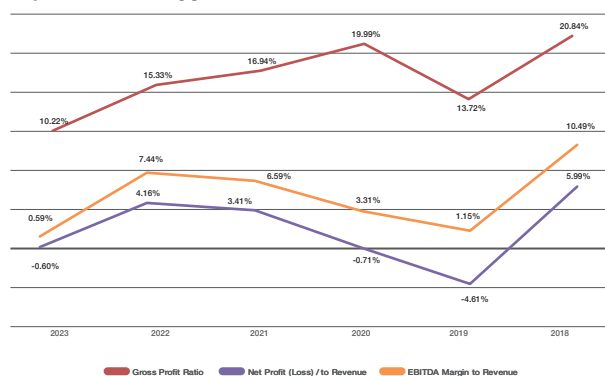


# ANALYSIS OF FINANCIAL STATEMENTS

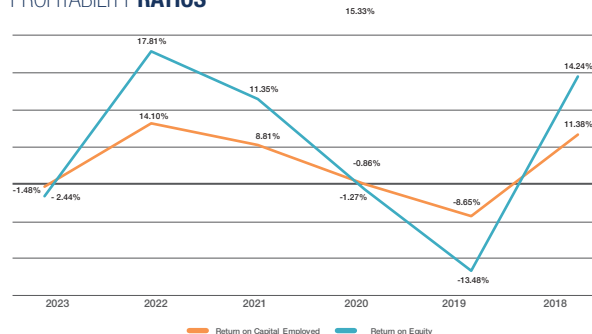
## FOR THE CURRENT AND LAST FIVE YEARS

Key Performance Indicators	UOM	Jun-23	Jun-22	Jun-21	Jun-20	Jun-19	Jun-18
<b>PROFITABILITY RATIOS</b>							
Gross Profit Ratio	%	10.22%	15.33%	16.94%	19.99%	13.72%	20.84%
Net Profit / (Loss) to Revenue	%	-0.60%	4.16%	3.41%	-0.71%	-4.61%	5.99%
EBITDA Margin to Revenue	%	0.59%	7.44%	6.59%	3.31%	1.15%	10.49%
Operating Leverage Ratio	Times	6.09	1.59	3.77	-6.41	-50.06	-0.43
Return on Equity	%	-2.44%	17.81%	11.35%	-1.27%	-13.48%	14.24%
Return on Capital Employed	%	-1.48%	14.10%	8.81%	-0.86%	-8.65%	11.38%
Shareholders' funds	%	51.70%	45.34%	56.65%	63.24%	52.76%	70.49%
Return on shareholders' funds	%	-2.44%	17.81%	11.35%	-1.27%	-13.48%	14.24%
<b>LIQUIDITY RATIOS</b>							
Current Ratio	Times	0.86	1.02	0.95	1.01	1.10	1.84
Quick Ratio / Acid Test Ratio	Times	0.50	0.37	0.52	0.73	0.82	1.20
Cash to Current Liabilities	Times	0.08	0.15	0.13	0.08	0.06	0.31
Cash Flow from Operations to Revenue	Times	-0.01	-0.02	0.07	0.22	-0.13	0.13
Cash flow to capital expenditures	Times	-0.95	-1.41	2.63	4.23	-4.18	2.65
Cash flow coverage ratio	Times	-0.05	-0.13	0.72	1.10	-0.57	1.35

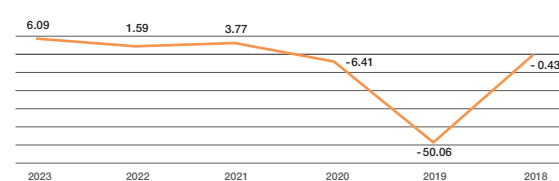
### PROFITABILITY RATIOS



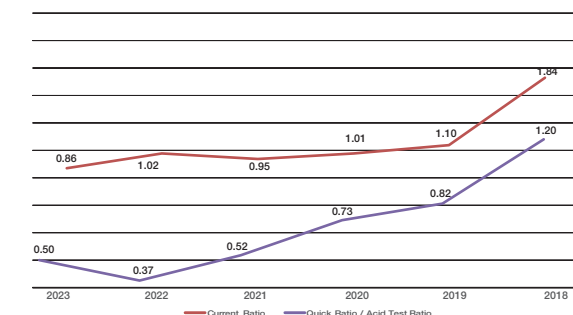
### PROFITABILITY RATIOS



### Operating Leverage RATIOS



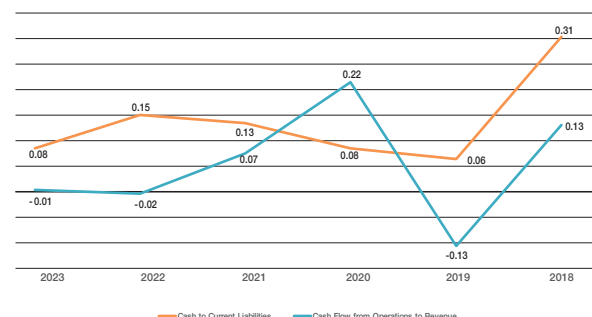
### LIQUIDITY RATIOS



## PROFITABILITY RATIOS

- In FY 2023, the Company's financial performance declined compared to FY 2022. The Gross Profit Ratio decreased from 15.33% to 10.22%, indicating a lower gross profit margin, likely due to increased costs.
- The Company reported a negative Net Profit to Revenue ratio of -0.60% in FY 2023, compared to a positive 4.16% in FY 2022, indicating a loss instead of a profit.
- The EBITDA Margin to Revenue ratio fell from 7.44% in FY 2022 to 0.59% in FY 2023, showing reduced operating profitability.
- The Operating Leverage Ratio increased from 1.59 times to 6.09 times, suggesting that a small change in sales can now have a larger impact on profits due to a more fixed cost structure.
- ROE dropped from 17.81% to -2.44%, indicating ineffective use of shareholder equity to generate profits.
- ROCE declined from 14.10% to -1.48%, signaling that capital investments were not generating positive returns.
- Shareholders' funds increased from 45.34% to 51.70% of total assets mainly due to significant decrease in trade and other payables, but Return on Shareholders' Funds dropped significantly due to the net loss in FY 2023.
- In summary, FY 2023 saw a decline in profitability, increased operating leverage, and negative returns on equity and capital employed compared to FY 2022, with shareholders' funds increasing, but returns affected by the net loss.

### LIQUIDITY RATIOS



## LIQUIDITY RATIOS

- In FY 2023, the company's liquidity position exhibited a mixed performance when compared to FY 2022:
- The current ratio decreased from 1.02 in FY 2022 to 0.86 in FY 2023, indicating a reduction in the company's ability to cover short-term liabilities with current assets.
- The quick ratio improved from 0.37 in FY 2022 to 0.50 in FY 2023, signaling an enhanced capacity to meet immediate obligations without relying on inventory.
- The cash to current liabilities ratio decreased significantly from 0.15 in FY 2022 to 0.08 in FY 2023, suggesting a reduced cash position relative to short-term obligations.
- The cash flow from operations to revenue ratio slightly improved, moving from -0.02 in FY 2022 to -0.01 in FY 2023. The ongoing negative value indicates that the company's core operations still struggle to generate sufficient cash to cover expenses.
- The cash flow to capital expenditures ratio improved from -1.41 in FY 2022 to -0.95 in FY 2023, suggesting potential reductions in capital spending relative to cash flow from operations. However, the negative value implies inadequate cash to adequately fund capital investments.
- The cash flow coverage ratio improved from -0.13 in FY 2022 to -0.05 in FY 2023. While this indicates a positive change, the negative value still signifies that the company's cash flow remains insufficient to comfortably cover its debt obligations.

In summary, the company's liquidity position in FY 2023 showed a mix of improvements and challenges compared to FY 2022, with positive signs like an improved quick ratio and reduced ratios related to capital expenditures and cash flow coverage.

