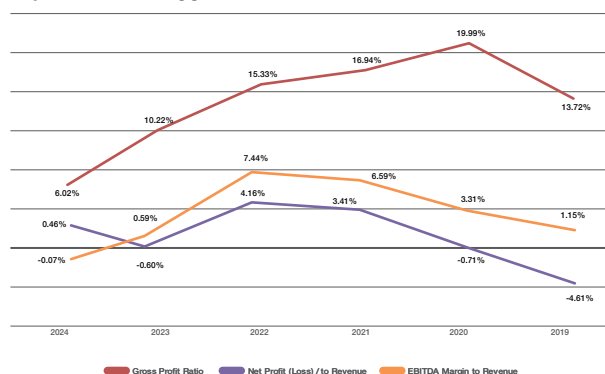


ANALYSIS OF FINANCIAL STATEMENTS

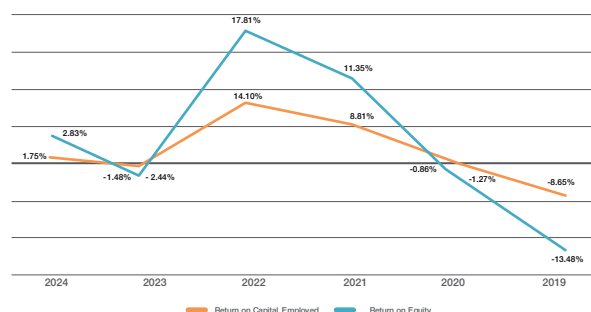
FOR THE CURRENT AND LAST FIVE YEARS

Key Performance Indicators	UOM	Jun-24	Jun-23	Jun-22	Jun-21	Jun-20	Jun-19
PROFITABILITY RATIOS							
Gross Profit Ratio	%	6.02%	10.22%	15.33%	16.94%	19.99%	13.72%
Net Profit / (Loss) to Revenue	%	0.46%	-0.60%	4.16%	3.41%	-0.71%	-4.61%
EBITDA Margin to Revenue	%	-0.07%	0.59%	7.44%	6.59%	3.31%	1.15%
Operating Leverage Ratio	Times	2.04	6.09	1.59	3.77	-6.41	-50.06
Return on Equity	%	2.83%	-2.44%	17.81%	11.35%	-1.27%	-13.48%
Return on Capital Employed	%	1.75%	-1.48%	14.10%	8.81%	-0.86%	-8.65%
Shareholders' funds	%	43.71%	51.70%	45.34%	56.65%	63.24%	52.76%
Return on shareholders' funds	%	2.83%	-2.44%	17.81%	11.35%	-1.27%	-13.48%
Return on Investment*	%	3.51%	-	-	-	-	-
Total shareholder return*	%	67.97%	-	-	-	-	-
*These ratios are newly included in the current year's report so no comparatives are shown.							
LIQUIDITY RATIOS							
Current Ratio	Times	0.91	0.86	1.02	0.95	1.01	1.10
Quick Ratio / Acid Test Ratio	Times	0.52	0.50	0.37	0.52	0.73	0.82
Cash to Current Liabilities	Times	0.08	0.08	0.15	0.13	0.08	0.06
Cash Flow from Operations to Revenue	Times	-0.03	-0.01	-0.02	0.07	0.22	-0.13
Cash flow to capital expenditures	Times	-2.38	-0.95	-1.41	2.63	4.23	-4.18
Cash flow coverage ratio	Times	-0.31	-0.05	-0.13	0.72	1.10	-0.57

