



Corporate Briefing Session

For FY 2023-24 and 3M FY 2024-25

Date: November 21, 2024



**Sitara Chemical
Industries Limited**

EXCELLENCE, QUALITY, TRUST.

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SITARA
CHEMICAL INDUSTRIES LTD



SITARA
CHEMICAL INDUSTRIES LTD



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COMPANY PROFILE



SITARA
CHEMICAL INDUSTRIES LTD

- ❑ 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**.



SITARA
CHEMICAL INDUSTRIES LTD

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

Company Secretary

Head of Internal Audit

Mr. Zakir Hussain (FCA)
Mr. Mazhar Ali Khan
Mr. Asghar Ali (ACMA)



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OUR FEATURED 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 (CO₂)

Major Specialty Chemicals

- Calcium Chloride (77% & 94%)
- Magnesium Sulphate
- Magnesium Chloride
- Ferric Chloride

Building Materials

- 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%).

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%.
(Currently, SBP has further brought it down to **15%** during FY 2025 to date)



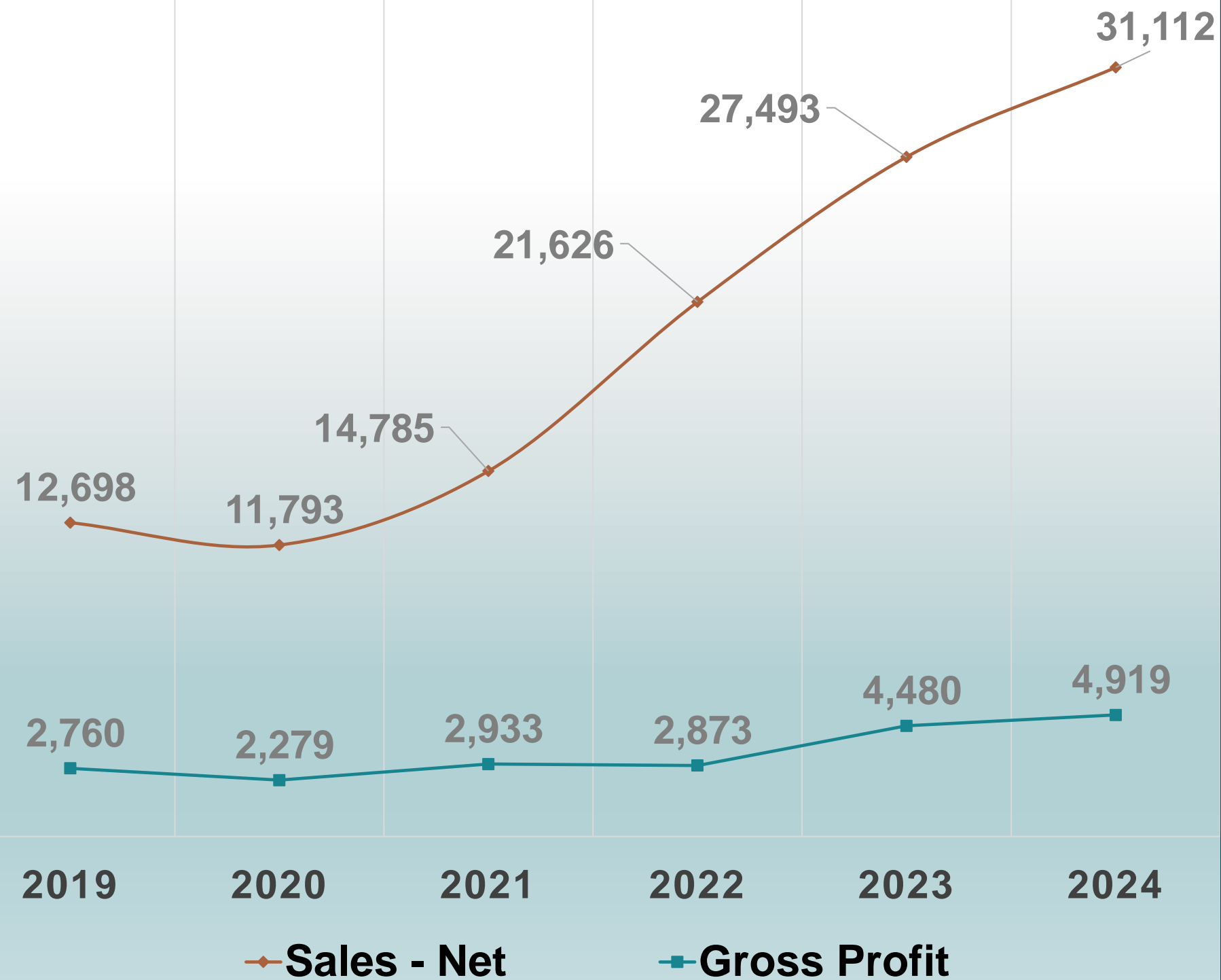
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FINANCIAL HIGHLIGHTS

