (نقصان)	(127,716)	(97,302)
فی شیئر (نقصان)	(6.69)	(5.10)
Basic & diluted (Rs.)		

رواں مالی سال کے نومبے میں فرنس آئل (RFO) کی بڑھتی ہوئی قیمت کی وجہ سے بجلی کی لاگت میں اضافہ اور نتیجتاً بجلی صارفین (BPCs) کی طرف سے بہت معمولی طلب کی وجہ سے فروخت آمدنی کم ہو گئی ہے۔ گورنمنٹ آف پاکستان کی طرف سے ٹیکسٹائل کی صنعت کے لئے سبسڈائزڈ رگیس 6.5 ڈالر پرائم ایم بی ٹی یو اور بجلی میں 7.5 سینٹ پر کلو واٹ آورز کے چارج کی اجازت دی جس نے ہماری بجلی کی طلب کو متاثر کیا سسٹم گیس اور مائع قدرتی گیس (RLNG) میں 28 فیصد: 72 فیصد کی تناسب سے مختص ہے جبکہ ستمبر 2018ء میں سسٹم گیس کی قیمت میں 30 فیصد اضافہ بھی ہوا۔ تاہم (RLNG) کی قیمت سسٹم گیس سے ڈبل ہے۔ اور یہ استعمال کے قابل نہیں ہے۔ دسمبر 2018ء سے اپریل 2019ء تک سسٹم گیس کی سپلائی مکمل طور پر نہیں تھی۔ پاور پلانٹ نے 65,832 میگا واٹ آورز پیدا کیے۔ جبکہ اسکے مقابلے میں گزشتہ مالی سال کے نومبے میں 168,635 میگا واٹ آورز پیدا کیے۔ اگرچہ کمپنی کی انتظامیہ نے آپریشن لاگت میں کمی کے لئے اقدامات کئے۔ لیکن وقفہ قفا SBP کی پالیسی ریٹ اور کابیر (KIBOR) ریٹ میں اضافہ کی وجہ سے فنانس کا سٹ بڑھ گئی۔

اوپر بیان کئے گئے برے حالات کے نتیجے میں کمپنی کا مجموعی نقصان 2.572 ملین روپے اور صافی نقصان 127.716 ملین روپے ہے۔ جبکہ گزشتہ مالی سال کے نومبے میں مجموعی منافع 82.088 ملین روپے اور صافی نقصان 97.302 ملین روپے تھا۔

مالی سال 2018-19 کے منافع کا انحصار بہت حد تک فرنس آئل (RFO) کی مناسب قیمت سسٹم گیس کا اضافی کوہ مختص کرنے نہرا (NEPRA) کی طرف سے ٹریف (Tariff) میں اضافہ اور ہمارے بجلی صارفین (BPCs) کی طرف سے طلب میں اضافے پر ہے۔

ہم اپنے تمام سٹیک ہولڈرز خصوصاً ہمارے بینک اور سپلائرز (Suppliers) کی مسلسل تہد دل سے حمایت پر انکے قدردان ہیں۔ ہم کمپنی کے تمام عملی سخت محنت اور لگن پر انکے مشکور ہیں۔

بحکم بورڈ



جاوید اقبال
چیف ایگزیکٹو آفیسر

فیصل آباد

26 اپریل 2019ء

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

	(Un-audited) March 31, 2019	(Audited) June 30, 2018		(Un-audited) March 31, 2019	(Audited) June 30, 2018	
Note	Rupees in '000'		Note	Rupees in '000'		
EQUITY AND LIABILITIES			ASSETS			
SHARE CAPITAL AND RESERVES			NON-CURRENT ASSETS			
Authorised capital 30,000,000 ordinary shares of Rs. 10/- each	300,000	300,000	Property, plant and equipment	6	1,389,417	1,536,251
			Investment property	7	26,924	29,107
			Investment in subsidiary		49,995	49,995
			Long term deposits		511	511
					1,466,847	1,615,864
Issued, subscribed 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	441,227	568,943				
	1,745,337	1,873,053				
NON-CURRENT LIABILITIES						
Long term financing	3	82,799	-			
Liabilities against assets subject to finance lease	4	-	-			
		82,799	-			
CURRENT LIABILITIES			CURRENT ASSETS			
Trade and other payables	665,823	714,561	Stores, spares and loose tools		277,721	280,259
Unclaimed dividend	3,702	3,708	Stock of oil and lubricants		24,213	43,140
Interest / mark up payable	43,363	29,641	Trade debts		919,234	755,558
Short term bank borrowings	1,151,601	1,058,327	Loans and advances		568,213	676,393
Current portion of			Deposits and prepayments		36,420	36,068
Long term financing	3	63,034	Other receivables		276,073	97,850
Liabilities against assets subject to finance lease	4	700	Tax refunds due from Government		180,555	156,025
Provision for taxation - income tax	874	-	Cash and bank balances	8	7,957	20,594
	1,929,097	1,808,698			2,290,386	2,065,887
CONTINGENCIES AND COMMITMENTS						
	5	-	-		3,757,233	3,681,751
	3,757,233	3,681,751				