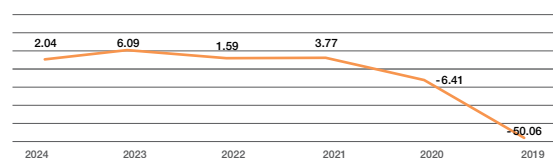
PROFITABILITY RATIOS



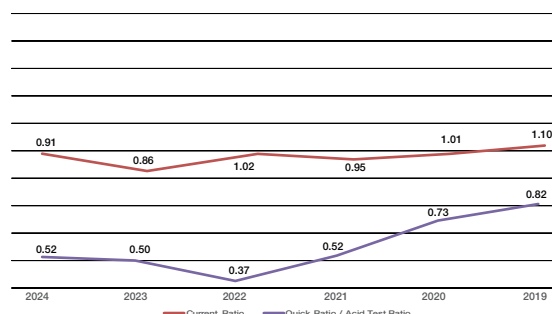
PROFITABILITY RATIOS



Operating Leverage RATIOS



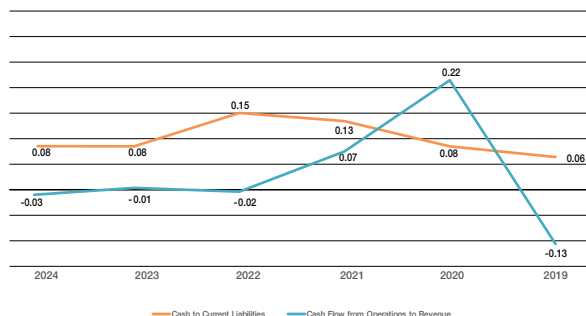
LIQUIDITY RATIOS



PROFITABILITY RATIOS

- In FY 2024, the Company's overall financial performance has improved compared to FY 2023. However, The Gross Profit Ratio decreased from 10.22% to 6.02%, indicating a lower gross profit margin, likely due to increased costs.
- The Company reported a positive Net Profit to Revenue ratio of 0.46% in FY 2024, compared to a negative 0.60% in FY 2023, indicating a profit.
- The EBITDA Margin to Revenue ratio fell from 0.59% in FY 2023 to -0.07% in FY 2024, showing reduced operating profitability.
- The Operating Leverage Ratio decreased from 6.09 times to 2.04 times, suggesting that change in sales can now have a smaller impact on profits due to a less fixed cost structure.
- ROE improved from -2.44% to 2.83%, indicating ineffective use of shareholder equity to generate profits.
- ROCE improved from -1.48% to positive 1.75%, signaling that capital investments were generating positive returns.
- Shareholders' funds decreased from 51.70% to 43.71% of total assets mainly due to significant increase in stock-in-trade and trade debts, but Return on Shareholders' Funds increased significantly due to the net profit in FY 2024 as compared to the net loss in FY 2023.
- In summary, FY 2024 saw an improvement in profitability, decreased operating leverage, and positive returns on equity and capital employed compared to FY 2023, with shareholders' funds decreasing, but returns improved by the net profit.

LIQUIDITY RATIOS



LIQUIDITY RATIOS

- In FY 2024, the company's liquidity position exhibited a mixed performance when compared to FY 2023:
- The current ratio increased from 0.86 in FY 2023 to 0.91 in FY 2024, indicating an improvement in the company's ability to cover short-term liabilities with current assets.
- The quick ratio slightly improved from 0.50 in FY 2023 to 0.52 in FY 2024, signaling an enhanced capacity to meet immediate obligations without relying on inventory.
- The cash to current liabilities ratio remained same in FY 2024 i.e. 0.08 as it was in FY 2023, suggesting no change in cash position relative to short-term obligations.
- The cash flow from operations to revenue ratio experienced a slight decline, shifting from -0.01 in FY 2023 to -0.03 in FY 2024. While the ratio remains negative, it reflects a continuing need for the company to enhance its cash generation from core operations and improve financial efficiency moving forward.
- The cash flow to capital expenditures ratio significantly decreased from -0.95 in FY 2023 to -2.38 in FY 2024, suggesting significant decrease in cash flow from operations. The negative value implies inadequate cash to adequately fund capital investments.
- The cash flow coverage ratio deteriorated from -0.05 in FY 2023 to -0.31 in FY 2024. This indicates a significant decrease in operating cashflows, and the negative value signifies that the company's cash flow are insufficient to comfortably cover its debt obligations.

In summary, the company's liquidity position in FY 2024 showed a mix of improvements and challenges compared to FY 2023, with positive signs like an improved quick ratio and reduced ratios related to capital expenditures and cash flow coverage.

