

4 Chemical, Chemical Products & Pharmaceuticals

Performance at Glance

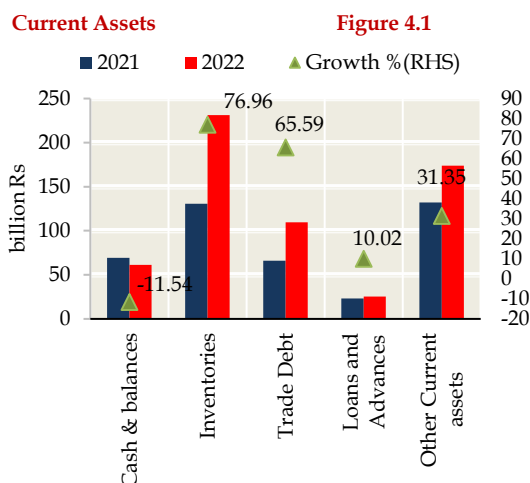
The balance sheet size of the Chemical, Chemical Products & Pharma sector increased by Rs 262.87 billion, reaching Rs 1,503.38 billion during 2022. The shareholders' equity improved by 11.47 percent during current year, reaching Rs 584.47 billion. Sales of the sector increased YoY by 29.22 percent during 2022, reaching Rs 1,308.30 billion. While the profit before taxation increased YoY by Rs 1.99 billion (0.99 percent), the profit after taxation declined YoY by Rs 23.69 billion (16.40 percent) during 2022.

Sector's Summary (billion Rs) Table 4.1

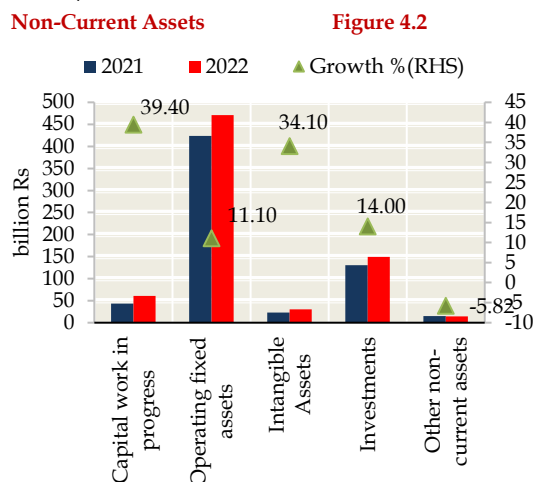
Items	2022	2021	Growth (%)
Assets	1,503.38	1,240.51	21.19
Non-Current	725.01	635.67	14.06
Current	778.37	604.84	28.69
Liabilities	918.90	716.19	28.30
Non-Current	203.23	214.49	(5.25)
Current	715.68	501.70	42.65
Shareholders' Equity	584.47	524.32	11.47
<i>of which</i>			
Paid-up Capital	119.28	113.37	5.21
Reserves	410.12	370.13	10.80
Sales	1,308.30	1,012.45	29.22
Gross Profit	338.45	296.90	13.99
Profit after tax	120.76	144.46	(16.40)
ROA (%)	8.80	12.60	-
ROE (%)	21.78	29.86	-

Assets

The breakup of assets shows that the current assets (having 51.77 percent share in total assets) increased by Rs 173.52 billion (28.69 percent) during 2022, reaching Rs 778.37 billion. The details of current assets show that the largest accumulation came in inventories, registering an increase of Rs 100.58 billion (76.96 percent) during 2022, followed by trade debt/accounts receivables, posting an increase of Rs 43.42 billion (65.59 percent). Other notable changes were fall in short-term investments (Rs 6.24 billion - 3.40 percent) and cash & bank balance (Rs 8.01 billion - 11.54 percent).