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

SITARA ENERGY LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2019

		Nine month ended		Quarter ended	
		March 31,		March 31,	
		2019	2018	2019	2018
Note		Rupees in '000'			
Sales - net	9	960,829	1,906,512	229,192	647,559
Cost of generation	10	963,401	1,824,424	235,738	632,344
Gross profit / (loss)		(2,572)	82,088	(6,546)	15,215
Other income		46,434	7,810	27,232	1,792
		43,862	89,898	20,686	17,007
Operating expenses		60,180	93,257	18,667	33,716
Finance cost		108,731	93,943	41,566	31,199
		168,911	187,200	60,233	64,915
(Loss) for the period before taxation		(125,049)	(97,302)	(39,547)	(47,908)
Provision for taxation	11	2,667	-	113	-
(Loss) for the period		(127,716)	(97,302)	(39,660)	(47,908)
(Loss) per share - Basic and diluted (Rupees)		(6.69)	(5.10)	(2.08)	(2.51)

The annexed notes form an integral part of this 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 NINE MONTHS ENDED MARCH 31, 2019

Nine month ended March 31,		Quarter ended March 31,	
2019	2018	2019	2018
----- Rupees in '000' -----			

(Loss) for the period	(127,716)	(97,302)	(39,660)	(47,908)
Other comprehensive income	-	-	-	-
Total comprehensive (loss) for the period	(127,716)	(97,302)	(39,660)	(47,908)

The annexed notes 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, 2019

	Nine month ended March 31,	
	2019	2018
	Rupees in '000'	
a) CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) for the period before taxation	(125,049)	(97,302)
Adjustments for :		
Depreciation of property, plant and equipment	22,593	25,573
Depreciation of investment property	2,183	2,426
Provision for staff retirement benefits	1,545	2,159
(Gain) on disposal of operating assets	(43,856)	(2,583)
Finance cost	108,731	93,943
Operating cash flows before working capital changes	(33,853)	24,216
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	2,538	(4,784)
Stock of oil and lubricants	18,927	118,874
Trade debts	(163,676)	(156,904)
Loans and advances	106,959	(52,750)
Deposits and prepayments	(352)	(6,237)
Other receivables	(178,223)	(2,465)
Tax refunds due from Government	(23,355)	(65,654)
Increase in current liabilities		
Trade and other payables	(48,807)	160,375
	(285,989)	(9,545)
Cash (used in) / generated from operating activities	(319,842)	14,671
Staff retirement benefits paid	(1,475)	(1,966)
Finance cost paid	(95,009)	(93,361)
Income tax paid	(1,747)	(2,325)
Net cash (used in) operating activities	(418,073)	(82,981)
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	(83,224)	(15,900)
Proceeds from disposal of:		
Operating assets	120,000	12,900
Non Operating land	131,320	-
Net cash generated from / (used in) from investing activities	168,096	(3,000)
c) CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of :		
Liabilities against assets subject to finance lease	(1,761)	(1,925)
Increase in Long term financing - net	145,833	-
Increase in short term bank borrowings - net	93,274	115,431
Dividend paid	(6)	(60)
Net cash generated from financing activities	237,340	113,446
Net (decrease) / increase in cash and cash equivalents (a+b+c)	(12,637)	27,465
Cash and cash equivalents at the beginning of the period	20,594	62,481
Cash and cash equivalents at the end of the period	7,957	89,946