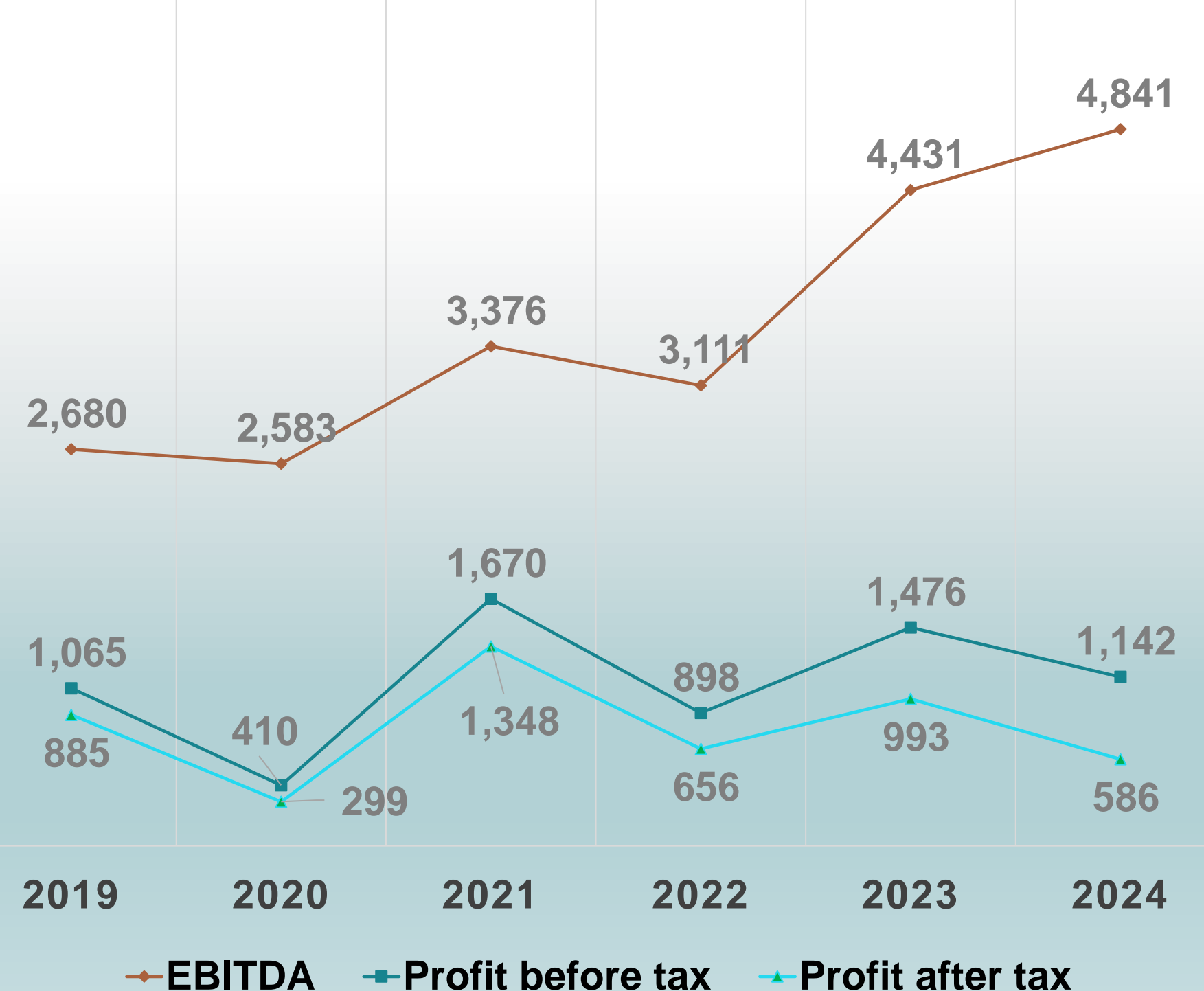


HISTORICAL FINANCIAL PERFORMANCE

Sales-net Vs. Gross Profit (Rs. In million)



EBITDA Vs. Profit before tax Vs. Profit after tax (Rs. In million)