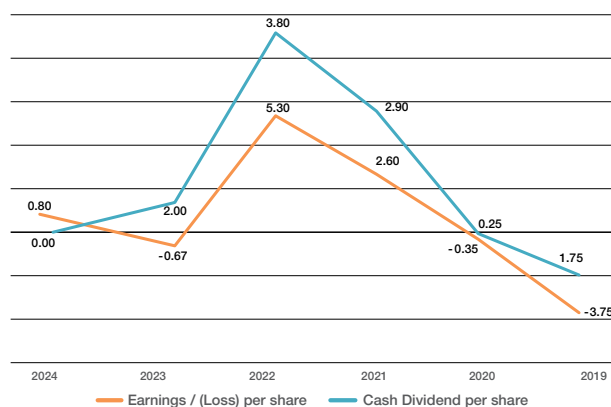
Key Performance Indicators	UOM	Jun-24	Jun-23	Jun-22	Jun-21	Jun-20	Jun-19
INVESTMENT/MARKET RATIOS							
Earnings / (Loss) per share	Rs.	0.80	(0.67)	5.3	2.6	-0.35	-3.75
Diluted EPS	Rs.	0.80	(0.67)	5.3	2.6	-0.35	-3.75
Price Earnings Ratio	Times	44.56	-31.64	7.48	27.27	-86.51	-7.38
Price to Book Ratio	Times	1.26	0.73	1.24	1.10	0.61	0.79
Dividend Yield Ratio	Times	-	0.09	0.10	0.04	0.01	0.06
Dividend Payout Ratio	Times	-	-2.98	0.72	1.12	(0.71)	(0.47)
Cash Dividend per share	Rs.	-	2	3.8	2.9	0.25	1.75
Market Value per share (year end)	Rs.	35.66	21.23	39.65	70.91	30.28	27.66
Market Value per share (highest)	Rs.	37.57	44.86	84	99.15	39.34	102
Market Value per share (lowest)	Rs.	21.67	20.05	37	30.1	16.7	22.11
Breakup Value / Book Value per share	Rs.	28.29	27.46	29.76	27.44	27.22	27.82
Breakup value per share including investment in related party	Rs.	28.29	27.46	29.76	27.44	27.22	27.82
Break up value per share without surplus on revaluation of freehold land	Rs.	22.83	22.03	24.70	27.44	27.22	27.82
Break up value per share with surplus on revaluation of freehold land including investment of all effects	Rs.	28.29	27.46	24.70	27.44	27.22	27.82
No. of Shares based on par value of Rs.10	No.(000)	139,205	139,205	139,205	116,004	116,004	116,004
Total Dividend Paid	Rs.(000)	-	278,410	482,576	336,412	29,001	203,007

INVESTMENT / MARKET SHARE RATIOS

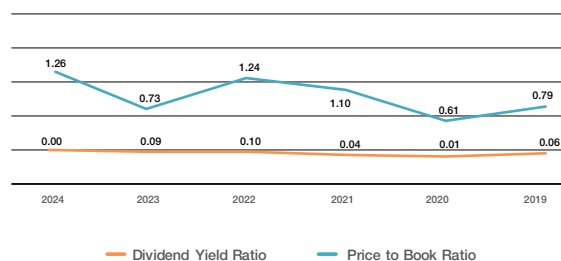
In FY 2024, the company reported earnings per share of Rupees 0.80, marking a significant improvement from the loss per share of Rupees 0.67 in FY 2023, which underscores a notable improvement in profitability. The Price Earnings Ratio (P/E) also exhibited a marked incline, transitioning from a negative 31.64 times in FY 2023 to a positive 44.61 times in FY 2024, signifying positive earnings and raising potential investor confidence.

