

Sitara Energy Limited

Corporate Briefing Session

For The Year Ended
June 30, 2022

November 25, 2022



Presentation Outlines

- 1- Review of 2022
- 2- Operating Results/Highlights
- 3- Future Challenges/Problems
- 4- Future strategy
- 5- Question /Answer Session



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Review of 2022

- Average RFO price remained too high at Rs. 138,411 PMT (including GST) during the year 2022 in comparison with that of last year 2021 at Rs. 77,736 PMT (including GST), that is, 78% increase.
- Average RLNG Price also remained too high at Rs 2,788 MMBTU during the year 2022 in comparison with that of last year 2021 at Rs. 1,324 MMBTU, that is, 110% increase.

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Review of 2022

- Textile Sector was provided subsidized gas @ 6.5/MMBTU by the government for their captive generation and industrial usage.
- Moreover, Textile Sector was also provided subsidized electricity tariff @ 7.5 cent/kwh.
- Accordingly, our Bulk Power Consumers either preferred their own power generation through subsidized gas or bought subsidized electricity from respective Disco.

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Review of 2022

- 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 7% to 13.75% during the year which increased our finance cost in spite of partial repayment of a loan facility.
- Most of our BPCs are either producing their own power due to availability of gas at subsidized tariff for export oriented sectors (6.5 USD per MMBTU) or purchasing cheaper electricity from DISCO (7.5 cents/kwh)

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Operating Results/Highlights

		2022	2021	Variance	%
Generation	Kwh	15,375,110	30,916,658	↓ 15,541,548	↓ 50
Sales revenue	Rs	482,311,847	512,634,512	↓ 30,322,665	↓ 6
Cost of generation	Rs	476,833,064	489,481,792	↓ 12,648,728	↓ 3
Gross profit	Rs	5,478,783	23,152,720	↓ 17,673,937	↓ 76
Other income	Rs	12,722,011	6,090,558	↑ 6,631,453	↑ 109
Operating expenses	Rs	48,919,684	58,312,506	↓ 9,392,822	↓ 16
Other operating expenses	Rs	-	11,921,121	↓ 11,921,121	↓ 100
Finance cost	Rs	122,810,092	106,504,962	↑ 16,305,130	↑ 15
(Loss) for the year before taxation	Rs	(153,528,982)	(147,495,311)	↑ 6,033,671	↑ 4
Provision for taxation	Rs	1,367,161	1,988,386	↓ 621,225	↓ 31
(Loss) for the year	Rs	(154,896,143)	(149,483,697)	↑ 5,412,446	↑ 4
(Loss) per share	Rs	(8.11)	(7.83)		

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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

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Future Challenges/Problems

- The Company is doing its level best for achieving better efficiency in fuels consumption, whenever in operation, and continuously reviewing and minimizing it's all sort of expenses.
- 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.
- The company will try to find any opportunity of load demand at its best.

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Future strategy

- Addition of Solar Power Plant will be viable option in the coming years, subject to requisite approvals by NEPRA etc.
- The management is in negotiation with all the lenders for restructuring/rescheduling of credit facilities at concessional markup which will be helpful for reduction of finance cost and repayment of the credit facilities over the next few years if our requests are reasonably accepted by the lenders.
- The management is taking all measures for viable operation and reduction in expenses for sustainable level.

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Question /Answer Session