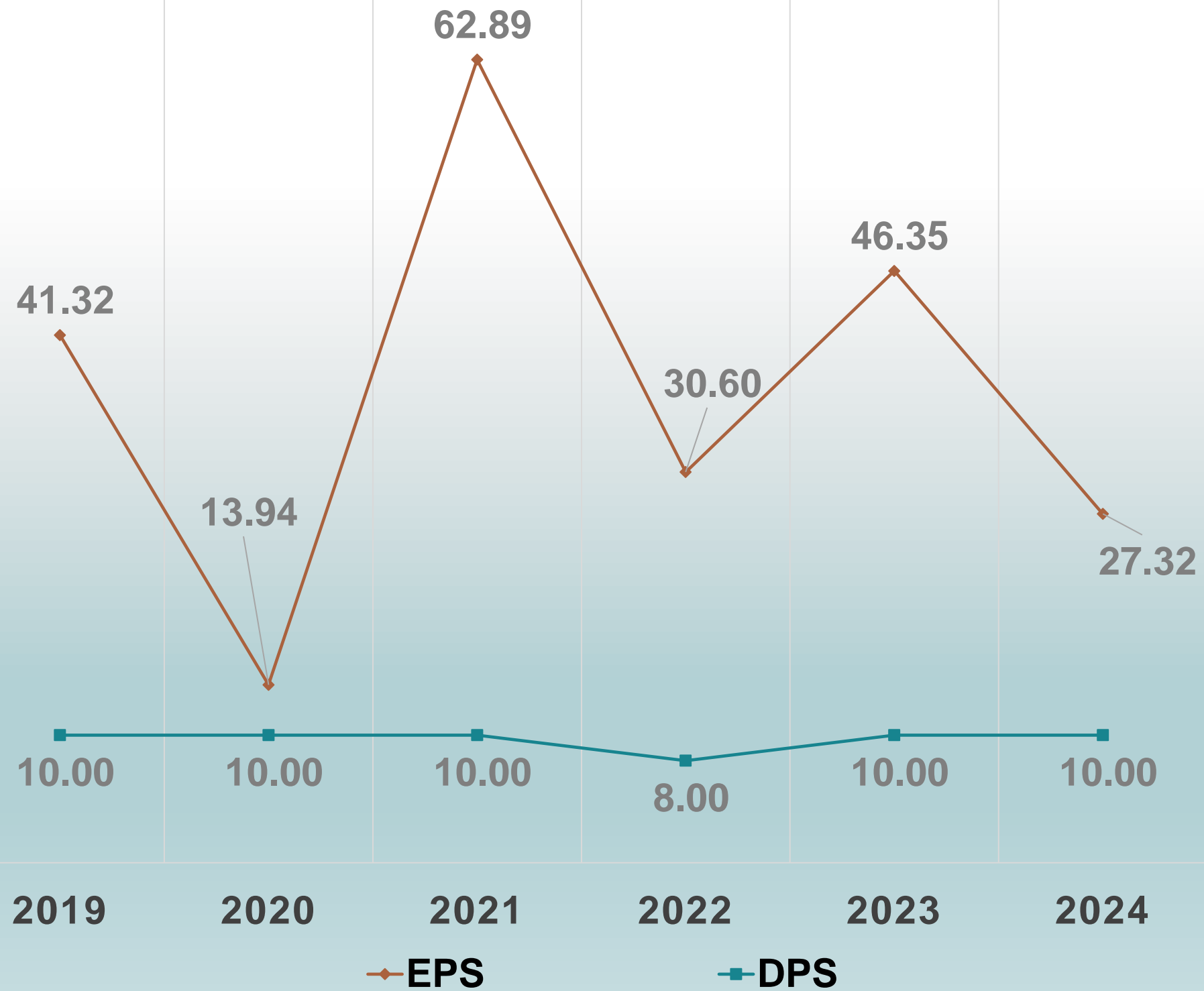




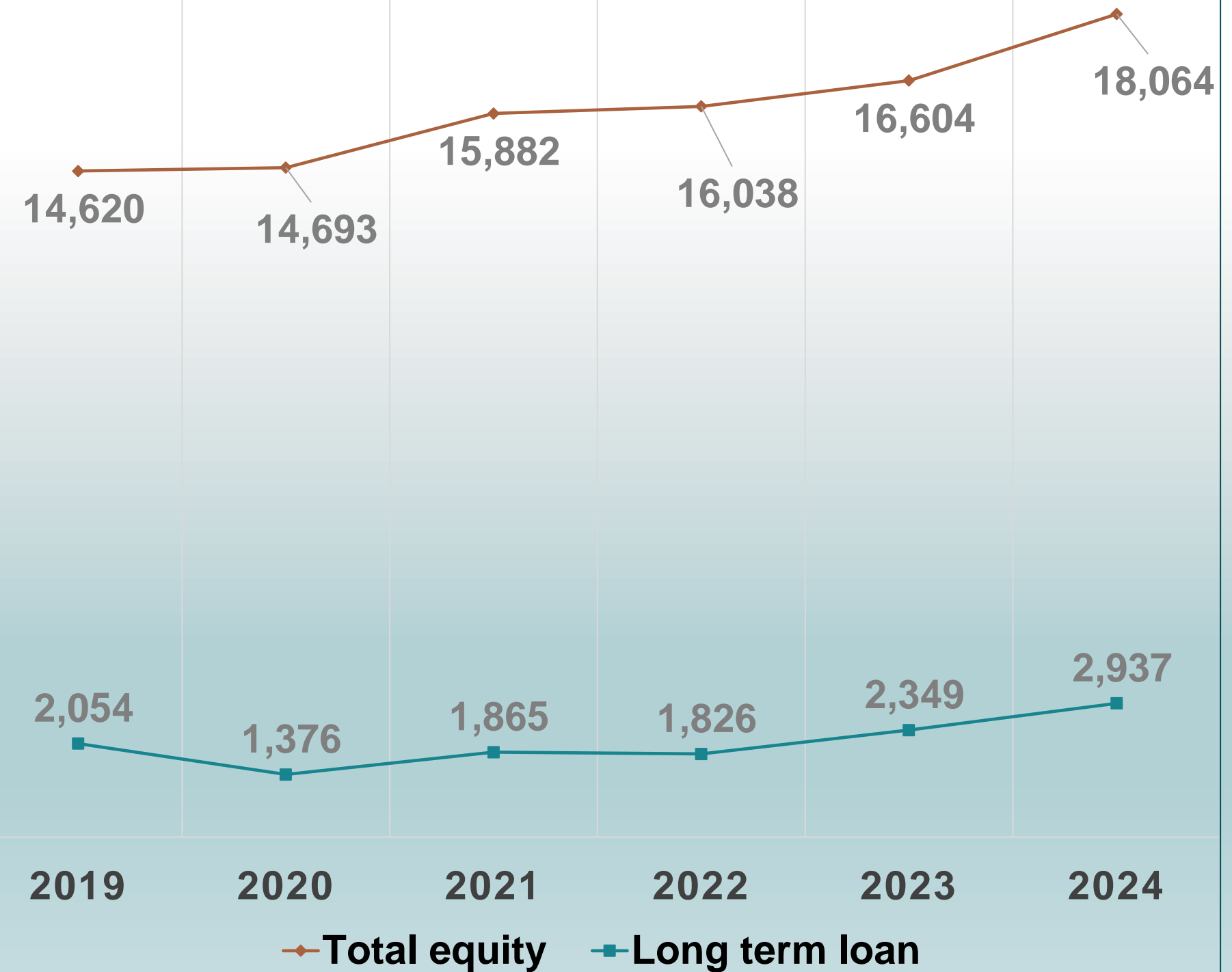
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HISTORICAL FINANCIAL PERFORMANCE