Key Performance Indicators	UOM	Jun-23	Jun-22	Jun-21	Jun-20	Jun-19	Jun-18
<b>INVESTMENT/MARKET RATIOS</b>							
Earnings / (Loss) per share	Rs.	(0.67)	5.3	2.6	-0.35	-3.75	4.78
Price Earnings Ratio	Times	-31.64	7.48	27.27	-86.51	-7.38	21.20
Price to Book Ratio	Times	0.73	1.24	1.10	0.61	0.79	1.88
Dividend Yield Ratio	Times	0.09	0.10	0.04	0.01	0.06	0.03
Dividend Payout Ratio	Times	-2.98	0.72	1.12	(0.71)	(0.47)	0.73
Cash Dividend per share	Rs.	2	3.8	2.9	0.25	1.75	3.50
Market Value per share (year end)	Rs.	21.23	39.65	70.91	30.28	27.66	101.32
Market Value per share (highest)	Rs.	44.86	84	99.15	39.34	102	115.56
Market Value per share (lowest)	Rs.	20.05	37	30.1	16.7	22.11	63.05
Breakup Value / Book Value per share	Rs.	27.46	29.76	27.44	27.22	27.82	33.56
Breakup value per share including investment in related party	Rs.	27.46	29.76	27.44	27.22	27.82	33.56
Break up value per share without surplus on revaluation of freehold land	Rs.	22.03	24.70	27.44	27.22	27.82	33.56
Break up value per share with surplus on revaluation of freehold land including investment of all effects	Rs.	27.46	29.76	27.44	27.22	27.82	33.56
No. of Shares based on par value of Rs.10	No.(,000)	139,205	139,205	116,004	116,004	116,004	116,004
Total Dividend Paid	Rs.(,000)	278,410	482,576	336,412	29,001	203,007	406,014

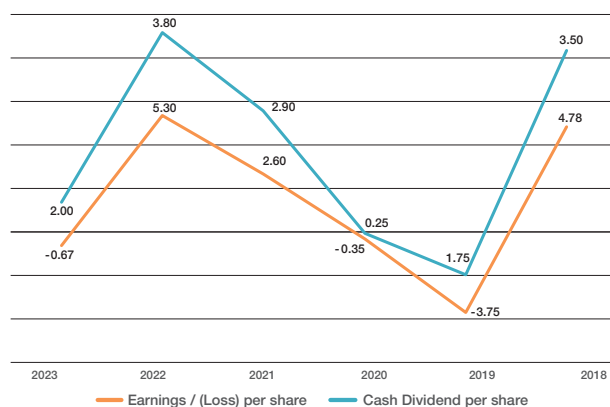
## INVESTMENT / MARKET SHARE RATIOS

In FY 2023, the company reported a loss per share of Rupees 0.67, marking a significant decline from the positive earnings of Rupees 5.3 per share in FY 2022, which underscores a notable deterioration in profitability. The Price Earnings Ratio (P/E) also exhibited a marked decline, transitioning from a positive 7.48 times in FY 2022 to a negative -31.64 times in FY 2023, signifying negative earnings and raising potential investor apprehensions.

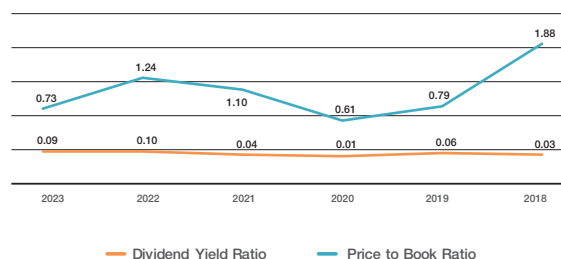
Furthermore, the dividend yield ratio experienced a marginal decrease from 0.10 times in FY 2022 to 0.09 times in FY 2023. Notably, the dividend payout ratio turned negative in 2023, recording a value of -2.98 times. This shift indicates that the company distributed dividends at a level exceeding its earnings during the fiscal year.

Lastly, the cash dividend per share declined from Rupees 3.8 in FY 2022 to Rupees 2 in FY 2023, suggesting a reduction in cash disbursements to shareholders during the respective periods. These financial indicators collectively reflect the company's challenges in FY 2023 and its impact on investor-related metrics.

### INVESTMENT / MARKET SHARE RATIOS



### INVESTMENT / MARKET SHARE RATIOS



# ANALYSIS OF FINANCIAL STATEMENTS

## FOR THE CURRENT AND LAST FIVE YEARS

Key Performance Indicators	UOM	Jun-23	Jun-22	Jun-21	Jun-20	Jun-19	Jun-18
<b>CAPITAL STRUCTURE</b>							
Financial Leverage Ratio	Times	0.65	0.52	0.32	0.27	0.64	0.22
Long term Debt to Equity Ratio (as per Book Value)	%	0.00%	0.00%	1.49%	1.84%	0.46%	0.77%
Long term Debt to Equity Ratio (as per Market Value)	%	0.00%	0.00%	0.58%	1.65%	0.46%	0.3%
Net assets per share	Rs.	27.46	29.76	27.44	27.22	27.82	33.56
Interest Coverage Ratio	Times	0.62	6.19	7.21	0.7	0.2	11.6
<b>ACTIVITY/TURNOVER RATIOS</b>							
Total Assets Turnover Ratio	Times	2.10	1.94	1.89	1.13	1.54	1.68
Fixed Assets Turnover Ratio	Times	6.00	6.85	5.78	3.32	5.95	6.67
No. of Days in Inventory	Days	51.98	45.54	27.49	50.63	39.55	61.45
No. of Days in Receivables	Days	3.12	2.15	3.09	41.03	27.60	8.21
No. of Days in Payables	Days	48.42	49.95	43.32	58.49	30.35	35.32
Operating Cycle	Days	6.68	(2.26)	(12.74)	33.17	36.80	34.35
<b>EMPLOYEE PRODUCTIVITY RATIOS</b>							
Revenue per employee	Rs. ('000')	32,493	33,470	20,781	10,866	17,179	16,764
Staff turnover ratio	%	2.00%	2.00%	2.30%	19.00%	20.00%	-

## CAPITAL STRUCTURE RATIOS

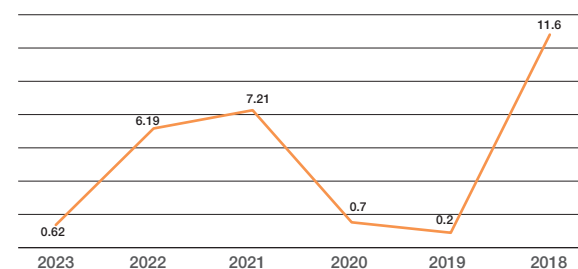
In FY 2023, the company's financial performance exhibited a noteworthy increase in its Financial Leverage Ratio, which ascended from 0.52 in FY 2022 to 0.65. This shift indicates a heightened reliance on debt in relation to equity during the period.

Conversely, both the Long-term Debt to Equity Ratios, based on Book Value and Market Value, remained unaltered at 0.00%, signifying no change in the company's long-term debt relative to its equity, both from an accounting and market perspective.

However, it's worth noting that the Net Assets per Share experienced a decrease, declining from Rupees 29.76 in FY 2022 to Rupees 27.46 in FY 2023, reflecting a reduction in the company's net assets per share over the course of the year.

Furthermore, the Interest Coverage Ratio witnessed a substantial decline, plummeting from 6.19 in FY 2022 to 0.62 in FY 2023. This substantial reduction indicates a potential decrease in the company's capacity to cover its interest expenses with its operating income during the fiscal year.

## INTEREST COVERAGE RATIO



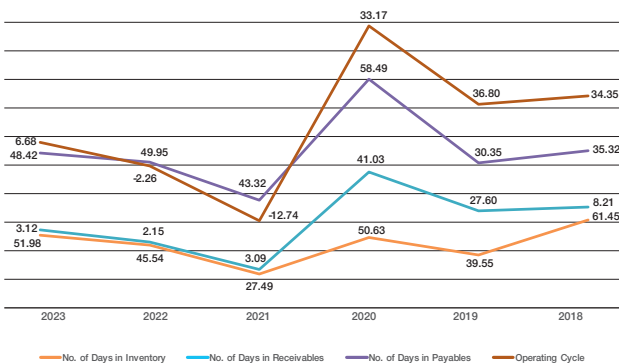
## ACTIVITY / TURNOVER RATIOS

In FY 2023, the company's activity / turnover metrics witnessed notable shifts:

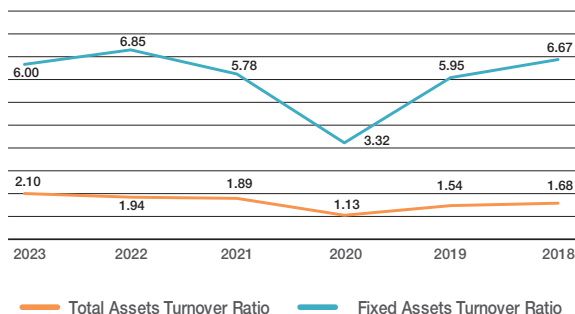
- Total Assets Turnover Ratio increased from 1.94 to 2.10, indicating improved asset utilization for revenue generation.
- Fixed Assets Turnover Ratio decreased from 6.85 to 6.00, suggesting a minor dip in fixed asset efficiency.
- The number of days in inventory rose from 45.54 days to 51.98 days, indicating a lengthier inventory turnover period, potentially tying up more capital in unsold goods and affecting liquidity.
- Days in receivables increased from 2.15 days to 3.12 days, signaling a slower collection of payments from customers, which may impact cash flow and working capital.
- Days in payables decreased from 49.95 days to 48.42 days, showing a minor improvement in supplier payment timelines, warranting continued monitoring to maintain favorable supplier relationships.
- The operating cycle increased significantly from -2.26 to 6.68 days, raising concerns about cash flow and liquidity.

