



# **Corporate Briefing Session**

**For FY2024 and  
3M FY2025**

**Date: November 22, 2024**



**Sitara Chemical  
Industries Limited**

**EXCELLENCE, QUALITY, TRUST.**

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CHEMICAL INDUSTRIES LTD



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# **COMPANY PROFILE**



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- ❑ Sitara Chemical Industries Limited (SCIL) incorporated in **September 08, 1981** as public limited company under Companies Act 1913.
- ❑ Company got listing in Karachi Stock Exchange in **June 10, 1987** and has corporate symbol “SITC”
- ❑ Auditors of the company are **M/s. Yousuf Adil** (Chartered Accountants)
- ❑ Company is a Shariah Compliant Company certified by SECP since **March 14, 2019** under Shariah Governance Regulations 2023. The company's Shariah Advisor is M/s. Alhamd Shariah Advisory Services.
- ❑ Company is the largest Chlor-Alkali based chemical complex in Pakistan having Caustic soda manufacturing capacity of **630** MT per day.



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- ❑ Chemical division has also number of **specialty chemical** and Liquid CO2 etc.
  
- ❑ Chemical division has also a **European Technology based Soap Noodles** manufacturing plant having production capacity of **35,000 M. Ton** per year.
  
- ❑ Textile segment of the company has installed capacity of **28,512** number of spindles for producing quality yarn. Company has also marketed its own suiting brand “**Rajah’s**”
  
- ❑ Company also has two independent **power plants** to meet its energy requirements:
  - (1) Gas Fired Power Plant having rated capacity of **29 MW**.
  - (2) Coal Fired Power Plant having rated capacity of **38 MW**.



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## **Board of Directors**

**Chairman**

**Chief Executive Officer**

**Directors**

Mr. Ahmad Hassan	(Independent Director)
Mr. Muhammad Adrees	(Executive Director)
Mr. Haseeb Ahmad	(Executive Director)
Mr. Haroon Ahmad Zuberi	(Independent Director)
Mr. Ahmad Nawaz	(Non-executive Director)
Mr. Najmul Hoda Khan	(Non-executive Director)
Mrs. Shala Waheed Sher	(Non-executive Director)

## **Audit Committee**

**Chairman**

**Members**

Mr. Haroon Ahmad Zuberi
Mr. Najmul Hoda Khan
Mr. Ahmad Nawaz

## **Human Resource and Remuneration Committee**

**Chairman**

**Members**

Mr. Ahmad Hassan
Mr. Muhammad Adrees
Mrs. Shala Waheed Sher

## **Chief Financial Officer**

Mr. Zakir Hussain (FCA)

## **Company Secretary**

Mr. Mazhar Ali Khan

## **Head of Internal Audit**

Mr. Asghar Ali (ACMA)



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# OUR PRODUCTS

## Basic Chemicals

- Caustic Soda Liquid (32% - 50 %)
- Caustic Soda Flakes
- Sodium Hypochlorite
- Hydrochloric Acid
- Liquid Chlorine
- Bleaching Powder

## Oleo Chemicals

- Soap Noodles (80:20 & 90:10)
- Glycerin
- Stearic Acid

## Gases

- Liquid Carbon Dioxide (CO<sub>2</sub>)

## Major Specialty Chemicals

- Calcium Chloride (77% & 94%)
- Magnesium Sulphate
- Magnesium Chloride
- Ferric Chloride
- Fly-Ash Bricks and Tuff Tiles

## Textile Division

- Yarn
- Fabric (Rajah's)



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## ECONOMIC OVERVIEW





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### **Challenges in FY 2023-24:**

- The economy of Pakistan faced significant challenges, primarily driven by high interest rates and inflation.
- These factors dampened demand and led to a slowdown in large-scale manufacturing.

### **Industrial Sector Performance:**

- After a downturn in FY 2023, the industrial sector rebounded with a growth of 1.21% in FY 2024 (FY 2023: -3.74%).

### **Textile Sector Performance:**

- The textile sector contracted by 8.3% during July-March 2024, showing improvement compared to a contraction of -16.0% during the same period in the previous year.

### **Overall GDP Growth:**

- GDP growth was recorded at 2.38% during FY 2024, compared to 0.29% in FY 2023.

### **Monetary Policy:**

- The SBP continued monetary tightening, with the policy rate remaining at 22% for most of FY 2024.
- In June 2024, the policy rate was reduced to 20.5%



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# FINANCIAL HIGHLIGHTS



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## **Financial Performance (FY2024 Vs. FY2023)**