Earnings Per Share Vs. Dividend Per Share (Rupees)



Total Equity Vs. Long term loan (Rs. In million)





PLANT CAPACITY AND PRODUCTION

(FY 2023-24)

Chemical Division	Designed capacity		Actual production	
	2024	2023	2024	2023
	----- Tons -----			
Caustic soda	207,900	207,900	124,513	137,235
Sodium hypochlorite	66,000	66,000	46,960	49,229
Liquid chlorine	14,850	14,850	7,300	10,966
Bleaching powder	7,920	7,920	6,255	6,028
Hydrochloric acid	363,000	363,000	148,332	167,828
Calcium Chloride prills	13,200	13,200	6,322	9,544
Oleo Chemicals	34,000	34,000	8,788	6,479
 <i>Textile Division</i>				
Ring Spinning			<u>2024</u>	<u>2023</u>
Number of spindles installed			28,512	28,512
Number of spindles worked			28,512	28,512
Number of shifts per day			3	3
Installed capacity after conversion into 20/s count (Kgs)			11,063,814	11,063,814
Actual production of yarn after conversion into 20/s count (Kgs)			10,022,597	7,639,537



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STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2024

Financial Results (FY 2023-24)

	2024 Rupees	2023 Rupees
Revenue from contracts with customers - net	31,111,879,733	27,492,638,538
Cost of sales	(26,192,619,872)	(23,013,063,337)
Gross profit	4,919,259,861	4,479,575,201
Distribution cost	(573,592,640)	(646,383,513)
Administrative expenses	(1,131,694,578)	(980,607,083)
Impairment loss on financial assets	(10,114,622)	(964,718)
Other expenses	(68,572,999)	(94,572,380)
Finance cost	(2,348,697,881)	(1,611,679,465)
	(4,132,672,720)	(3,334,207,159)
Other income	786,587,141	1,145,368,042
Profit before income tax and final tax	355,293,508	330,554,524
Final tax	1,141,880,649	1,475,922,566
Profit before tax	(57,806,602)	(33,416,404)
Provision for taxation	1,084,074,047	1,442,506,162
Profit for the year	(498,566,401)	(449,154,711)
Earnings per share - basic and diluted	585,507,646	993,351,451
	27.32	46.35



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STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2024

ASSETS

Non-current assets

Property, plant and equipment

Intangible assets

Investment property

Long term investments

Long term loans, advances and receivables

Long term deposits

Current assets

Stores, spare parts and loose tools

Stock in trade

Trade debts

Loans, advances and receivables

Trade deposits, prepayments and other receivables

Prepaid levies

Advance income tax

Other financial assets

Cash and bank balances

Total assets

2024

Rupees

22,972,725,937

6,787,155

3,427,127,458

20,038,687

225,440,500

125,134,179

26,777,253,916

1,590,505,516

3,674,746,751

3,158,902,678

1,556,334,613

59,620,692

14,368,016

2,454,203,037

864,458,541

360,475,765

13,733,615,609

40,510,869,525

2023

Rupees

18,458,821,584

7,541,283

3,320,667,107

25,038,687

1,304,369,913

125,534,179

23,241,972,753

1,669,634,281

3,581,645,734

2,233,137,051

1,473,914,598

31,561,117

9,394,372

1,642,228,350

721,965,518

334,318,954

11,697,799,975

34,939,772,728

Financial

Results

(FY 2023-24)



SITARA
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STATEMENT OF FINANCIAL POSITION (Continued)