In summary, while certain efficiency improvements were observed, challenges in inventory turnover and accounts receivable collection need attention. Addressing the lengthened operating cycle is vital to maintaining healthy liquidity and working capital levels.

## ACTIVITY/TURNOVER RATIOS



### ACTIVITY/TURNOVER RATIOS



### EMPLOYEE PRODUCTIVITY RATIOS

In FY 2023, the company's revenue per employee amounted to Rupees 32,493, representing a marginal decrease from Rupees 33,470 in FY 2022. Notably, the staff turnover ratio remained consistent at 2.00% in both FY 2023 and FY 2022. This stability indicates that the company's employee turnover experienced no substantial variation over the course of the year.

### CUSTOMER SATISFACTION INDEX

During the fiscal year, HTL conducted a comprehensive customer survey encompassing various aspects of customer satisfaction, including product quality, pricing, packaging, brand perception, and reorder frequency. The analysis of the survey results revealed an impressive cumulative satisfaction score of 96%. This outcome underscores our unwavering commitment to ensuring the contentment of our valued customers.

### SEGMENTAL REVIEW LUBRICANTS

The operations within our Lubricant segment encompass the procurement and sale of lubricants, parts, and the provision of associated services. It is notable that the net revenue within the Lubricants segment has encountered a decrease of 24.65% in comparison to the previous year. This decline primarily stems from a reduction in sales revenue, which has consequently led to a negative bottom-line performance within this particular segment.

Detailed segment information has been presented in note 53 of the financial statements

### PETROLEUM PRODUCTS

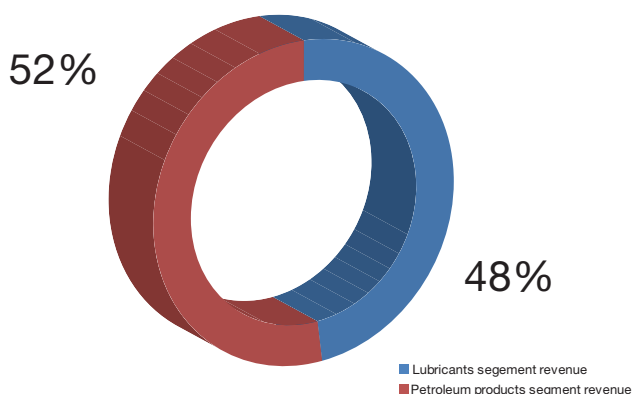
The petroleum segment of our operations primarily encompasses the marketing and sale of petroleum products through HTL Fuel Stations. While the net revenue generated within this segment has demonstrated a notable increase, it is imperative to note that this uptick in revenue has been accompanied by a corresponding escalation in the cost of sales.

Regrettably, the confluence of these factors within the petroleum segment has resulted in a bottom-line loss for this particular operational segment.

Company's Revenue in terms of lubricant segment and petroleum segment is stated below:

DESCRIPTION	REVENUE
	Rupee in thousand
Lubricants	7,381,322
Petroleum products	8,150,370
Total revenue of the Company	15,531,692

### SEGMENTAL REVENUE



# VERTICAL ANALYSIS

## FOR THE CURRENT AND LAST FIVE YEARS

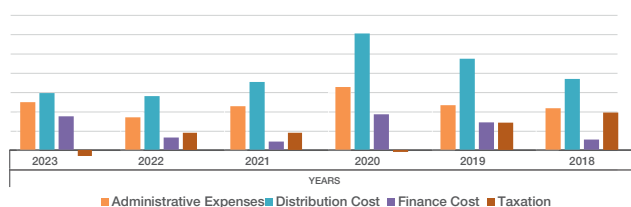
Statement of Profit or Loss	2023		2022		2021		2020		2019		2018	
	Rs. (000)	%age	Rs. (000)	%age	Rs. (000)	%age	Rs. (000)	%age	Rs. (000)	%age	Rs. (000)	%age
Net Revenue	15,531,692	100%	17,739,037	100%	10,598,209	100%	5,628,659	100%	9,431,162	100%	9,253,578	100%
Cost of Sales	(13,944,983)	90%	(15,019,145)	85%	(8,802,509)	83%	(4,503,767)	80%	(8,136,799)	86%	(7,325,252)	79%
<b>Gross Profit</b>	<b>1,586,709</b>	<b>10%</b>	<b>2,719,892</b>	<b>15%</b>	<b>1,795,700</b>	<b>17%</b>	<b>1,124,892</b>	<b>20%</b>	<b>1,294,363</b>	<b>14%</b>	<b>1,928,326</b>	<b>21%</b>
Administrative Expenses	(683,246)	4%	(524,457)	3%	(431,094)	4%	(328,992)	6%	(390,823)	4%	(351,091)	4%
Distribution Cost	(811,509)	5%	(876,129)	5%	(666,407)	6%	(609,514)	11%	(795,362)	8%	(606,107)	7%
<b>EBITDA</b>	<b>91,954</b>	<b>1%</b>	<b>1,319,306</b>	<b>7%</b>	<b>698,199</b>	<b>7%</b>	<b>186,386</b>	<b>3%</b>	<b>108,178</b>	<b>1%</b>	<b>971,128</b>	<b>10%</b>
Depreciation and Amortization	(267,484)	2%	(255,338)	1%	(184,463)	2%	(157,102)	3%	(80,777)	1%	(57,433)	1%
Other Expenses	(36,143)	0.2%	(236,055)	1.3%	(41,275)	0.4%	(20,180)	0.4%	(103,571)	1%	(63,070)	1%
Other Income	505,106	3%	382,803	2%	112,541	1%	126,125	2%	113,899	1%	108,463	1%
<b>EBIT</b>	<b>293,433</b>	<b>1.9%</b>	<b>1,210,716</b>	<b>7%</b>	<b>585,002</b>	<b>6%</b>	<b>(51,157)</b>	<b>-1%</b>	<b>37,729</b>	<b>0.4%</b>	<b>959,088</b>	<b>10%</b>
Finance Cost	(474,617)	3%	(195,516)	1%	(81,148)	1%	(186,326)	3%	(235,072)	2%	(82,541)	1%
<b>(Loss) / Profit Before Taxation</b>	<b>(181,184)</b>	<b>-1%</b>	<b>1,015,200</b>	<b>6%</b>	<b>503,854</b>	<b>5%</b>	<b>(51,097)</b>	<b>-1%</b>	<b>(197,343)</b>	<b>-2%</b>	<b>876,547</b>	<b>9%</b>
Taxation	87,772	-0.6%	(277,278)	1.6%	(142,533)	1.3%	10,980	-0.2%	(237,476)	3%	(322,117)	3%
<b>(Loss) / Profit After Taxation</b>	<b>(93,412)</b>	<b>-1%</b>	<b>737,922</b>	<b>4%</b>	<b>361,321</b>	<b>3%</b>	<b>(40,117)</b>	<b>-1%</b>	<b>(434,819)</b>	<b>-5%</b>	<b>554,430</b>	<b>6%</b>

## STATEMENT OF PROFIT OR LOSS VERTICAL ANALYSIS

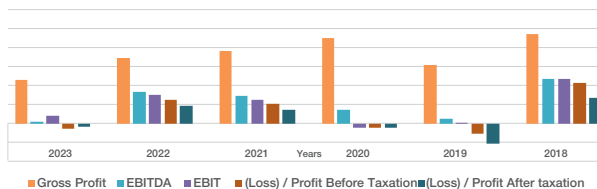
Over the past six years, both gross profit and EBITDA have exhibited a mixed trend, with fluctuations in their performance. However, in the current fiscal year, there has been a noteworthy decline in the financial performance indicators. Specifically, Gross profit, EBITDA, and EBIT now represent only 10%, 1%, and 1.9% of the net revenue, respectively. These figures indicate a substantial deterioration in financial performance compared to the previous fiscal year, FY 2022.

The primary factor contributing to this decline is a significant reduction in sales revenue, coupled with an increase in the cost of sales. This shift in the revenue-to-cost ratio has had a pronounced impact on the company's ability to generate gross profit and maintain healthy EBITDA and EBIT margins. It underscores the challenges faced by the organization in managing its sales and cost structures, which have, in turn, adversely affected its overall financial performance in the current fiscal year.