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

SITARA ENERGY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2019

	Issued, subscribed and paid up capital	Capital reserve Share premium	Revenue reserve			Total
			General reserve	Unappropriated profit	Sub total	
----- Rupees in '000' -----						
Balance as at July 01, 2017 - (Audited)	190,920	143,190	970,000	650,800	1,620,800	1,954,910
Total comprehensive income for the period						
(Loss) for the period	-	-	-	(97,302)	(97,302)	(97,302)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	(97,302)	(97,302)	(97,302)
Balance as at March 31, 2018 - (Un-audited)	190,920	143,190	970,000	553,498	1,523,498	1,857,608
Total comprehensive income for the period						
Profit for the period	-	-	-	15,445	15,445	15,445
Other comprehensive income	-	-	-	-	-	-
	-	-	-	15,445	15,445	15,445
Balance as at June 30, 2018 - (Audited)	190,920	143,190	970,000	568,943	1,538,943	1,873,053
Total comprehensive income for the period						
(Loss) for the period	-	-	-	(127,716)	(127,716)	(127,716)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	(127,716)	(127,716)	(127,716)
Balance as at March 31, 2019 - (Un-audited)	190,920	143,190	970,000	441,227	1,411,227	1,745,337

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



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

2.1.3 These condensed interim financial statements are unaudited 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, 2018

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, 2018 but are considered not to be relevant or have any significant effect on the Company's financial reporting, except as mentioned below:

IFRS 15 – Revenue from Contracts with Customers

IFRS 15 replaces the previous revenue standards: IAS 18 'Revenue', IAS 11 'Construction Contracts', and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition with a comprehensive framework based on core principle that an entity should

recognise revenue representing the transfer of promised goods or services under separate performance obligations under the contract to customer at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

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

IFRS 9 – Financial Instruments

This standard replaces guidance in IAS 39 'Financial Instruments: Recognition and Measurement'. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.

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

2.2.2 Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

The other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 1, 2018 are considered not to be relevant for the Company's financial statements and hence have not been detailed here.

2.2.3 Standards, interpretations and amendments to published approved accounting standards that are not yet effective but relevant

The following is the new standard, amendment to existing approved accounting standards and new interpretations that will be effective for the periods beginning on or after July 1, 2019 that may have an impact on the financial statements of the Company.

IFRS 16 'Leases' - IFRS 16 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 management is in the process of assessing the impact of changes laid down by these standards on its financial statements.

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, 2018.

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, 2018.

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, 2018.

	(Un-Audited) March 31, 2019	(Audited) June 30, 2018
Note	----- Rupees in '000' -----	

3. Long term financing

Secured

From banking company

Under mark up arrangement

Demand finance I

3.1

45,833

-

Demand finance II

3.2

100,000

-

Less: Current portion

Installments due

4,167

-

Payable within one year

58,867

-

82,799

-

- 3.1** It is secured against registered token mortgage of Rs. 4.3 million, equitable mortgage charge on property owned by a director of the company and first exclusive charge by way of equitable mortgage, 10% token registered mortgage against property owned by the company. It is further secured by personal guarantee of directors of the Company. It is repayable in 12 equal quarterly installments commenced from December 31, 2018 and ending on September 30, 2021. It is subject to mark up at the rate of 3 months KIBOR plus 4.20% per annum. A rebate of 2.20% per annum would be allowed in case of repayment of first three installments within five days of due date.

Effective rate of mark up charged during the year is 14.75% per annum.

- 3.2** It is secured against joint pari passu charge over current assets of the Company. It is further secured against first charge over fixed assets and by personal guarantee of chief executive of the Company. It is repayable in 12 quarterly installments commencing from January 1, 2019 and ending on September 30, 2021. It is subject to mark up at the rate of 3 months KIBOR plus 2.00% per annum.

	(Un-Audited) March 31, 2019	(Audited) June 30, 2018
Note	----- Rupees in '000' -----	
4. Liabilities against assets subject to finance lease		
Opening balance	-	5,055
Paid / adjusted during the year	(1,761)	(2,594)
	(1,761)	2,461
Less: Current portion	700	2,461
	-	-
5. 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, 2018, except the following		
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 wilful 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.	165,435	105,261
Commitments		
Under letters of credit for stores and spares	-	8,255