The company has not declared dividend for FY 2024 as compared to the dividend per share of Rs. 2 in FY 2023. This reflects the company's challenges in FY 2024 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-24	Jun-23	Jun-22	Jun-21	Jun-20	Jun-19
CAPITAL STRUCTURE							
Financial Leverage Ratio	Times	0.62	0.65	0.52	0.32	0.27	0.64
Weighted average cost of debt	%	2.84%					
Long term Debt to Equity Ratio (as per Book Value)	%	0.00%	0.00%	0.00%	1.49%	1.84%	0.46%
Long term Debt to Equity Ratio (as per Market Value)	%	0.00%	0.00%	0.00%	0.58%	1.65%	0.46%
Net assets per share	Rs.	28.29	27.46	29.76	27.44	27.22	27.82
Interest Coverage Ratio	Times	1.30	0.62	6.19	7.21	0.7	0.2
ACTIVITY/TURNOVER RATIOS							
Total Assets Turnover Ratio	Times	2.67	2.10	1.94	1.89	1.13	1.54
Fixed Assets Turnover Ratio	Times	8.66	6.00	6.85	5.78	3.32	5.95
No. of Days in Inventory	Days	23.38	51.98	45.54	27.49	50.63	39.55
No. of Days in Receivables	Days	8.96	3.12	2.15	3.09	41.03	27.60
No. of Days in Payables	Days	19.99	48.42	49.95	43.32	58.49	30.35
Operating Cycle	Days	12.35	6.68	(2.26)	(12.74)	33.17	36.80

CAPITAL STRUCTURE RATIOS

In FY 2024, the company's financial performance exhibited a slight decrease in its Financial Leverage Ratio, which descended from 0.65 in FY 2023 to 0.62. This shift indicates a slightly less 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 an increase, inclining from Rupees 27.46 in FY 2023 to Rupees 28.29 in FY 2024, reflecting a slight increase in the company's net assets per share over the course of the year.

Furthermore, the Interest Coverage Ratio witnessed a substantial increase, ascending from 0.62 in FY 2023 to 1.30 in FY 2024. This substantial increase indicates a potential increase in the company's capacity to cover its interest expenses with its operating income during the fiscal year.

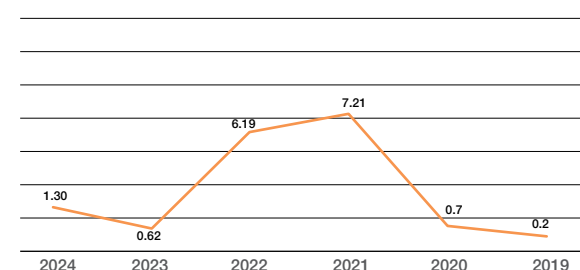
ACTIVITY / TURNOVER RATIOS

In FY 2024, the company's activity / turnover metrics witnessed notable shifts:

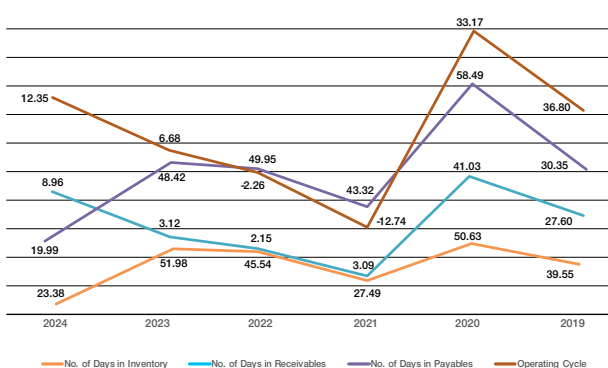
- Total Assets Turnover Ratio increased from 2.10 to 2.67, indicating improved asset utilization for revenue generation.
- Fixed Assets Turnover Ratio increased from 6.00 to 8.66, suggesting an increase in fixed asset efficiency.
- The number of days in inventory reduced from 51.98 days to 23.38 days, indicating a shorter inventory turnover period, potentially tying up less capital in unsold goods and improving liquidity.
- Days in receivables significantly increased from 3.12 days to 8.96 days, signaling a slower collection of payments from customers, which may impact cash flow and working capital.
- Days in payables decreased from 48.42 days to 19.99 days, showing a major improvement in supplier payment timelines, warranting continued monitoring to maintain favorable supplier relationships.
- The operating cycle increased significantly from 6.68 to 12.35 days, raising concerns about cash flow and liquidity.