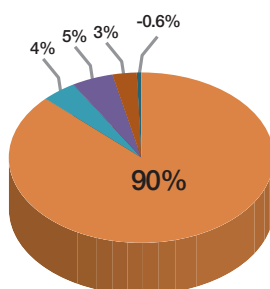
### VERTICAL ANALYSIS-EXPENSES (2023-18)



### VERTICAL ANALYSIS-PROFITS (2023-18)



### VERTICAL ANALYSIS-STATEMENT OF PROFIT OR LOSS (2023)



Cost of Sales Administrative Expenses Distribution Cost Finance Cost Taxation

Statement of Financial Position	2023		2022		2021		2020		2019		2018	
	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age
<b>ASSETS</b>												
<b>Non-current assets</b>												
Fixed assets	2,589,503	35.0%	2,590,342	28.3%	1,833,546	32.6%	1,693,746	33.9%	1,583,889	25.9%	1,386,311	25.1%
Right-of-use assets	605,121	8.2%	555,745	6.1%	359,293	6.4%	270,943	5.4%	-	-	-	-
Intangible assets	3,982	0.1%	6,658	0.1%	10,646	0.2%	7,597	0.2%	8,038	0.1%	2,895	0.1%
Investment property	135,000	1.8%	130,000	1.4%	93,750	1.7%						
Investment in subsidiary company	1,300,001	17.6%	1,300,001	14.2%	1,300,001	23.1%	1,300,001	26.0%	1,300,001	21.3%	1,300,001	23.5%
Long term loans to employees	2,985	0.0%	783	0.0%	-	0.0%	-	0.0%	-	0.0%	280	0.0%
Long term security deposits	51,943	0.7%	37,695	0.4%	29,402	0.5%	9,720	0.2%	26,154	0.4%	38,612	0.7%
Deferred income tax asset-net	83,599	1.1%	-	0.0%	48,246	0.9%	107,956	2.2%	39,183	0.6%	-	0.0%
	4,772,134	64.5%	4,621,224	50.6%	3,674,884	65.4%	3,389,963	67.9%	2,957,265	48.4%	2,728,099	49.4%
<b>Current assets</b>												
Stock-in-trade	1,102,921	14.9%	2,868,898	31.4%	878,742	15.6%	447,345	9.0%	801,995	13.1%	961,206	17.4%
Trade debts	159,240	2.2%	106,219	1.2%	103,225	1.8%	76,104	1.5%	1,189,384	19.4%	236,937	4.3%
Loans and advances	625,011	8.5%	192,210	2.1%	89,718	1.6%	151,182	3.0%	36,748	0.6%	146,456	2.7%
Short term deposits and prepayments	32,337	0.4%	24,309	0.3%	19,317	0.3%	31,144	0.6%	48,894	0.8%	27,934	0.5%
Accrued Interest	52,988	0.7%	571	0.0%	390	0.0%	2	0.0%	32,515	0.5%	15,335	0.3%
Other receivables	188,392	2.5%	440,065	4.8%	141,381	2.5%	50,015	1.0%	7,772	0.1%	17,340	0.3%
Short term investment	222,583	3.0%	226,804	2.5%	446,043	7.9%	723,285	14.5%	882,469	14.4%	917,354	16.6%
Cash and bank balances	239,412	3.2%	657,142	7.2%	264,544	4.7%	124,178	2.5%	158,925	2.6%	471,605	8.5%
	2,622,884	35.5%	4,516,218	49.4%	1,943,360	34.6%	1,603,255	32.1%	3,158,702	51.6%	2,794,167	50.6%
<b>TOTAL ASSETS</b>	7,395,018	100.0%	9,137,442	100.0%	5,618,244	100.0%	4,993,218	100.0%	6,115,967	100.0%	5,522,266	100.0%
<b>EQUITY AND LIABILITIES</b>												
<b>SHARE CAPITAL AND RESERVES</b>												
Issued, subscribed and paid up capital	1,392,048	18.8%	1,392,048	15.2%	1,160,040	20.6%	1,160,040	23.2%	1,160,040	19.0%	1,160,040	21.0%
Share premium	1,441,698	19.5%	1,441,698	15.8%	1,441,698	25.7%	1,441,698	28.9%	1,441,698	23.6%	1,441,698	26.1%
Surplus on revaluation of freehold land	756,847	10.2%	704,626	7.7%								
Un-appropriated profit	232,352	3.1%	604,175	6.6%	580,837	10.3%	555,928	11.1%	625,047	10.2%	1,290,983	23.4%
<b>Total equity</b>	3,822,945	51.7%	4,142,547	45.3%	3,182,575	56.6%	3,157,666	63.2%	3,226,785	52.8%	3,892,721	70.5%
<b>Non-current liabilities</b>												
Long term financing	-	0.0%	-	0.0%	47,490	0.8%	42,268	0.8%	1,822	0.0%	14,894	0.3%
Liabilities against assets subject to finance lease	-	0.0%	-	0.0%	-	0.0%	-	0.0%	26,625	0.4%	79,105	1.4%
Lease liabilities	492,139	6.7%	471,952	5.2%	334,670	6.0%	204,637	4.1%				
Long term deposit	16,500	0.2%	17,000	0.2%	17,000	0.3%	500	0.0%	1,000	0.0%	1,500	0.0%
Deferred income tax liability - net	-	0.0%	69,878									
Deferred liabilities	-	0.0%	-	0.0%	362	0.0%	1,863	0.0%	-	0.0%	12,069	0.2%
	508,639	6.9%	558,830	6.1%	399,522	7.1%	249,268	5.0%	29,447	0.5%	107,568	1.9%
<b>Current liabilities</b>												
Trade and other payables	974,284	13.2%	2,725,758	29.8%	1,385,265	24.7%	704,279	14.1%	739,055	12.1%	613,958	11.1%
Accrued mark-up	81,020	1.1%	38,150	0.4%	9,757	0.2%	22,103	0.4%	69,576	1.1%	18,217	0.3%
Short term borrowing	1,851,556	25.0%	1,494,219	16.4%	461,181	8.2%	766,263	15.3%	1,974,915	32.3%	707,636	12.8%
Current portion of non-current liabilities	150,743	2.0%	172,182	1.9%	162,698	2.9%	90,201	1.8%	70,939	1.2%	61,094	1.1%
Unclaimed dividend	5,831	0.1%	5,756	0.1%	6,327	0.1%	3,438	0.1%	4,026		4,297	
Taxation - net	-	0.0%	-	0.0%	10,919	0.2%	-	0.0%	1,224	0.0%	116,775	2.1%
	3,063,434	41.4%	4,436,065	48.5%	2,036,147	36.2%	1,586,284	31.8%	2,859,735	46.8%	1,521,977	27.6%
<b>TOTAL EQUITY AND LIABILITIES</b>	7,395,018	100.0%	9,137,442	100.0%	5,618,244	100.0%	4,993,218	100.0%	6,115,967	100.0%	5,522,266	100.0%

# VERTICAL ANALYSIS

## FOR THE CURRENT AND LAST FIVE YEARS

### FINANCIAL POSITION'S VERTICAL ANALYSIS

Vertical analysis of statement of financial position provides a comprehensive overview of the company's financial structure, emphasizing the distribution of assets, equity, and liabilities across both short-term and long-term categories.

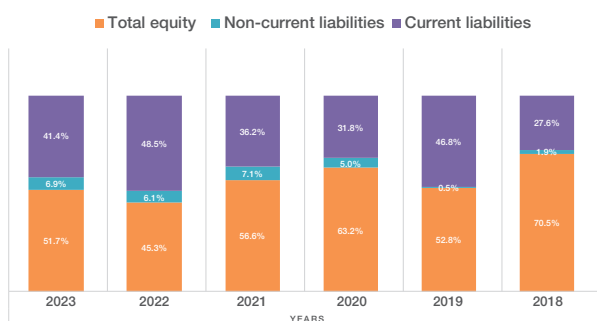
As of June 30, 2023, the composition of the company's total assets can be classified into two categories: non-current assets, accounting for 64.5% of the total, and current assets, representing 35.5% of the total asset base. In contrast, the company's equity and liabilities structure comprises share capital and reserves, accounting for 51.7% of the total, while non-current liabilities and current liabilities constitute 6.9% and 41.4%, respectively.

Share capital and reserves, a significant portion of the equity and liabilities, encompass issued subscribed and paid-up share capital (18.8%), share premium (19.5%), surplus on the revaluation of freehold land (10.2%), and unappropriated profit (3.1%).

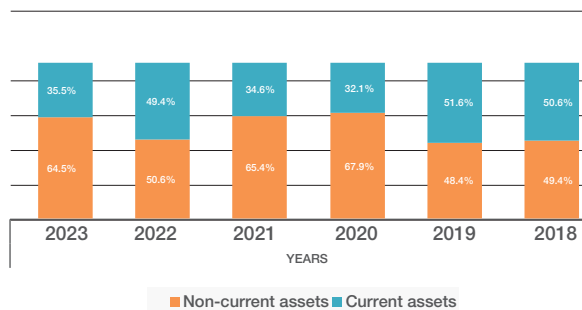
Non-current liabilities consist of lease liabilities (6.7%) and deferred income tax liability - net (0.2%), contributing to the company's long-term obligations.

On the other hand, current liabilities primarily consist of short-term borrowings (25%) and trade and other payables (13.2%), reflecting the company's short-term financial obligations and trade-related liabilities.