AS AT JUNE 30, 2024

EQUITY AND LIABILITIES

Share capital and reserves

Share capital

Reserves

Unappropriated profit

Surplus on revaluation of property,
plant and equipment

Total equity

2024
Rupees

2023
Rupees

214,294,070

1,491,865,246

12,464,377,427

3,893,550,016

18,064,086,759

214,294,070

1,347,569,311

11,927,300,495

3,115,074,247

16,604,238,123

LIABILITIES

Non-current liabilities

Long term financing

Deferred taxation

Deferred liabilities

2,937,311,929

3,692,635,660

240,145,871

6,870,093,460

2,348,978,512

3,087,151,951

262,220,610

5,698,351,073

Current liabilities

Trade and other payables

Profit / financial charges payable

Short term borrowings

Provision for taxation

Unclaimed dividend

Current portion of long term financing

3,210,244,848

966,092,698

9,980,651,390

614,033,982

28,135,772

777,530,616

15,576,689,306

40,510,869,525

3,921,071,029

464,660,305

7,035,129,376

390,591,277

26,390,514

799,341,031

12,637,183,532

34,939,772,728

Total equity and liabilities

Financial

Results

(FY 2023-24)



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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2024

Financial

Results

(FY 2023-24)

A. CASH FLOWS FROM OPERATING ACTIVITIES	Note	2024 Rupees	2023 Rupees
Profit before taxation		1,084,074,047	1,442,506,162
Adjustments for:			
Depreciation on property, plant and equipment		1,339,821,434	1,337,600,706
Depreciation on investment property		9,593,285	4,122,476
Amortization on intangible assets		754,128	837,920
Finance cost		2,348,697,881	1,611,679,465
Amortization of deferred grant		(75,086,332)	(68,762,371)
Remeasurement gain on short term investments measured at FVTPL		(10,402)	(1,108)
Gain on disposal of property, plant and equipment		(1,433,507)	(16,499,379)
Gain on disposal of investment property		(12,526,000)	-
Gain on sale of investments measured at FVTPL		(1,995,315)	(583,915)
Loss on disposal of long term investment measured at FVTPL		1,000,000	-
Exchange loss/(gain)		77,677	(4,886,453)
Provision for employee benefits		45,601,450	24,442,046
Impairment loss on financial assets		10,114,622	964,718
Unwinding of discount on deferred consideration		(47,207,878)	(72,843,812)
Markup on bank deposits		(47,955,085)	(23,769,232)
Dividend income		(98,438,249)	(74,919,035)
Final tax and minimum tax differential		57,806,602	33,416,404
Operating cash flows before changes in working capital		4,612,888,358	4,193,304,592
Working capital changes	44	(1,934,409,916)	(258,473,030)
Cash generated from operations		2,678,478,442	3,934,831,562
Finance cost paid		(1,772,179,156)	(1,319,690,923)
Employee benefits paid		(20,663,135)	(10,805,941)
Levies paid		(62,780,246)	(7,702,310)
Taxes paid		(494,989,264)	(363,096,378)
		(2,350,611,801)	(1,701,295,552)
Net cash generated from operating activities		327,866,641	2,233,536,010



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STATEMENT OF CASH FLOWS (Continued) FOR THE YEAR ENDED JUNE 30, 2024

B. CASH FLOWS FROM INVESTING ACTIVITIES

Additions to property, plant and equipment
including capital work in progress

Proceeds from disposal of property, plant and equipment

Purchase of investment property

Proceeds from disposal of investment property

Proceeds from disposal of long term investment

Purchase of other financial assets

Proceeds from disposal of other financial assets

Realization of long term loans and advances - net

Long term deposits received / (paid)

Dividend received

Profit received on bank deposits

Net cash used in investing activities

C. CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from long term financing

Repayment of long term financing

Proceeds from short term borrowings

Repayment of short term borrowings

Dividend paid

Net cash generated from financing activities

Net increase in cash and cash equivalents (A+B+C)

Cash and cash equivalents at beginning of the year

Cash and cash equivalents at end of the year

2024
Rupees

2023
Rupees

(4,214,882,362)	(2,313,759,772)
71,274,192	23,466,689
(3,840,000)	(65,597,560)
52,500,000	-
4,000,000	-
(1,716,978,345)	(1,132,713,976)
1,812,007,150	1,049,810,177
373,717,426	(537,947,014)
400,000	(1,157,850)
25,295,461	15,794,440
47,955,085	23,769,232
(3,548,551,393)	(2,938,335,634)
1,215,064,870	1,486,138,150
(701,196,518)	(794,826,830)
22,211,258,402	17,992,829,819
(19,265,736,389)	(17,797,523,760)
(212,548,802)	(170,189,110)
3,246,841,563	716,428,269
26,156,811	11,628,645
334,318,954	322,690,309
360,475,765	334,318,954