		(Un-Audited) March 31, 2019	(Audited) June 30, 2018
Note		Rupees in '000'	
6. Property, plant and equipment			
Operating assets	6.1	883,705	906,298
Capital work in progress		-	141,607
Non-operating land		505,712	488,346
		<u>1,389,417</u>	<u>1,536,251</u>
6.1 Operating fixed assets			
Book value at beginning of period / year		906,298	943,679
Add: Additions during the period / year		141,607	24,626
Less: Disposals during the period / year		(141,607)	(26,016)
Depreciation charged during the period / year		(22,593)	(35,991)
		<u>883,705</u>	<u>906,298</u>
7. Investment property			
Cost		42,400	42,400
Accumulated depreciation		(15,476)	(13,293)
Net book value		<u>26,924</u>	<u>29,107</u>
7.1 Reconciliation of written down value for the period / year			
Book value at beginning of period / year		29,107	32,341
Depreciation charged during the period / year		(2,183)	(3,234)
		<u>26,924</u>	<u>29,107</u>
8. Cash and bank balances			
Cash in hand		5,171	14,409
Cash at banks			
In current accounts		2,786	6,185
		<u>7,957</u>	<u>20,594</u>

		Nine months ended March 31,		Quarter ended March 31,	
		2019	2018	2019	2018
Note		(Rupees in '000')			
9. Sales - net					
Electricity		1,966,792	2,139,677	1,164,197	719,841
Steam		12,060	25,469	931	9,545
		1,978,853	2,165,146	1,165,129	729,386
Less: Sales tax		(1,013,168)	(246,583)	(934,621)	(77,904)
		965,685	1,918,563	230,508	651,482
Less: Electricity duty		(4,856)	(12,051)	(1,316)	(3,923)
		960,829	1,906,512	229,192	647,559
10. Cost of generation					
Cost of gas, oil and lubricants	10.1	866,971	1,675,531	209,984	582,341
Salaries, wages and benefits		35,674	56,295	9,648	18,235
Retirement benefits		1,020	1,483	284	490
Stores, spares and loose tools		24,847	48,400	6,276	19,411
Insurance		2,969	4,596	1,008	1,574
Repairs and maintenance		4,456	6,431	1,426	1,946
Depreciation		17,297	19,417	4,438	4,271
Other		10,167	12,271	2,674	4,076
		963,401	1,824,424	235,738	632,344
10.1 Cost of gas, oil and lubricants					
Gas		374,468	370,648	65,174	6,887
Oil and lubricants		492,503	1,304,883	144,810	575,454
		866,971	1,675,531	209,984	582,341
11. Provision for taxation					
Current					
For the period	11.1	874	-	113	-
For prior period		1,793	-	-	-
		2,667	-	113	-

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 except scrap sale and rental income which is subject to tax under normal tax regime.

12. 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,	
			2019	2018
			----- Rupees in '000' -----	
Sitara International (Private) Limited	Subsidiary Company by holding 99.99% shares (2017 : 99.99%)	Loan given Loan adjusted	11,000 83,224	62,460 5,000
Sitara Fabrics Limited	Associated company by virtue of common directorship	Sale of Electricity & Steam	97,748	123,514
Sitara Chemtek (Private) Limited	Associated company by virtue of common directorship	Sale of Electricity	2,982	282
Sitara Energy Limited Staff Provident Fund Trust	Other related party	Contribution for the period	1,545	2,159

13. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 26, 2019 by the Board of Directors of the Company.

14. GENERAL

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

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

14.3 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 MARCH 31, 2019

		(Un-audited) March 31, 2019	(Audited) June 30, 2018			(Un-audited) March 31, 2019	(Audited) June 30, 2018
Note Rupees in '000'			Note Rupees in '000'		
SHARE CAPITAL AND RESERVES				NON-CURRENT ASSETS			
Authorised capital				Property, plant and equipment	7	1,389,442	1,536,278
30,000,000 ordinary shares				Investment Property	8	26,924	29,107
of Rs. 10/- each		300,000	300,000	Long term deposits		511	511
						1,416,877	1,565,896
Issued, subscribed							
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		440,104	567,998				
		1,744,214	1,872,108				
Non-controlling interest		7	7				
		1,744,221	1,872,115				
NON-CURRENT LIABILITIES				CURRENT ASSETS			
Long term financing	4	82,799	-	Stores, spares and loose tools		277,721	280,259
Liabilities against assets				Stocks		404,368	443,116
subject to finance lease	5	-	-	Investment property		-	63,403
				Trade debts		919,234	755,558
				Loans and advances		201,188	226,249
CURRENT LIABILITIES				Deposits and prepayments		36,420	36,068
Trade and other payables		666,806	715,642	Other receivables		276,073	97,851
Unclaimed dividend		3,702	3,708	Tax refunds			
Interest / mark up payable		43,363	29,641	due from Government		181,707	157,076
Short term bank borrowings		1,151,601	1,058,327	Cash and bank balances	9	43,512	56,418
Current portion of						2,340,223	2,115,998
Long term financing	4	63,034	-				
Liabilities against assets							
subject to finance lease	5	700	2,461				
Provision for taxation - income tax		874	-				
		1,930,080	1,809,779				
CONTINGENCIES AND COMMITMENTS							
	6	-	-				
		3,757,100	3,681,894			3,757,100	3,681,894