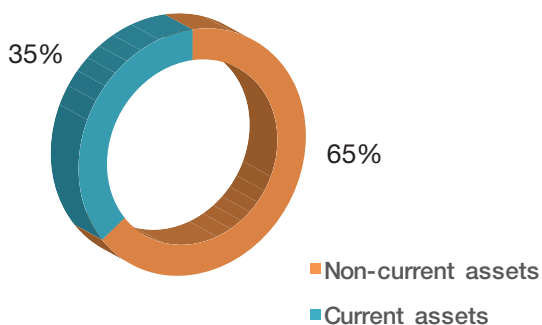
VERTICAL ANALYSIS-TOTAL EQUITY & LIABILITIES (2023-18)



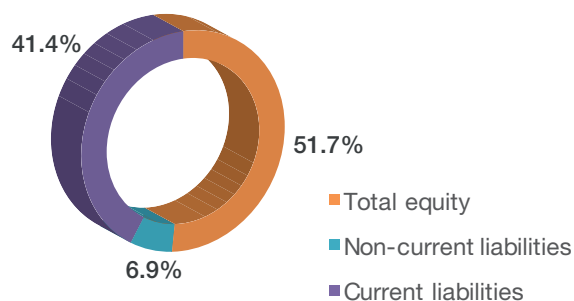
VERTICAL ANALYSIS-TOTAL ASSETS (2023-18)



VERTICAL ANALYSIS-TOTAL ASSETS (2023)



VERTICAL ANALYSIS-TOTAL EQUITY & LIABILITIES (2023)



# HORIZONTAL ANALYSIS

## FOR THE CURRENT AND LAST FIVE YEARS



Statement of Financial Position	2023		2022		2021		2020		2019		2018	
	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age
<b>ASSETS</b>												
<b>Non-current assets</b>												
Fixed assets	2,589,503	-0.03%	2,590,342	41.27%	1,833,546	8.25%	1,693,746	6.94%	1,583,889	14.25%	1,386,311	47.39%
Right-of-use assets	605,121	8.88%	555,745	54.68%	359,293	32.61%	270,943	271.00%	-	0.00%	-	0.00%
Intangible assets	3,982	-40.19%	6,658	-37.46%	10,646	40.13%	7,597	-5.49%	8,038	0.00%	2,895	0.00%
Investment property	135,000	3.85%	130,000	62.00%	93,750	62.00%	-	-	-	-	-	-
Investment in subsidiary company	1,300,001	0.00%	1,300,001	0.00%	1,300,001	0.00%	1,300,001	0.00%	1,300,001	0.00%	1,300,001	0.00%
Long term loans to employees	2,985	281.23%	783	0.00%	-	0.00%	-	0.00%	-	0.00%	280	-73.31%
Long term security deposits	51,943	37.80%	37,695	28.21%	29,402	202.49%	9,720	-62.84%	26,154	-32.26%	38,612	17.95%
Deferred income tax asset-net	83,599	100.00%	-	-100.00%	48,246	-55.31%	107,956	175.52%	39,183	0.00%	-	0.00%
	4,772,134	3.27%	4,621,224	25.75%	3,674,884	8.40%	3,389,963	14.63%	2,957,265	8.40%	2,728,099	19.55%
<b>Current assets</b>												
Stock-in-trade	1,102,921	-61.56%	2,868,898	226.48%	878,742	96.43%	447,345	-44.22%	801,995	-16.56%	961,206	-36.15%
Trade debts	159,240	49.92%	106,219	2.90%	103,225	35.64%	76,104	-93.60%	1,189,384	401.98%	236,937	32.08%
Loans and advances	625,011	225.17%	192,210	114.24%	89,718	-40.66%	151,182	311.40%	36,748	-74.91%	146,456	-77.93%
Short term deposits and prepayments	32,337	33.02%	24,309	25.84%	19,317	-37.98%	31,144	-36.30%	48,894	75.03%	27,934	91.18%
Other receivables	188,392	-57.19%	440,065	211.26%	141,381	182.68%	50,015	53.82%	32,515	87.51%	17,340	-
Accrued Interest	52,988	9179.86%	571	46.41%	390	19400.00%	2	-99.97%	7,772	-49.32%	15,335	150.00%
Short term investment	222,583	-1.86%	226,804	-49.15%	446,043	-38.33%	723,285	-18.04%	882,469	-3.80%	917,354	-15.15%
Cash and bank balances	239,412	-63.57%	657,142	148.41%	264,544	113.04%	124,178	-21.86%	158,925	-66.30%	471,605	527.86%
	2,622,884	-41.92%	4,516,218	132.39%	1,943,360	21.21%	1,603,255	-49.24%	3,158,702	13.05%	2,794,167	-22.37%
<b>TOTAL ASSETS</b>	7,395,018	-19.07%	9,137,442	62.64%	5,618,244	12.52%	4,993,218	-18.36%	6,115,967	10.75%	5,522,266	-6.10%
<b>EQUITY AND LIABILITIES</b>												
<b>SHARE CAPITAL AND RESERVES</b>												
Issued, subscribed and paid up capital	1,392,048	0.00%	1,392,048	20.00%	1,160,040	0.00%	1,160,040	0.00%	1,160,040	0.00%	1,160,040	0.00%
Share premium	1,441,698	0.00%	1,441,698	0.00%	1,441,698	0.00%	1,441,698	0.00%	1,441,698	0.00%	1,441,698	0.00%
Surplus on revaluation of freehold land	756,847	7.41%	704,626	100.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Un-appropriated profit	232,352	-61.54%	604,175	4.02%	580,837	4.48%	555,928	-11.06%	625,047	-51.58%	1,290,983	12.99%
<b>Total equity</b>	3,822,945	-7.72%	4,142,547	30.16%	3,182,575	0.79%	3,157,666	-2.14%	3,226,785	-17.11%	3,892,721	3.96%
<b>Non-current liabilities</b>												
Long term financing	-	0.00%	-	-100.00%	47,490	12.35%	42,268	2219.87%	1,822	-87.77%	14,894	10.36%
Liabilities against assets subject to finance lease	-	0.00%	-	0.00%	-	0.00%	-	-100.00%	26,625	-66.34%	79,105	20.20%
Lease liabilities	492,139	4.28%	471,952	41.02%	334,670	63.54%	204,637	100.00%	-	0.00%	-	0.00%
Long term deposits	16,500	-2.94%	17,000	0.00%	17,000	3300.00%	500	-50.00%	1,000	-33.33%	1,500	-25.00%
Deferred income tax liability - net	-	-100.00%	69,878	100.00%	-	-	-	-	-	-	-	-
Deferred liabilities	-	0.00%	-	-100.00%	362	-80.57%	1,863	500.00%	-	-100.00%	12,069	276.33%
	508,639	-8.98%	558,830	39.87%	399,522	60.28%	249,268	746.50%	29,447	-72.62%	107,568	27.28%
<b>Current liabilities</b>												
Trade and other payables	974,284	-64.26%	2,725,758	96.77%	1,385,265	96.69%	704,279	-4.71%	739,055	20.38%	613,958	-23.60%
Accrued mark-up/profit	81,020	112.37%	38,150	291.00%	9,757	-55.86%	22,103	-68.23%	69,576	281.93%	18,217	91.42%
Short term borrowing	1,851,556	23.91%	1,494,219	224.00%	461,181	-39.81%	766,263	-61.20%	1,974,915	179.09%	707,636	-36.76%
Current portion of non-current liabilities	150,743	-12.45%	172,182	5.83%	162,698	80.37%	90,201	27.15%	70,939	16.11%	61,094	40.48%
Unclaimed dividend	5,831	1.30%	5,756	-9.02%	6,327	84.03%	3,438	-14.61%	4026	-	4297	-
Taxation - net	-	0.00%	-	0.00%	10,919	0.00%	-	-100.00%	1,224	-98.95%	116,775	55.24%
	3,063,434	-30.94%	4,436,065	117.87%	2,036,147	28.36%	1,586,284	-44.53%	2,859,735	87.90%	1,521,977	-25.84%
<b>TOTAL EQUITY AND LIABILITIES</b>	7,395,018	-19.07%	9,137,442	62.64%	5,618,244	12.52%	4,993,218	-18.36%	6,115,967	10.75%	5,522,266	-6.10%
<b>Statement of Profit or Loss</b>												
Net Revenue	15,531,692	-12%	17,739,037	67%	10,598,209	88%	5,628,659	-40%	9,431,162	2%	9,253,578	24%
Cost of Sales	(13,944,983)	-7%	(15,019,145)	71%	(8,802,509)	95%	(4,503,767)	-45%	(8,136,799)	11%	(7,325,252)	28%
<b>Gross Profit</b>	1,586,709	-42%	2,719,892	51%	1,795,700	60%	1,124,892	-13%	1,294,363	-33%	1,928,326	9%
Administrative Expenses	(683,246)	30%	(524,457)	22%	(431,094)	31%	(328,992)	-16%	(390,823)	11%	(351,091)	26%
Distribution Cost	(811,509)	-7%	(876,129)	31%	(666,407)	9%	(609,514)	-23%	(795,362)	31%	(606,107)	36%
<b>EBITDA</b>	91,954	-93%	1,319,306	89%	698,199	275%	186,386	72%	108,178	-89%	971,128	-8%
Depreciation and Amortization	(267,484)	5%	(255,338)	38%	(184,463)	17%	(157,102)	94%	(80,777)	41%	(57,433)	28%
Other Expenses	(36,143)	-85%	(236,055)	472%	(41,275)	105%	(20,180)	-81%	(103,571)	64%	(63,070)	86%
Other Income	505,106	32%	382,803	240%	112,541	-11%	126,125	11%	113,899	5%	108,463	13%
<b>EBIT</b>	293,433	-76%	1,210,716	107%	585,002	333%	135,229	258%	37,729	-96%	959,088	-10%
Finance Cost	(474,617)	143%	(195,516)	141%	(81,148)	-56%	(186,326)	-21%	(235,072)	185%	(82,541)	130%
<b>(Loss) / Profit Before Taxation</b>	(181,184)	-118%	1,015,200	101%	503,854	1086%	(51,097)	-74%	(197,343)	-123%	876,547	-15%
Taxation	87,772	-132%	(277,278)	95%	(142,533)	1398%	10,980	-105%	(237,476)	-26%	(322,117)	6%
<b>(Loss) / Profit After Taxation</b>	(93,412)	-113%	737,922	104%	361,321	1001%	(40,117)	-91%	(434,819)	-178%	554,430	-24%