Financial

Results

(FY 2023-24)



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STATEMENT OF CASH FLOWS (Continued) FOR THE YEAR ENDED JUNE 30, 2024

	2024 Rupees	2023 Rupees
44. WORKING CAPITAL CHANGES		
<i>(Increase) / decrease in current assets</i>		
Stores, spare parts and loose tools	(7,417,659)	(686,431,856)
Stock in trade	(93,101,017)	742,870,324
Trade debts	(935,957,926)	(841,795,880)
Sales tax refundable	(294,309,088)	(1,527,080)
Loans and advances	103,545,731	348,152,205
Trade deposits and short-term prepayments	(28,059,575)	(2,938,421)
	<u>(1,255,299,534)</u>	<u>(441,670,708)</u>
<i>Increase in current liabilities</i>		
Trade and other payables	(679,110,382)	183,197,678
	<u>(1,934,409,916)</u>	<u>(258,473,030)</u>

Financial

Results

(FY 2023-24)



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CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

Financial Results (3 Months FY 2024-25)

	Three months period ended	
	September 30, 2024	September 30, 2023
	(Rupees in thousand)	
Revenue from contracts with customers - net	7,607,083	7,613,221
Cost of sales	(6,435,202)	(6,428,472)
Gross profit	1,171,881	1,184,749
Distribution cost	(128,207)	(135,512)
Administrative expenses	(289,622)	(262,597)
Other expenses	(15,189)	(22,502)
Finance cost	(607,785)	(518,080)
	(1,040,803)	(938,691)
Other income	131,078	246,058
	73,866	56,862
Profit before income tax and final tax	204,944	302,920
Final tax	(4,827)	(9,271)
Profit before tax	200,117	293,649
Provision for taxation	(44,792)	(91,927)
Profit for the period	155,325	201,722
Earnings per share - basic and diluted (Rupees)	7.25	9.41



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CHEMICAL INDUSTRIES LTD

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2024

Financial Results (3 Months FY 2024-25)

	Un-audited September 30, 2024	Audited June 30, 2024
	(Rupees in thousand)	
ASSETS		
<i>Non-current assets</i>		
Property, plant and equipment	23,748,810	22,972,726
Intangible assets	6,617	6,787
Investment property	3,424,866	3,427,127
Long term investments	20,039	20,039
Long term loans and advances	224,764	225,441
Long term deposits	125,134	125,134
	27,550,230	26,777,254
<i>Current assets</i>		
Stores, spare parts and loose tools	1,658,576	1,590,506
Stock in trade	3,871,953	3,674,747
Trade debts	3,234,027	3,158,903
Loans and advances	2,263,564	1,556,335
Trade deposits, prepayments and other receivables	81,501	59,621
Prepaid levis	14,368	14,368
Advance income tax	1,754,272	2,454,203
Other financial assets	788,005	864,458
Cash and bank balances	285,829	360,476
	13,952,095	13,733,617
Total assets	41,502,325	40,510,871



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CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (Continued)

AS AT SEPTEMBER 30, 2024

Financial Results (3 Months FY 2024-25)

	Un-audited September 30, 2024	Audited June 30, 2024
	(Rupees in thousand)	
EQUITY AND LIABILITIES		
<i>Share capital and reserves</i>		
Share capital	214,294	214,294
Reserves	1,479,971	1,491,865
Unappropriated profits	12,669,124	12,464,377
Surplus on revaluation of property, plant and equipment	3,844,128	3,893,550
<i>Total equity</i>	18,207,517	18,064,086
<i>Non-current liabilities</i>		
Long term financing	3,771,476	2,937,312
Deferred taxation	3,635,410	3,692,636
Deferred liabilities	230,579	240,146
	7,637,465	6,870,094
<i>Current liabilities</i>		
Trade and other payables	3,331,337	3,210,246
Profit / financial charges payable	1,108,308	966,093
Short term borrowings	10,307,316	9,980,651
Provision for taxation	104,715	614,034
Unclaimed dividend	28,136	28,136
Current portion of long term financing	777,531	777,531
	15,657,343	15,576,691
<i>Total equity and liabilities</i>	41,502,325	40,510,871