The annexed notes 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
CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2019

		Nine month ended March 31,		Quarter ended March 31,	
		2019	2018	2019	2018
Note		Rupees in '000'			
Sales - net	10	960,829	1,906,512	229,192	647,559
Cost of generation	11	963,401	1,825,698	235,738	632,344
Gross profit / (loss)		(2,572)	80,814	(6,546)	15,215
Other income		46,434	7,810	27,232	1,792
		43,862	88,624	20,686	17,007
Operating expenses		60,358	93,257	18,792	34,550
Finance cost		108,731	93,944	41,566	31,199
		169,089	187,201	60,358	65,749
(Loss) for the period before taxation		(125,227)	(98,577)	(39,672)	(48,742)
Provision for taxation	12	2,667	-	113	-
(Loss) for the period		(127,894)	(98,577)	(39,785)	(48,742)
Attributable to:					
Shareholders of the Parent		(127,893)	(98,576)	(39,784)	(48,741)
Non-controlling interest		(1)	(1)	(1)	(1)
		(127,894)	(98,577)	(39,785)	(48,742)
(Loss) per share - Basic and diluted					
Attributable to shareholders of the Parent (Rupees)		(6.70)	(5.16)	(2.08)	(2.55)

The annexed notes form an integral part of this 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 NINE MONTHS ENDED MARCH 31, 2019

	Nine month ended March 31,		Quarter ended March 31,	
	2019	2018	2019	2018
	Rupees in '000'			
(Loss) for the period	(127,894)	(98,577)	(39,785)	(48,742)
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) for the period	(127,894)	(98,577)	(39,785)	(48,742)
Attributable to:				
Shareholders of the Parent	(127,893)	(98,576)	(39,784)	(48,742)
Non-controlling interest	(1)	(1)	(1)	-
	(127,894)	(98,577)	(39,785)	(48,742)

The annexed notes form an integral part of this 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 NINE MONTHS ENDED MARCH 31, 2019

	Nine month ended March 31,	
	2019	2018
	Rupees in '000'	
a) CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) for the period before taxation	(125,227)	(98,577)
Adjustments for :		
Depreciation of property, plant and equipment	22,595	25,576
Depreciation of investment property	2,183	2,426
Provision for staff retirement benefits	1,545	2,159
(Gain) on disposal of operating assets	(43,856)	(2,583)
Finance cost	108,731	93,943
Operating cash flows before working capital changes	(34,029)	22,944
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	2,538	(4,784)
Stocks	102,152	118,874
Trade debts	(163,676)	(156,904)
Loans and advances	96,059	(78,306)
Deposits and prepayments	(352)	(6,237)
Other receivables	(178,223)	(2,465)
Tax refunds due from Government	(23,455)	(65,654)
Increase in current liabilities		
Trade and other payables	(121,125)	217,865
Finance cost paid	(286,082)	22,389
Cash (used in) / generated from operating activities	(320,111)	45,333
Staff retirement benefits paid	(1,475)	(1,966)
Finance cost paid	(95,009)	(93,361)
Income tax paid	(1,747)	(2,325)
Net cash (used in) operating activities	(418,342)	(52,319)
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	(83,224)	(15,900)
Proceeds from disposal of :		
Operating assets	120,000	-
Non operating land	131,320	12,900
Net cash generated from (used in) from investing activities	168,096	(3,000)
c) CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of :		
Liabilities against assets subject to finance lease	(1,761)	(1,925)
Increase in Long term financing - net	145,833	-
Increase in short term bank borrowings - net	93,274	115,431
Dividend paid	(6)	(60)
Net cash generated from financing activities	237,340	113,446
Net (decrease) / increase in cash and cash equivalents (a+b+c)	(12,906)	58,127
Cash and cash equivalents at the beginning of the period	56,418	66,328
Cash and cash equivalents at the end of the period	43,512	124,455