# HORIZONTAL ANALYSIS

## FOR THE CURRENT AND LAST FIVE YEARS

### FINANCIAL POSITION HORIZONTAL ANALYSIS

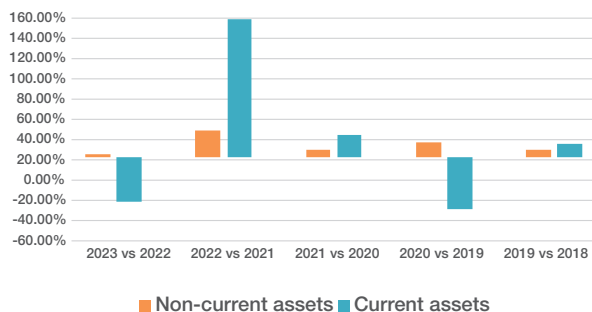
Non-current assets exhibited a modest increase of 3.27% in comparison to FY 2022. This increase was primarily attributed to the recognition of a deferred income tax asset during the year.

Conversely, there was a substantial decrease of -41.92% in current assets. This decline can be attributed to a reduction in inventory stocks and cash and bank balances.

The total equity of the company witnessed a decline of -7.72%. This decline was primarily driven by the loss incurred during the fiscal year and dividend payments to shareholders.

Non-current liabilities showed a reduction of -8.98%. This decline was mainly attributed to reductions in deferred income tax liability.

#### HORIZONTAL ANALYSIS-TOTAL ASSETS



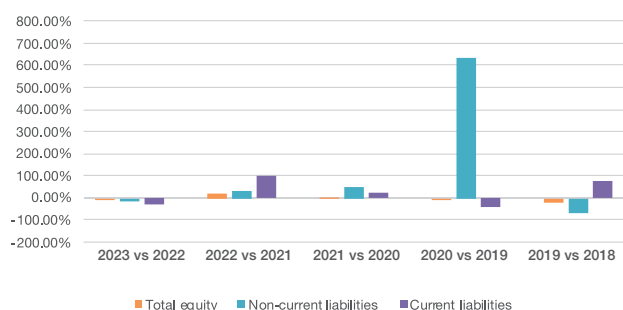
Similarly, current liabilities experienced a significant reduction of 30.94%. This reduction was primarily due to a decrease in trade and other payables, indicating improved short-term financial obligations.

Shareholders' equity has been increased by Rupees 959.972 million (30.16%) mainly on account of surplus on revaluation of freehold land and profit earned during the year.

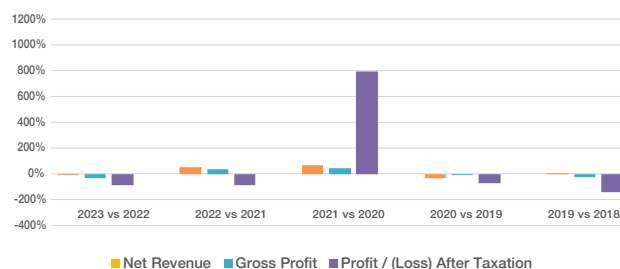
Non-current liabilities for the year have been increased by Rupees 159.308 million (39.87%) mainly due to increase in lease liabilities.

Current liabilities have increased by Rupees 2,399.918 million (117.87%) mainly due to increase in trade and other payables and short term borrowings.

#### HORIZONTAL ANALYSIS-TOTAL EQUITY & LIABILITIES (2023)



#### HORIZONTAL ANALYSIS-PROFIT OR LOSS



### STATEMENT OF PROFIT OR LOSS HORIZONTAL ANALYSIS

In the fiscal year 2023, the company faced a notable decline in its financial performance compared to the preceding fiscal year, FY2022:

The Company's net revenue witnessed a significant decrease of 12% in FY2023 when contrasted with FY2022 mainly on account of reduction in sales revenue.

The cost of sales experienced a 7% reduction in FY2023. However, this reduction in the cost of sales did not align with the decrease in revenue, leading to a decrease in gross profit margins.

Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) plummeted by 93%, indicating a substantial decline in the company's operational performance.

Finance costs saw a significant increase of 143%. This increase attributed to higher interest rates during the year.

The company incurred a loss of Rupees 93,412 after taxation in FY2023, underscoring the challenges faced during this financial year.

## SHARE PRICE SENSITIVITY ANALYSIS

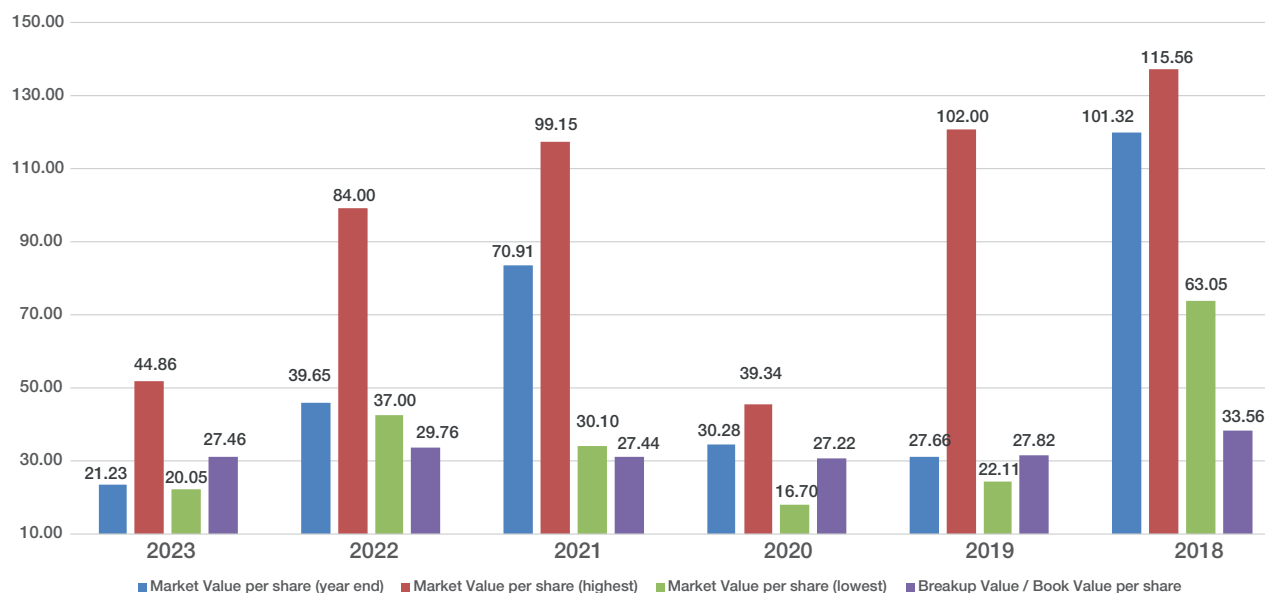
Share price in the stock market moves due to various factors such as company performance, general market sentiment, economic events and interest rates, etc. Being a responsible and law-compliant Company, HTL circulates price sensitive information to stock exchanges in accordance with the requirements of listing regulations in a timely manner.