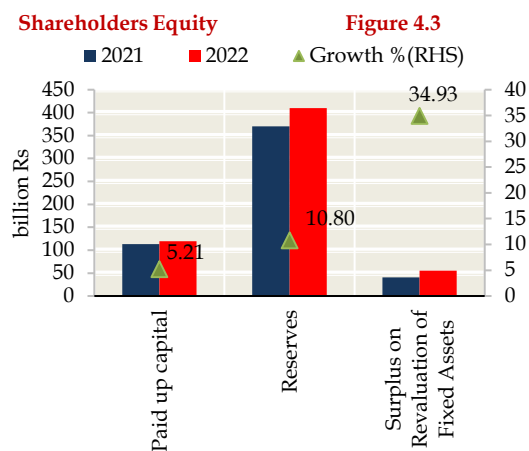
The non-current assets stood at Rs 725.01 billion in 2022 as compared to Rs 635.67 billion in 2021, reflecting a growth of 14.06 percent. A further analysis of non-current assets reveals that the largest increase was observed in operating fixed assets (after deducting accumulated depreciation) during 2022 by Rs 47.02 billion, followed by capital work in progress (Rs 60.75 billion) and long-term investments (Rs 18.30 billion).



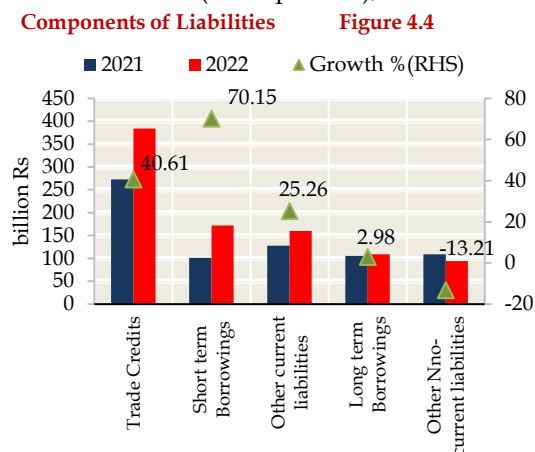
Shareholders' Equity & Liabilities

Shareholders' equity increased to Rs 584.47 billion during the current year from Rs 524.32 billion in the previous year, showing a growth of 11.47 percent. On the back of accumulation of un-appropriated profit/retained earnings, the reserves enhanced to Rs 410.12 billion in 2022

from Rs 370.13 billion during 2021, recording a growth of 10.80 percent. Issued, subscribed & paid up capital witnessed an increase of Rs 5.91 billion (5.21 percent) during 2022.



The increase of Rs 202.71 billion in the liabilities of the sector was owing to an increase of Rs 213.97 billion in current liabilities whereas the non-current liabilities decreased during 2022. A further analysis of current liabilities reveals that major increase was observed in trade credits & other accounts payables, which was increase by Rs 110.88 billion (40.61 percent),



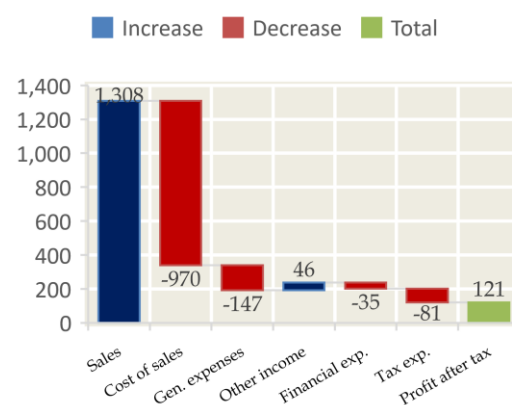
followed by short-term borrowings, which recorded an increase of Rs 70.83 billion (70.15 percent) during 2022.

The decline in non-current liabilities was owing to a decrease in other non-current liabilities by Rs 11.26 billion. The long-term borrowings however increased during 2022, recording an increase of Rs 3.14 billion.

Operating Efficiency & Ratio analysis

The gross sales of the sector under review increased to Rs 1,308.30 billion during 2022 from Rs 1,012.45 billion in 2021, recording a YoY growth of 29.22 percent. While the profit before taxation registered a marginal YoY increase of 0.99 percent (Rs 1.99 billion) during 2022, the profit after taxation witnessed a decline of 16.40 percent (Rs 23.69 billion).

Operating Efficiency 2022 **Figure 4.5**



While the Return on assets (ROA) dropped to 8.67 percent in 2022 from 12.50 percent in 2021, the return on equity (ROE) fell to 22.02 percent during 2022 from 30.42 percent during 2021.