The annexed notes form an integral part of this 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 NINE MONTHS ENDED MARCH 31, 2019

	Issued, subscribed and paid up capital	Capital reserve Share premium	Revenue reserve			Total	Non controlling interest
		General reserve	Unappropriated profit	Sub total			
	----- Rupees in '000' -----						
Balance as at July 01, 2017 - (Audited)	190,920	143,190	970,000	651,452	1,621,452	1,955,562	7
Total comprehensive income for the period							
(Loss) for the period	-	-	-	(98,577)	(98,577)	(98,577)	-
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	(98,577)	(98,577)	(98,577)	-
Balance as at March 31, 2018 - (Un-audited)	190,920	143,190	970,000	552,875	1,522,875	1,856,985	7
Total comprehensive income for the period							
profit for the period	-	-	-	15,123	15,123	15,123	-
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	15,123	15,123	15,123	-
Balance as at June 30, 2018 - (Audited)	190,920	143,190	970,000	567,998	1,537,998	1,872,108	7
Total comprehensive income for the period							
(Loss) for the period	-	-	-	(127,894)	(127,894)	(127,894)	-
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	(127,894)	(127,894)	(127,894)	-
Balance as at March 31, 2019 - (Un-audited)	190,920	143,190	970,000	440,104	1,410,104	1,744,214	7

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

3.1.3 These condensed interim financial statements are unaudited 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 March 31, 2019.

3.1.4 These condensed interim consolidated financial statements do not include all the information required for complete set of consolidated financial statements, and should be read in conjunction with the Group's published audited consolidated financial statements for the year ended June 30, 2018.

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, 2018 but are considered not to be relevant or have any significant effect on the Company's financial reporting, except as mentioned below:

IFRS 15 – Revenue from Contracts with Customers

IFRS 15 replaces the previous revenue standards: IAS 18 'Revenue', IAS 11 'Construction Contracts, and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition with a comprehensive framework based on core principle that an entity should recognise revenue representing the transfer of promised goods or services under separate performance obligations under the contract to customer at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

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

IFRS 9 – Financial Instruments

This standard replaces guidance in IAS 39 'Financial Instruments: Recognition and Measurement'. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.

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

3.2.2 Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

The other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 1, 2018 are considered not to be relevant for the Company's financial statements and hence have not been detailed here.

3.2.3 Standards, interpretations and amendments to published approved accounting standards that are not yet effective but relevant

The following is the new standard, amendment to existing approved accounting standards and new interpretations that will be effective for the periods beginning on or after July 1, 2019 that may have an impact on the financial statements of the Company.

IFRS 16 'Leases' - IFRS 16 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 management is in the process of assessing the impact of changes laid down by these standards on its financial statements.

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 this condensed interim consolidated financial information are the same as those applied in the preparation of the published audited consolidated financial statements for the year ended June 30, 2017.

3.5 Estimates, judgments and risk management policies

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

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

Significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on amounts recognized in this condensed interim consolidated financial information are the same as those disclosed in the published audited consolidated financial statements for the year ended June 30, 2017.

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, 2017.

4. Long term financing

		(Un-Audited) March 31, 2019	(Audited) June 30, 2018
Note		Rupees in '000'	
	Secured		
	From banking company		
	Under mark up arrangement		
	Demand finance I	4.1 45,833	-
	Demand finance II	4.2 100,000	-
	Less: Current portion		
	Installments due	4,167	-
	Payable within one year	58,867	-
		82,799	-

- 4.1** It is secured against registered token mortgage of Rs. 4.3 million, equitable mortgage charge on property owned by director of the Parent and first exclusive charge by way of equitable mortgage, 10% token registered mortgage against property owned by the Parent. It is further secured by personal guarantee of directors of the Parent. It is repayable in 12 equal quarterly installments commenced from December 31, 2018 and ending on September 30, 2021. It is subject to mark up at the rate of 3 months KIBOR plus 4.20% per annum. A rebate of 2.20% per annum would be allowed in case of repayment of first three installments within five days of due date.

Effective rate of mark up charged during the year is 14.75% per annum.