Share price sensitivity analysis using key variable with consequent impact on the Company's earnings:

KEY VARIABLE	RELATIONSHIP	IMPACT ON EARNINGS	SHARE PRICE IMPACT
Selling price	Direct	Increase in selling price directly increase in earnings of the Company and vice versa.	Increase in earnings directly increase share price of the Company and vice versa.
Stock-in-trade price	Indirect	Increase in stock-in-trade price directly increase cost of sales, resultantly decrease in earnings of the Company.	Decrease in earnings directly decrease share price of the Company and vice versa.
Interest rate	Indirect	Increase in interest rate directly increase finance cost, resultantly decrease in earnings of the Company.	Decrease in earnings directly decrease share price of the Company and vice versa.
Currency	Indirect	Depreciation in Pak Rupee directly increase import cost of inventory, resultantly decrease in earnings and vice versa.	Decrease in earnings directly decrease share price of the Company and vice versa.

During the year 2023, HTL's share price touched the peak of Rupees 44.86 while the lowest recorded price was Rupees 20.05 with a closing price of Rupees 21.23 at the end of the year.

## SHARE PRICE SENSITIVITY ANALYSIS



## RATIOS FOR SHARIAH COMPLIANT COMPANIES AND THE COMPANIES LISTED ON THE ISLAMIC INDICES

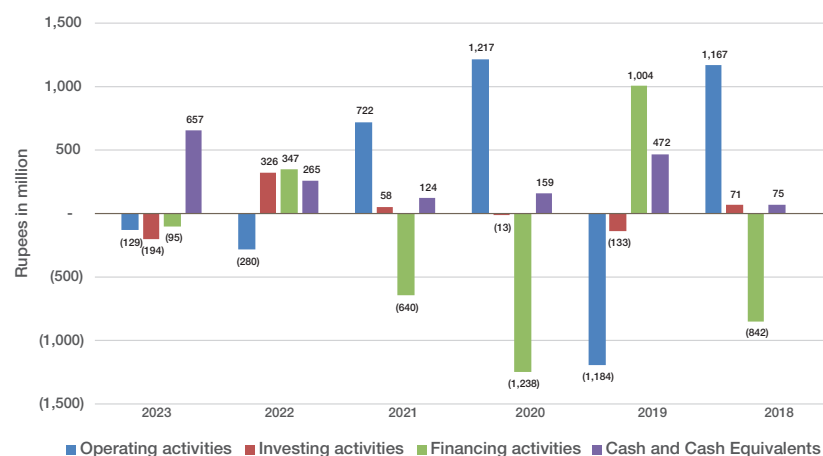
RATIO DESCRIPTION	BENCH MARK	2023
Interest bearing loan to market capitalization	Not exceed 30%	Negative
Interest taking deposit to market capitalization	Not exceed 30%	0%
Income generated from prohibited component to total income	Not exceed 5%	0%
Net liquid assets per share to market value per share	At least 25%	Complied

# CASH FLOWS ANALYSIS

## FOR THE CURRENT AND LAST FIVE YEARS

Summary of Cash Flow Statement	2023	2022	2021	2020	2019	2018
	Rupees in thousand					
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
(Loss) / Profit before taxation	(181,184)	1,015,200	503,854	(51,098)	(197,341)	876,546
Adjustments for non-cash items and other items	310,629	283,334	192,073	218,949	290,049	81,069
Working capital changes	377,161	(1,349,853)	160,289	1,354,187	(685,165)	561,664
Finance cost paid	(431,385)	(162,381)	(85,570)	(233,431)	(183,712)	(73,841)
Income tax paid	(200,960)	(58,722)	(56,195)	(74,725)	(404,279)	(271,703)
Net (increase) / decrease in long term loan to employees	(3,136)	(983)	-	280	769	1,390
Net (increase) / decrease in long term security deposits	103	(6,682)	(8,702)	2,898	(3,538)	(7,700)
Increase / (decrease) in long term deposits	(500)	-	16,500	(500)	(500)	(500)
<b>Net cash generated (used in) / from operating activities</b>	<b>(129,272)</b>	<b>(280,087)</b>	<b>722,249</b>	<b>1,216,560</b>	<b>(1,183,717)</b>	<b>1,166,925</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Capital expenditures on operating fixed assets	(134,758)	(198,381)	(267,487)	(282,116)	(275,337)	(440,267)
Capital expenditures on intangible assets	(1,500)	(825)	(7,069)	(5,362)	(8,026)	(676)
Initial direct cost incurred on right of use assets	-	(3,411)	(1,204)	-	-	-
Proceeds from disposal of operating fixed assets	59,958	2,557	13,776	15,395	8,024	9,537
Loans to subsidiary company	(1,093,657)	-	-	-	(548,900)	(296,500)
Repayment of loans by subsidiary company	608,157	-	-	-	548,900	557,500
Short term investments - net	4,938	220,880	277,775	153,963	30,869	155,000
Dividend received	295,937	282,797	20,453	10,437	1,132	272
Interest received on loans to subsidiary company	44,386	-	-	7,741	41,196	28,948
Profit on bank deposits and term deposits received	22,813	21,992	21,829	86,942	69,330	57,615
<b>Net cash (used in) / from investing activities</b>	<b>(193,726)</b>	<b>325,609</b>	<b>58,073</b>	<b>(13,000)</b>	<b>(132,812)</b>	<b>71,429</b>
<b>Cash flow from financing activities</b>						
Repayment of liabilities against assets subject to finance lease	-	-	-	-	(45,153)	(35,973)
Repayment of lease liabilities	(125,883)	(107,111)	(81,501)	(48,576)	-	-
Dividends paid	(278,334)	(483,148)	(333,524)	(29,589)	(203,278)	(403,243)
Long term financing obtained	-	-	126,582	63,404	-	21,865
Long term financing repaid	(47,851)	(95,704)	(46,431)	(14,894)	(15,000)	(13,178)
Short term borrowings - net	357,337	1,033,038	(305,082)	(1,208,652)	1,267,280	(411,333)
<b>Net cash (used in) / from financing activities</b>	<b>(94,731)</b>	<b>347,075</b>	<b>(639,956)</b>	<b>(1,238,307)</b>	<b>1,003,849</b>	<b>(841,862)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(417,729)</b>	<b>392,597</b>	<b>140,366</b>	<b>(34,747)</b>	<b>(312,680)</b>	<b>396,492</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>657,141</b>	<b>264,544</b>	<b>124,178</b>	<b>158,925</b>	<b>471,605</b>	<b>75,113</b>
<b>Cash and cash equivalents at the end of year</b>	<b>239,412</b>	<b>657,141</b>	<b>264,544</b>	<b>124,178</b>	<b>158,925</b>	<b>471,605</b>

### ANALYSIS OF CASH FLOWS



## CASH FLOWS ANALYSIS

In FY2023, the company reported a significant improvement in its operating cash flow, with a decrease in cash outflows from operating activities to Rupees 129 million from Rupees 280 million in FY2022. This indicates better efficiency in managing day-to-day operations, resulting in a reduced need for cash.

**In terms of investing activities,** there was a notable shift from a positive cash inflow of Rupees 326 million in FY2022 to a cash outflow of Rupees 194 million in FY2023. This is mainly due to short term loan extended to subsidiary company.

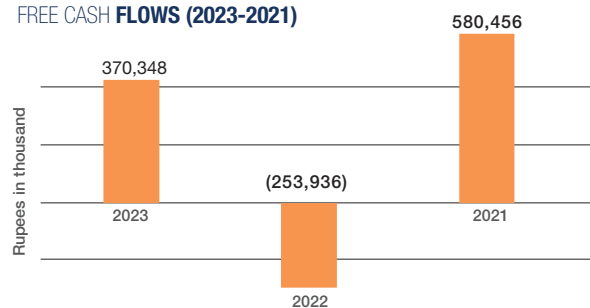
**Financing activities** also underwent a substantial change, as the company experienced a decrease in cash inflow from financing activities, dropping from Rupees 347 million in FY2022 to Rupees 95 million in FY2023. This indicates reduced external financing.