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

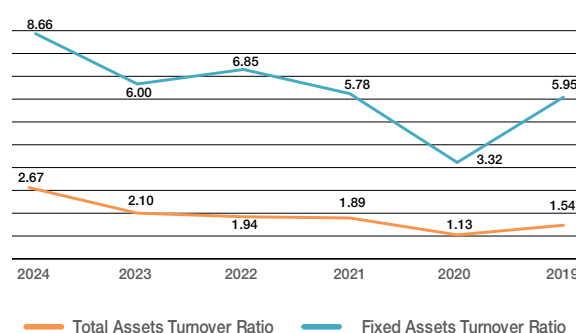
INTEREST COVERAGE RATIO



ACTIVITY/TURNOVER RATIOS



ACTIVITY/TURNOVER RATIOS



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 an increase of 9.13% in comparison to the previous year.

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

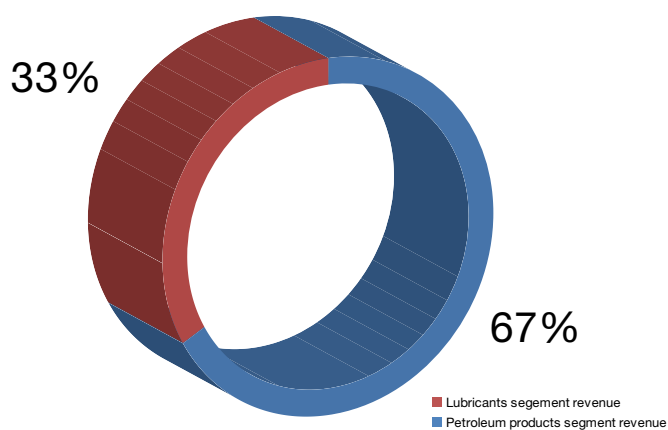
PETROLEUM PRODUCTS

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 of 95.83%, it is imperative to note that this uptick in revenue has been accompanied by a corresponding escalation in the cost of sales.

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

DESCRIPTION	REVENUE	PROFIT/(LOSS) BEFORE TAX
	Rupee in thousand	
Lubricants	8,055,522	248,141
Petroleum products	15,960,960	(85,740)
Total	24,016,482	162,401

SEGMENTAL REVENUE



VERTICAL ANALYSIS

FOR THE CURRENT AND LAST FIVE YEARS

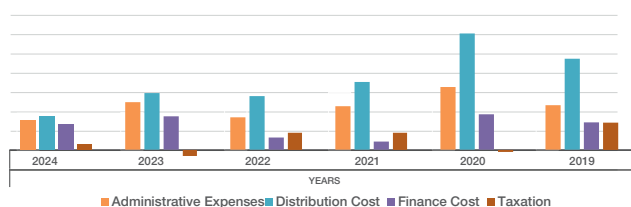
Statement of Profit or Loss	2024		2023		2022		2021		2020		2019	
	Rs. (000)	%age	Rs. (000)	%age	Rs. (000)	%age	Rs. (000)	%age	Rs. (000)	%age	Rs. (000)	%age
Net Revenue	24,016,482	100.00%	15,531,692	100%	17,739,037	100%	10,598,209	100%	5,628,659	100%	9,431,162	100%
Cost of Sales	(22,571,816)	93.98%	(13,944,983)	90%	(15,019,145)	85%	(8,802,509)	83%	(4,503,767)	80%	(8,136,799)	86%
Gross Profit	1,444,666	6.02%	1,586,709	10%	2,719,892	15%	1,795,700	17%	1,124,892	20%	1,294,363	14%
Administrative Expenses	(689,468)	2.87%	(683,246)	4%	(524,457)	3%	(431,094)	4%	(328,992)	6%	(390,823)	4%
Distribution Cost	(771,180)	3.21%	(811,509)	5%	(876,129)	5%	(666,407)	6%	(609,514)	11%	(795,362)	8%
EBITDA	(15,982)	-0.07%	91,954	1%	1,319,306	7%	698,199	7%	186,386	3%	108,178	1%
Depreciation and Amortization	(281,532)	1.17%	(267,484)	2%	(255,338)	1%	(184,463)	2%	(157,102)	3%	(80,777)	1%
Other Expenses	(54,559)	0.23%	(36,143)	0.2%	(236,055)	1.3%	(41,275)	0.4%	(20,180)	0.4%	(103,571)	1%
Other Income	1,058,520	4.41%	505,106	3%	382,803	2%	112,541	1%	126,125	2%	113,899	1%
EBIT	706,447	2.94%	293,433	1.9%	1,210,716	7%	585,002	6%	(51,157)	-1%	37,729	0.4%
Finance Cost	(544,047)	2.27%	(474,617)	3%	(195,516)	1%	(81,148)	1%	(186,326)	3%	(235,072)	2%
(Loss) / Profit Before Taxation	162,401	0.68%	(181,184)	-1%	1,015,200	6%	503,854	5%	(51,097)	-1%	(197,343)	-2%
Taxation	(50,997)	0.21%	87,772	-0.6%	(277,278)	1.6%	(142,533)	1.3%	10,980	-0.2%	(237,476)	3%
(Loss) / Profit After Taxation	111,404	0.46%	(93,412)	-1%	737,922	4%	361,321	3%	(40,117)	-1%	(434,819)	-5%