- 4.2** It is secured against joint pari passu charge over current assets of the Parent. It is further secured against first charge over fixed assets and by personal guarantee of chief executive of the Parent. It is repayable in 12 quarterly installments commencing from January 1, 2019 and ending on September 30, 2021. It is subject to mark up at the rate of 3 months KIBOR plus 2.00% per annum.

**5. Liabilities against assets
subject to finance lease**

	(Un-Audited) March 31, 2019	(Audited) June 30, 2018
Opening balance	-	5,055
Paid / adjusted during the year	(1,761)	(2,594)
	(1,761)	2,461
Less: Current portion	700	2,461
	-	-

		(Un-Audited) March 31, 2019	(Audited) June 30, 2018
Note		----- Rupees in '000' -----	
6. 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, 2018, except the following		
	Demand of late payment surcharge charged by SNGPL on non payment of gas Infrastructure development cess amounting Rs.37,344,862/- 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.	165,435	105,261
Commitments			
	Under letters of credit for stores and spares	-	8,255
	Under agreement for purchase of land	7,209	7,209
7. PROPERTY, PLANT AND EQUIPMENT			
	Operating assets	7.1	883,730
	Capital work in progress	-	141,607
	Non-operating land	505,712	488,346
		1,389,442	1,536,278

	(Un-Audited) March 31, 2019	(Audited) June 30, 2018
Note	----- Rupees in '000' -----	
7.1 Operating fixed assets		
Book value at beginning of period / year	906,325	943,710
Add: Additions during the period / year	141,607	24,626
Less: Disposals during the period / year	(141,607)	(26,017)
Depreciation charged during the period / year	(22,595)	(35,994)
	<u>883,730</u>	<u>906,325</u>
8. Investment property		
Cost	42,400	42,400
Accumulated depreciation	(15,476)	(13,293)
Net book value	<u>26,924</u>	<u>29,107</u>
8.1 Reconciliation of written down value for the period / year		
Book value at beginning of period / year	29,107	32,341
Depreciation charged during the period / year	(2,183)	(3,234)
	<u>26,924</u>	<u>29,107</u>
9. Cash and bank balances		
Cash in hand	39,610	49,098
Cash at banks		
In current accounts	3,902	7,320
	<u>43,512</u>	<u>56,418</u>

	Nine months ended March 31,		Quarter ended March 31,	
	2019	2018	2019	2018
Note	(Rupees in '000')			
10. Sales - net				
Electricity	1,966,792	2,139,677	1,164,197	719,842
Steam	12,060	25,469	931	9,545
	1,978,853	2,165,146	1,165,129	729,387
Less: Sales tax	(1,013,168)	(246,583)	(934,621)	(77,904)
	965,685	1,918,563	230,508	651,483
Less: Electricity duty	(4,856)	(12,051)	(1,316)	(3,924)
	960,829	1,906,512	229,192	647,559
11. Cost of generation and sales				
Cost of fuel, oil, gas and lubricants	866,971	1,675,531	209,984	582,341
Salaries, wages and benefits	35,674	57,569	9,648	18,235
Retirement benefits	1,020	1,483	284	490
Stores, spares and loose tools	24,847	48,400	6,276	19,411
Insurance	2,969	4,596	1,008	1,574
Repairs and maintenance	4,456	6,431	1,426	1,946
Depreciation	17,297	19,417	4,438	4,271
Other	10,167	12,271	2,674	4,076
	963,401	1,825,698	235,738	632,344
11.1 Cost of gas, oil and lubricants				
Gas	374,468	370,648	65,174	6,887
Oil and lubricants	492,503	1,304,883	144,810	575,454
	866,971	1,675,531	209,984	582,341
12. Provision for taxation				
Current				
For the year	12.1 874	-	113	-
For prior year's	1,793	-	-	-
	2,667	-	113	-

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 scrap sale and 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 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,	
			2019	2018
			----- Rupees in '000' -----	
Sitara International (Private) Limited	Subsidiary Company by holding 99.99% shares (2017 : 99.99%)	Loan given	11,000	62,460
		Loan adjusted	83,224	5,000
Sitara Fabrics Limited	Associated company by virtue of common directorship	Sale of Electricity & Steam	97,748	123,514
Sitara Chemtek (Private) Limited	Associated company by virtue of common directorship	Sale of Electricity	2,982	282
Sitara Energy Limited Staff Provident Fund Trust	Other related party	Contribution for the period	1,545	2,159

14. DATE OF AUTHORISATION FOR ISSUE

These condensed interim consolidated financial statements were authorised for issue on April 26, 2019 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 consolidated financial statements which is affecting equity, liabilities, assets, (loss), comprehensive (loss) or cash flows of the Group.