**The most noteworthy change can be observed in the company's cash and cash equivalents position,** which significantly reduced to Rupees 239 million in FY2023 from Rs 657 million in FY2022 due to outflows in operating, investing and financing activities

## ANALYSIS OF FREE CASH FLOWS

Free Cash Flows	2023	2022	2021
	Rupees in thousand		
(Loss) / Profit before taxation	(181,184)	1,015,200	503,854
Adjustments for non-cash items and other items	310,629	283,334	192,073
Working capital changes	377,161	(1,349,853)	160,289
Capital additions	(136,258)	(202,617)	(275,760)
<b>Free Cash Flows</b>	<b>370,348</b>	<b>(253,936)</b>	<b>580,456</b>

### FREE CASH FLOWS (2023-2021)



## DIRECT METHOD CASH FLOWS

Cash Flows From Operating Activities	2023	2022
	Rupees	
Collection from customers	17,194,285,407	20,178,993,583
Payments to employees as remuneration	(1,021,069,431)	(867,816,540)
Payments to suppliers and service providers	(14,250,617,327)	(16,581,242,164)
Income tax paid	(200,960,436)	(58,722,363)
Sales tax paid	(1,418,544,777)	(2,788,116,112)
Finance cost paid	(431,385,437)	(162,380,933)
Zakat paid	(980,123)	(802,695)
<b>Net cash used in operating activities</b>	<b>(129,272,124)</b>	<b>(280,087,224)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditures on operating fixed assets	(134,757,935)	(198,380,855)
Capital expenditure on intangible assets	(1,500,000)	(824,609)
Initial direct cost incurred on right-of-use assets	-	(3,410,776)
Short term loan given to subsidiary company	(1,093,656,544)	
Short term loan repaid by subsidiary company	608,156,544	
Proceeds from disposal of operating fixed assets	59,957,697	2,556,955
Short term investments - net	4,937,545	220,880,116
Dividends received	295,937,019	282,796,867
Interest received on loans to subsidiary company	44,386,253	-
Profit on bank deposits and term deposit receipts received	22,813,380	21,991,452
	(193,726,041)	325,609,150
<b>Net cash (used in) / from investing activities</b>	<b>325,609,150</b>	<b>58,072,858</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of lease liabilities	(125,883,130)	(107,111,273)
Dividend paid	(278,334,373)	(483,147,527)
Proceeds from long term financing	-	-
Repayment of long term financing	(47,851,814)	(95,703,612)
Short term borrowings - net	357,337,406	1,033,038,142
<b>Net cash (used in) / from financing activities</b>	<b>(94,731,911)</b>	<b>347,075,730</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(417,730,076)</b>	<b>392,597,656</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>657,141,796</b>	<b>264,544,140</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>239,411,720</b>	<b>657,141,796</b>

# QUARTERLY ANALYSIS

FOR THE **CURRENT YEAR**

Statement of Profit or Loss	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	Rupees in thousand			
GROSS REVENUE	4,326,639	3,847,374	4,908,984	4,440,932
DISCOUNTS	(82,621)	(66,990)	(121,228)	(68,888)
SALES TAX	(301,969)	(352,078)	(643,589)	(354,874)
<b>NET REVENUE</b>	<b>3,942,049</b>	<b>3,428,306</b>	<b>4,144,167</b>	<b>4,017,170</b>
COST OF SALES	(3,594,989)	(3,168,503)	(3,509,955)	(3,671,536)
<b>GROSS PROFIT</b>	<b>347,060</b>	<b>259,803</b>	<b>634,212</b>	<b>345,634</b>
DISTRIBUTION COST	(177,614)	(192,349)	(298,970)	(374,575)
ADMINISTRATIVE EXPENSES	(186,404)	(150,762)	(163,500)	(218,065)
OTHER EXPENSES	(45,261)	(6,756)	(4,732)	20,606
OTHER INCOME	(409,279)	(349,867)	(467,202)	(572,034)
	27,680	303,669	92,352	81,405
<b>(LOSS) / PROFIT FROM OPERATIONS</b>	<b>(34,539)</b>	<b>213,605</b>	<b>259,362</b>	<b>(144,995)</b>
FINANCE COST	(91,239)	(132,975)	(84,620)	(165,783)
<b>(LOSS) / PROFIT BEFORE TAXATION</b>	<b>(125,778)</b>	<b>80,630</b>	<b>174,742</b>	<b>(310,778)</b>
TAXATION	24,981	25,904	(59,028)	95,915
<b>(LOSS) / PROFIT AFTER TAXATION</b>	<b>(100,797)</b>	<b>106,533</b>	<b>115,714</b>	<b>(214,862)</b>

Statement of Financial Position	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	Rupees in thousand			
<b>EQUITY AND LIABILITIES</b>				
<b>SHARE CAPITAL AND RESERVES</b>				
Authorized share capital				
150,000,000 (2022: 150,000,000)				
ordinary shares of Rupees 10 each	1,500,000	1,500,000	1,500,000	1,500,000
Issued, subscribed and paid-up share capital	1,392,048	1,392,048	1,392,048	1,392,048
Reserves	2,649,701	2,477,824	2,593,539	2,430,897
<b>Total Equity</b>	<b>4,041,749</b>	<b>3,869,872</b>	<b>3,985,587</b>	<b>3,822,945</b>
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
Long term financing	-	-	-	-
Lease Liabilities	451,615	424,584	405,322	492,138
Long term deposits	17,000	15,000	15,000	16,500
Deferred income tax liability - net	24,640	-	36,778	-
Deferred income - Government grant	-	-	-	-
	493,255	439,584	457,100	508,638
<b>CURRENT LIABILITIES</b>				
Trade and other payables	1,042,971	956,947	1,288,993	974,284
Accrued mark-up	68,004	91,147	25,106	81,020
Short term borrowings	1,995,888	2,731,522	1,624,487	1,851,556
Current portion of non-current liabilities	150,263	121,546	125,466	150,743
Unclaimed dividend	5,695	5,979	5,979	5,831
Provision for taxation - net	15,159	-	7,358	-
	3,277,980	3,907,141	3,077,389	3,063,434
<b>Total liabilities</b>	<b>3,771,235</b>	<b>4,346,725</b>	<b>3,534,489</b>	<b>3,572,072</b>
Contingencies and Commitments	-	-	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>7,812,984</b>	<b>8,216,597</b>	<b>7,520,076</b>	<b>7,395,017</b>

Statement of Financial Position	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	Rupees in thousand			
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Fixed assets	2,549,470	2,569,363	2,574,785	2,589,502
Right-of-use assets	535,212	515,920	489,184	605,121
Intangible assets	5,598	4,582	3,588	3,982
Investment property	130,000	130,000	130,000	135,000
Investment in subsidiary company	1,300,001	1,300,001	1,300,001	1,300,001
Long term security deposits	37,695	27,593	29,489	51,943
Long term loan to an employee	1,614	2,464	3,807	2,985
Deffered income tax asset - net	-	6,718	-	83,599
	4,559,590	4,556,641	4,530,854	4,772,133
<b>CURRENT ASSETS</b>				
Stock-in-trade	1,254,761	1,099,895	1,025,685	1,102,922
Trade debts	114,813	98,844	265,557	159,240
Loans and advances	958,078	1,457,646	960,752	625,011
Short term deposits and prepayments	43,245	46,922	46,562	32,337
Other receivables	352,122	407,323	185,624	188,392
Accrued interest	7,010	11,470	45,024	52,988
Short term investments	231,237	238,053	236,329	222,583
Cash and bank balances	292,128	299,804	223,689	239,411
	3,253,394	3,659,956	2,989,222	2,622,884
<b>TOTAL ASSETS</b>	<b>7,812,984</b>	<b>8,216,597</b>	<b>7,520,076</b>	<b>7,395,017</b>

## QUARTERLY ANALYSIS REVENUE

Total revenue showing mixed trend during the year with the highest in third quarter which represent 26.68% of total revenue. FY-2022-2023 remained challenging, due to:

- Devastating floods
- Political uncertainty
- Global supply chain disruptions
- Inflationary impact of Russia-Ukraine conflict
- Historic high inflation rates in the country
- State Bank of Pakistan's Monetary Policy Committee raised Policy Rate to an unprecedented 22.00%
- Devaluation of the national currency (rupee) increased import costs
- Challenging economic environment for businesses

## COST OF SALES

Cost of sales shows mixed trend in FY 2023 with lowest in second quarter and highest in fourth quarter mainly on account rupee depreciation against dollar.

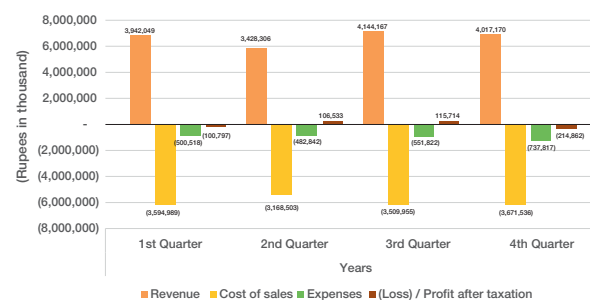
## NET LOSS AFTER TAXATION

The company experienced fluctuating financial performance throughout the fiscal year. It achieved net profits in the second and third quarters but incurred losses in the first and fourth quarters. These losses were primarily due to reduced sales revenue, increased cost of sales, and higher finance costs. As a result, the company reported a net loss of Rupees 93 million for the fiscal year.

## ECONOMIC VALUE ADDED

Economic Value Added (EVA) stands as a critical metric employed for the comprehensive evaluation of the Company's overarching performance and the efficacy of its management. This assessment is visually represented through a graphical presentation, which encompasses a three-year span, spanning from FY 2021 to FY 2023, offering a clear illustration of the Company's EVA trends over this period.

### QUARTERLY ANALYSIS



### ECONOMIC VALUE ADDED (EVA)

