

Sitara Energy Limited

Corporate Briefing Session by CFO.

For the Year Ended
June 30, 2023

November 27, 2023

SITARA ENERGY LIMITED



ANNUAL
REPORT
2023

Presentation Outlines

- 1- Review of 2023
- 2- Operating Results/Highlights
- 3- Future Challenges/Problems
- 4- Future strategy
- 5- Question /Answer Session

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Review of 2023

- Average Furnace oil price remained high at Rs. 151,402 PMT (including GST) during the year 2023 in comparison with that of last year 2022 at Rs. 138,411 PMT (including GST).
- Average PLNG price also remained high at Rs. 3,609 MMBTU during the year 2023 in comparison with that of last year 2022 at Rs. 2,788 MMBTU.
- Non availability of system gas.

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Review of 2023

- Textile Sector was provided subsidized gas @ 9/MMBTU by the Government of Pakistan for their generation and industrial usages. Moreover, Textile Sector was also provided subsidized electricity tariff @ 9 cent/kWh.
- Accordingly, our Bulk Power Consumers either preferred their own power generation through subsidized gas or purchasing subsidize electricity from respective Disco.

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Review of 2023

- The country witnessed one of the worst Pak Rupees devaluation leading to increase in all imported stores, spare parts and lubricants.
- SBP Policy rate also increased from 15% to 22% during the year. However, two financing facilities have been rescheduling at cost of funds. The management is pursuing the other financial institutions for early rescheduling of credit facilities as per their respective cost of funds to further reduce losses and possible revival of the company.

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Operating Results/Highlights

Description		FY 2023	FY 2022	Variance	%
Sales revenue	Rs '000'	1,067,686	482,312	↓ 585,374	↓ 55
Cost of generation	Rs '000'	1,018,864	476,833	↑ 542,031	↑ 53
Gross profit	Rs '000'	48,822	5,479	↑ 43,343	↑ 89
Other income	Rs '000'	46,332	12,722	↑ 33,610	↑ 73
Operating expenses	Rs '000'	48,858	48,920	↓ 62	↓ -
Other operating expenses	Rs '000'	5,274	-	↑ 5,274	↑ 100
Finance cost	Rs '000'	141,873	122,810	↑ 19,063	↑ 13
(Loss) for the year before taxation	Rs '000'	(100,850)	(153,529)	↓ 52,679	↓ 52
Provision for taxation	Rs '000'	2,431	1,367	↑ 1,064	↑ 44
(Loss) for the year	Rs '000'	(103,282)	(154,896)	↓ 51,614	↓ 50
(Loss) per share	Rs	(5.41)	(8.11)		

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Operating Results/Highlights

Year	Generation (kWh)	Generation (MW)
2017-18	212,259,327	24.23
2018-19	69,720,738	7.96
2019-20	57,192,561	6.53
2020-21	30,916,658	3.53
2021-22	15,375,110	1.76
2022-23	33,104,400	3.78

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Future Challenges/Problems

- There is no chance of allocation of system gas in view of depleting natural gas resources. RFO and RLNG price are unpredictable in the foreseeable future.
- Whenever any opportunity of operation is available, the management does best for achieving better efficiency in fuels consumption to reduce operational losses.
- The management of the company is trying to find any opportunity of load demand at its best.

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Future strategy

- The management is negotiating with the lenders for restructuring/ rescheduling of credit facilities at cost of funds which will be helpful for reduction of finance cost and repayment of the credit facilities over the next few years. After complete rescheduling by the lender, the plan for revival of operation will be clear.
- The company is planning to add solar power plant in its generation facilities subject to requisite approvals by NEPRA and availability of concessionary funding.
- In addition, the management is taking the requisite measures for reduction of all sorts of in cost leading to minimization of losses.

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Question /Answer Session