STATEMENT OF PROFIT OR LOSS VERTICAL ANALYSIS

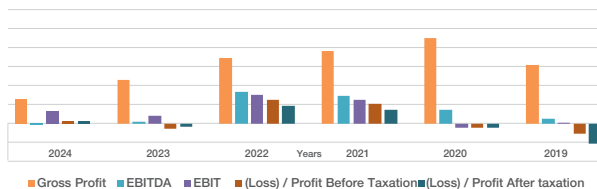
Over the past six years, both gross profit and EBITDA have exhibited a mixed trend, with fluctuations in their performance. However, in the current fiscal year, there has been a noteworthy decline in the financial performance indicators. Specifically, Gross profit and EBITDA now represent only 6.02% and negative 0.07% of the net revenue, respectively. These figures indicate further deterioration in financial performance compared to the previous fiscal year, FY 2023.

The primary factor contributing to this decline is a significant 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. It underscores the challenges faced by the organization in managing its cost structures, which have, in turn, adversely affected its overall financial performance in the current fiscal year.

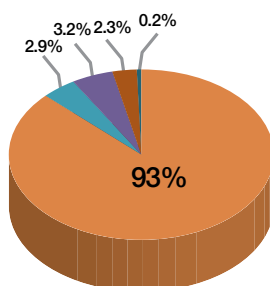
VERTICAL ANALYSIS-EXPENSES (2024-19)



VERTICAL ANALYSIS-PROFITS (2024-19)



VERTICAL ANALYSIS-STATEMENT OF PROFIT OR LOSS (2024)