	<b>Growth FY2024 (% age)</b>	<b>Jun-2024 (Rs. in million)</b>	<b>Jun-2023 (Rs. in million)</b>
<b>Revenue from contracts with customers – net</b>	<b>13.16%</b>	<b>31,112</b>	27,493
<b>Gross profit</b>	<b>9.80%</b>	<b>4,919</b>	4,480
<b><i>Gross profit - %</i></b>		<b>15.81%</b>	<b>16.30%</b>
<b>Earning Before Financial Cost and Tax (EBIT)</b>	<b>13.05%</b>	<b>3,491</b>	3,088
<b><i>Earning Before Financial Cost and Tax (EBIT) - %</i></b>		<b>11.22%</b>	<b>11.23%</b>
<b>Profit before income tax and final tax</b>	<b>-22.63%</b>	<b>1,142</b>	1,476
<b><i>Profit before income tax and final tax -%</i></b>		<b>3.67%</b>	<b>5.37%</b>
<b>Profit after tax</b>		<b>586</b>	993
<b>Earnings per share (Rupees)</b>	<b>-41.06%</b>	<b>27.32</b>	46.35
<b>Cash dividend per share (Rupees)</b>	<b>00.0%</b>	<b>10.00</b>	10.00



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## Financial Position (FY2024 Vs. FY2023)

	Increase/ (Decrease)  (% age)	Jun-2024  (Rs. in million)	Jun-2023  (Rs. in million)
Property, plant and equipment	24.45 %	22,973	18,459
Other non-current assets	-20.45 %	3,805	4,783
Current assets	17.40 %	13,734	11,698
<b>Total Assets</b>	<b>15.94 %</b>	<b>40,511</b>	<b>34,940</b>
Equity including surplus on revaluation of PP&E	9.79 %	18,064	16,604
Non-current liabilities	17.90 %	6,870	5,827
Current liabilities	24.53 %	15,577	12,509
<b>Total Equity &amp; Liabilities</b>	<b>15.94 %</b>	<b>40,511</b>	<b>34,940</b>



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## **Financial Performance (1st Quarter 2024 Vs. 1st Quarter 2023)**

	<b>Growth 1st Quarter FY2025  (% age)</b>	<b>Sep-2024  (Rs. in million)</b>	<b>Sep-2023  (Rs. in million)</b>
<b>Revenue from contracts with customers – net</b>	<b>-0.08%</b>	<b>7,607</b>	<b>7,613</b>
<b>Gross profit</b>	<b>-1.10%</b>	<b>1,172</b>	<b>1,185</b>
<b><i>Gross profit - %</i></b>		<b><i>15.41%</i></b>	<b><i>15.57%</i></b>
<b>Earning Before Financial Cost and Tax (EBIT)</b>	<b>-0.97%</b>	<b>813</b>	<b>821</b>
<b><i>Earning Before Financial Cost and Tax (EBIT) - %</i></b>		<b><i>10.69%</i></b>	<b><i>10.78%</i></b>
<b>Profit before income tax and final tax</b>	<b>-32.34%</b>	<b>205</b>	<b>303</b>
<b>Profit after taxation</b>		<b>155</b>	<b>202</b>
<b>Earnings per share (Rupees)</b>	<b>-22.95%</b>	<b>7.25</b>	<b>9.41</b>



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## Financial Position (September 2024 Vs. June 2024)

	Increase/ (Decrease)  (% age)	Sep-2024  (Rs. in million)	Jun-2024  (Rs. in million)
Property, plant and equipment	3.38 %	23,749	22,973
Other non-current assets	-0.11 %	3,801	3,805
Current assets	1.59 %	13,952	13,734
<b>Total Assets</b>	<b>2.45 %</b>	<b>41,502</b>	<b>40,511</b>
Equity including surplus on revaluation of PP&E	0.79 %	18,207	18,064
Non-current liabilities	11.16 %	7,637	6,870
Current liabilities	0.51 %	15,657	15,577
<b>Total Equity &amp; Liabilities</b>	<b>2.45 %</b>	<b>41,502</b>	<b>40,511</b>



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# STRATEGIC / OPERATIONAL DEVELOPMENTS





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## 50 MW Coal-Fired Power Plant Expansion:

- **Erection activity** for the new plant is in full swing.
- **Civil work** of Main Power House and Cooling Towers will be completed by end of December 2024.
- **Boiler mechanical erection** work has been completed, and its hydro-test has also been completed successful. Refractory work is in progress.

## Shipments:

- Full shipments of **turbine and generator** have already arrived at the site and their installation work is in progress.
- All the LCs of **Balance of Plant (BoP) Equipment** have been opened. Most of the shipments have arrived at SCIL while some shipments shall arrive before end of February 2025.

## Project Timeline:

- The project is expected to be **completed by June 2025.**





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# **FUTURE OUTLOOK**



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## SBP Policy Rate Reduction:

- Expected further reduction in FY 2025
- **Benefit:** Relief in financial costs for the company and potential boost to industrial growth.

## Key Challenges:

- Recent announcement of **Winter Electricity Package (Bijli Sahulat Package)** as announced by Govt. of Pakistan may spur some industrial growth during Winter (December 2024 till February 2025).
- **Geo-political Risks:** Instability in the Middle East may disrupt supply chains and increase energy costs.
- **Currency Depreciation:** Possible decline of the PKR against the US Dollar could increase import costs.
- **Global Demand:** Low demand for chemicals and textile products due to global economic contraction.

# THANK YOU



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# **QUESTION AND ANSWER SESSION**