SITARA
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CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

Financial Results (3 Months FY 2024-25)

		Three months period ended	
		September 30, 2024	September 30, 2023
		(Rupees in thousand)	
A. CASH FLOWS FROM OPERATING ACTIVITIES	Note		
Operating cash flows before changes in working capital	18	1,135,801	1,113,385
WORKING CAPITAL CHANGES:			
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(68,071)	(47,198)
Stock-in-trade		(197,206)	(965,119)
Trade debts		(75,120)	(351,326)
Advance Sales Tax		83,362	14,948
Loans and advances		(782,906)	(160,480)
Trade deposits and short-term prepayments		(21,881)	(10,410)
(decrease) / increase in current liabilities			
Trade and other payables		84,437	407,995
		(977,385)	(1,111,590)
Cash used in operations		158,416	1,795
Finance cost paid		(446,531)	(325,513)
Employee benefits paid		(1,006)	(1,100)
Levies paid		(4,827)	(9,271)
Taxes refunded/(paid)		125,248	(262,702)
		(327,116)	(598,586)
Net cash used in operating activities		(168,700)	(596,791)



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CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)(Continued) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

Financial Results (3 Months FY 2024-25)

	Three months period ended	
	September 30, 2024	September 30, 2023
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment including capital work in progress	(1,171,840)	(1,250,449)
Proceeds from disposal of property, plant and equipment	26,599	13,150
Proceeds from other financial assets	551,250	242,005
Purchase of other financial assets	(463,256)	(77,396)
Long term deposits - net	-	400
Realization of Long term loans and advances - net	(685)	290,476
Dividend received	338	308
Profit received on bank deposits	9,856	7,170
Net cash used in investing activities	(1,047,738)	(774,336)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term financing	1,000,306	496,340
Repayment of long term financing	(185,180)	(182,775)
Short term borrowings - net	326,665	1,100,497
Net cash generated from financing activities	1,141,791	1,414,062
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(74,647)	42,935
Cash and cash equivalents at beginning of the period	360,476	334,319
Cash and cash equivalents at end of the period	285,829	377,254



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CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)(Continued) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

Financial Results (3 Months FY 2024-25)

	Un-audited	
	Three months period ended	
	September 30, 2024	September 30, 2023
	(Rupees in thousand)	
18 OPERATING CASH FLOWS BEFORE CHANGES IN WORKING CAPITAL		
Profit before taxation	200,117	293,649
<i>Adjustments for:</i>		
Depreciation on property, plant and equipment	373,936	327,547
Depreciation on investment property	2,262	2,656
Amortization on intangible assets	170	189
Finance cost	607,785	518,080
Exchange (gain) / loss	(4)	101
Gain on disposal of property, plant and equipment	(4,778)	(3,470)
Gain on sale of investments measured at FVTPL	(381)	(254)
Amortization of deferred grant	(19,038)	-
Provision for employee benefits	10,477	5,295
Unwinding of discount on deferred consideration	(6,324)	(11,802)
Dividend income	(23,392)	(20,707)
Markup on bank deposits	(9,856)	(7,170)
Final tax	4,827	9,271
	935,684	819,736
	1,135,801	1,113,385



SITARA
CHEMICAL INDUSTRIES LTD

4

STRATEGIC / OPERATIONAL DEVELOPMENTS





SITARA
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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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5

FUTURE OUTLOOK



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CHEMICAL INDUSTRIES LTD

SBP Policy Rate Reduction:

- Expected further reduction in FY 2025 will bring savings in financial cost for the company and boost in industrial activity in the country.

Winter Electricity Package:

- Recent announcement of Winter Electricity Package (Bijli Sahulat Package) as announced by Govt. of Pakistan may spur some industrial growth in the country during Winter (December 2024 till February 2025).

Key Challenges:

- **Geo-political Risks:** Instability in the Middle East may disrupt supply chains and increase **energy costs**.
- **Currency Depreciation:** Any devaluation 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