Cost of Sales Administrative Expenses Distribution Cost Finance Cost Taxation

Statement of Financial Position	2024		2023		2022		2021		2020		2019	
	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age
ASSETS												
Non-current assets												
Fixed assets	2,771,812	31%	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%
Right-of-use assets	591,487	7%	605,121	8.2%	555,745	6.1%	359,293	6.4%	270,943	5.4%	-	-
Intangible assets	1,198	0%	3,982	0.1%	6,658	0.1%	10,646	0.2%	7,597	0.2%	8,038	0.1%
Investment property		0%	135,000	1.8%	130,000	1.4%	93,750	1.7%				
Investment in subsidiary company	1,300,001	14%	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%
Long term loans to employees	37,719	0%	2,985	0.0%	783	0.0%	-	0.0%	-	0.0%	-	0.0%
Long term security deposits	2,051	0%	51,943	0.7%	37,695	0.4%	29,402	0.5%	9,720	0.2%	26,154	0.4%
Deferred income tax asset-net	144,162	2%	83,599	1.1%	-	0.0%	48,246	0.9%	107,956	2.2%	39,183	0.6%
	4,848,430	54%	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%
Current assets												
Stock-in-trade	1,789,236	20%	1,102,921	14.9%	2,868,898	31.4%	878,742	15.6%	447,345	9.0%	801,995	13.1%
Trade debts	1,019,802	11%	159,240	2.2%	106,219	1.2%	103,225	1.8%	76,104	1.5%	1,189,384	19.4%
Loans and advances	245,699	3%	625,011	8.5%	192,210	2.1%	89,718	1.6%	151,182	3.0%	36,748	0.6%
Short term deposits and prepayments	27,757	0%	32,337	0.4%	24,309	0.3%	19,317	0.3%	31,144	0.6%	48,894	0.8%
Accrued Interest	365,876	4%	52,988	0.7%	571	0.0%	390	0.0%	2	0.0%	32,515	0.5%
Other receivables	3,486	0%	188,392	2.5%	440,065	4.8%	141,381	2.5%	50,015	1.0%	7,772	0.1%
Short term investment	222,717	2%	222,583	3.0%	226,804	2.5%	446,043	7.9%	723,285	14.5%	882,469	14.4%
Cash and bank balances	352,417	4%	239,412	3.2%	657,142	7.2%	264,544	4.7%	124,178	2.5%	158,925	2.6%
	4,026,990	45%										
Non-current asset classified as held for sale	135,000	1%	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%
TOTAL ASSETS	4,161,990	46%	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%
EQUITY AND LIABILITIES												
SHARE CAPITAL AND RESERVES												
Issued, subscribed and paid up capital	1,392,048	15.4%	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%
Share premium	1,441,698	16.0%	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%
Surplus on revaluation of freehold land	760,858	8.4%	756,847	10.2%	704,626	7.7%						
Un-appropriated profit	343,756	3.8%	232,352	3.1%	604,175	6.6%	580,837	10.3%	555,928	11.1%	625,047	10.2%
Total equity	3,938,361	43.7%	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%
Non-current liabilities												
Long term financing	-	-	-	0.0%	-	0.0%	47,490	0.8%	42,268	0.8%	1,822	0.0%
Liabilities against assets subject to finance lease	-	-	-	0.0%	-	0.0%	-	0.0%	-	0.0%	26,625	0.4%
Lease liabilities	497,633	5.5%	492,139	6.7%	471,952	5.2%	334,670	6.0%	204,637	4.1%		
Long term deposits	15,000	0.2%	16,500	0.2%	17,000	0.2%	17,000	0.3%	500	0.0%	1,000	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%
Long term deposits	-	-	508,639	-8.98%	558,830	39.87%	399,522	60.28%	249,268	746.50%	29,447	-72.62%
	512,633	5.7%	508,639	6.9%	558,830	6.1%	399,522	7.1%	249,268	5.0%	29,447	0.5%
Current liabilities												
Trade and other payables	2,559,182	28.4%	974,284	13.2%	2,725,758	29.8%	1,385,265	24.7%	704,279	14.1%	739,055	12.1%
Accrued mark-up	67,682	0.8%	81,020	1.1%	38,150	0.4%	9,757	0.2%	22,103	0.4%	69,576	1.1%
Short term borrowings	1,777,188	19.7%	1,851,556	25.0%	1,494,219	16.4%	461,181	8.2%	766,263	15.3%	1,974,915	32.3%
Current portion of non-current liabilities	149,684	1.7%	150,743	2.0%	172,182	1.9%	162,698	2.9%	90,201	1.8%	70,939	1.2%
Unclaimed dividend	5,689	0.1%	5,831	0.1%	5,756	0.1%	6,327	0.1%	3,438	0.1%	4,026	
Provision for taxation and levy - net	-	0.0%										
	4,559,425	50.6%	-	0.0%	-	0.0%	10,919	0.2%	-	0.0%	1,224	0.0%
TOTAL EQUITY AND LIABILITIES	9,010,420	100.0%	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%

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.

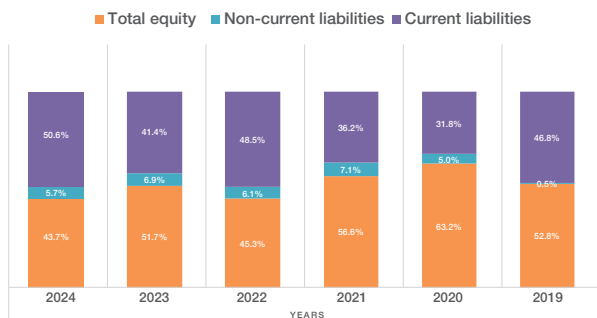
As of June 30, 2024, the composition of the company's total assets can be classified into two categories: non-current assets, accounting for 54% of the total, and current assets, representing 46% of the total asset base. In contrast, the company's equity and liabilities structure comprises share capital and reserves, accounting for 43.7% of the total, while non-current

liabilities and current liabilities constitute 5.7% and 50.6%, respectively. Share capital and reserves, a significant portion of the equity and liabilities, encompass issued subscribed and paid-up share capital (15.4%), share premium (16.0%), surplus on the revaluation of freehold land (8.4%), and unappropriated profit (3.8%).

