

Sitara Energy Limited

Corporate Briefing Session by CFO.

For the Year Ended
June 30, 2024

November 26, 2024



Presentation Outlines

- 1- Review of 2024
- 2- Operating Results/Highlights
- 3- Future Challenges/Problems
- 4- Future strategy
- 5- Question /Answer Session

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Review of 2024

- Average Furnace oil price remained high at Rs. 191,179 PMT (including GST) during the year 2023 in comparison with that of last year 2023 at Rs. 151,402 PMT (including GST).
- Average PLNG price also remained high at Rs. 3,773 MMBTU during the year 2023 in comparison with that of last year 2023 at Rs. 3,609 MMBTU.
- Non availability of system gas.

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Review of 2024

- SEL higher electricity rate comparatively elevated prices of RFO during current financial year leading to higher electricity tariff which was not acceptable by our BPCs which resulting into fall in demand by our Bulk Power Consumers (BPCs).
- 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 2024

- The Company disposed of certain investment properties for the purpose repayment of rescheduled/restructured credit facilities and earned capital gain of Rs 180.700 million.
- The rescheduling/restructuring of credit facilities has been done at cost of fund along with waiver of Rs 105.496 million from respective financial institutions.
- SBP policy rate remained at 22% from July 2023 to 9th June 2024 and thereafter reduced to 20.50% on 10th June 2024 in comparison with gradual increase in SBP policy rate from 15% in July 2022 to 22% in June 2023 during the last financial year.

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Operating Results/Highlights

Description	Rs in	FY 2024	FY 2023	Variance	%
Sales revenue	Rs '000'	916,056	1,067,686	↓ 151,630	↓ 17
Cost of generation	Rs '000'	908,785	1,018,864	↓ 110,079	↓ 12
Gross profit	Rs '000'	7,270	48,822	↓ 41,552	↓ 5.72
Other income	Rs '000'	302,696	46,332	↑ 256,364	↑ 85
Operating expenses	Rs '000'	73,815	48,858	↑ 24,957	↑ 34
Other operating expenses	Rs '000'	3,942	5,274	↓ 1,332	↓ 34
Finance cost	Rs '000'	163,235	141,873	↑ 21,362	↑ 13
Profit/(Loss) for the year before income tax	Rs '000'	68,963	(100,850)	↑ 169,813	↑ 2.46
Provision for taxation	Rs '000'	26,972	2,431	↑ 24,541	↑ 91
Profit/(Loss) for the year	Rs '000'	41,991	(103,282)	↑ 145,273	↑ 3.46
Profit/(Loss) per share	Rs	2.20	(5.41)		

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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
2023-24	23,314,870	2.66

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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 profitability of the company during financial year 2024-25 will depend upon viable prices of fuels (RFO & RLNG) and offering of competitive tariff to our BPCs.
- The management is negotiating with the lender for restructuring/rescheduling of credit facility with Standard Chartered Bank at cost of funds which will be helpful for reduction of finance cost and repayment of the credit facilities over the next few years.
- The Company is adding solar power plant in its generation facilities and will continue its addition during succeeding years subject to conducive regulatory framework. Addition of solar power plant will help in the reduction of cost of generation and viable tariff for BPCs in the long run.
- In addition, the management is taking the requisite measures for reduction of all sorts of cost leading to minimization of losses.

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Question /Answer Session