15.3 Prior period figures have been rearranged / regrouped for the purpose of better presentation. Significant rearrangements made is as follows;

Investment property of amounting Rs. 63.403 million has been reclassified to the stock in trade - Land.

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



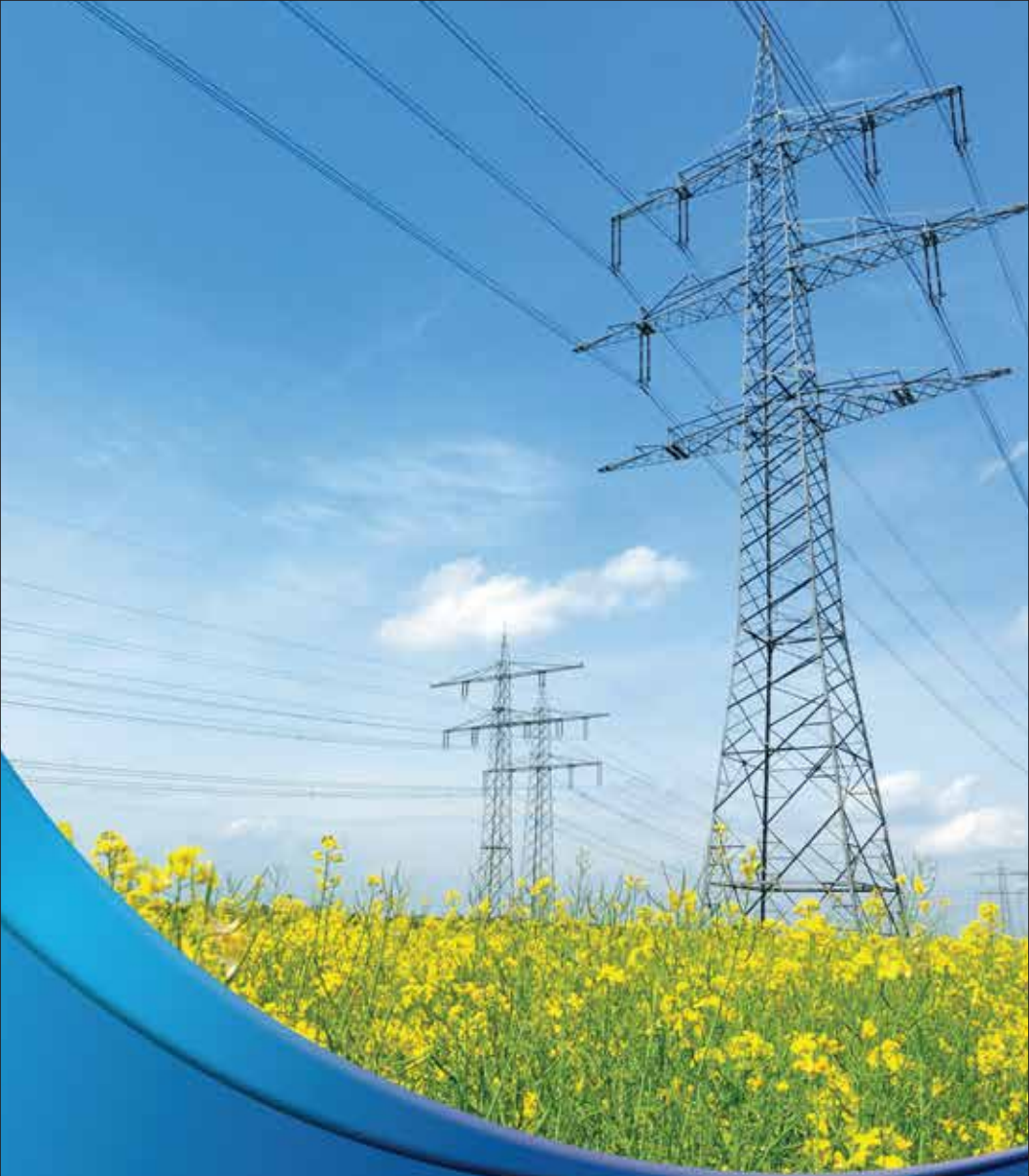
CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



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