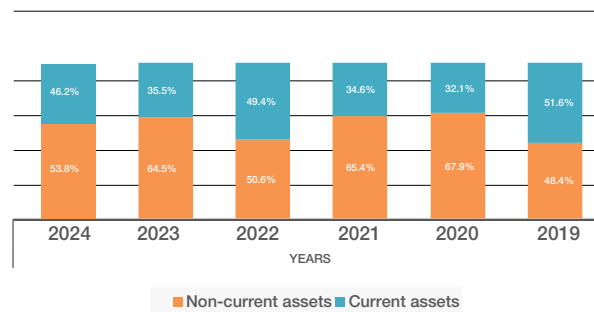
Non-current liabilities consist of lease liabilities (5.5%) and long term deposits (0.2%), contributing to the company's long-term obligations.

On the other hand, current liabilities primarily consist of short-term borrowings (19.7%) and trade and other payables (28.4%), reflecting the company's short-term financial obligations and trade-related liabilities.

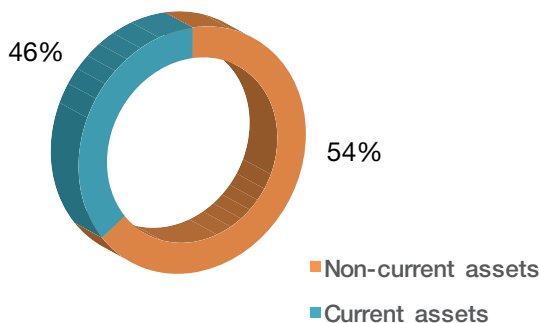
VERTICAL ANALYSIS-TOTAL EQUITY & LIABILITIES (2024-19)



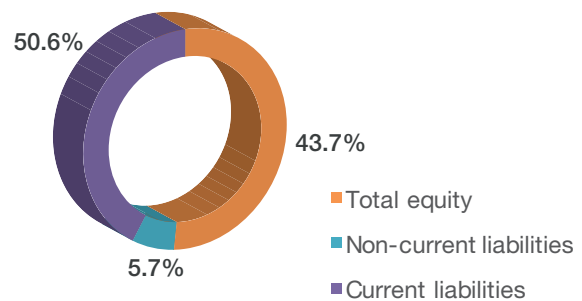
VERTICAL ANALYSIS-TOTAL ASSETS (2024-19)



VERTICAL ANALYSIS-TOTAL ASSETS (2024)



VERTICAL ANALYSIS-TOTAL EQUITY & LIABILITIES (2024)



HORIZONTAL ANALYSIS

FOR THE CURRENT AND LAST FIVE YEARS



Statement of Financial Position	2024		2023		2022		2021		2020		2019	
	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age
ASSETS												
Non-current assets												
Fixed assets	2,771,812	7.04%	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%
Right-of-use assets	591,487	-2.25%	605,121	8.88%	555,745	54.68%	359,293	32.61%	270,943	271.00%	-	0.00%
Intangible assets	1,198	-69.92%	3,982	-40.19%	6,658	-37.46%	10,646	40.13%	7,597	-5.49%	8,038	0.00%
Investment property	-	-100.00%	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	37,719	-27.38%	2,985	281.23%	783	0.00%	-	0.00%	-	0.00%	-	0.00%
Long term security deposits	2,051	-31.29%	51,943	37.80%	37,695	28.21%	29,402	202.49%	9,720	-62.84%	26,154	-32.26%
Deferred income tax asset-net	144,162	72.45%	83,599	100.00%	-	-100.00%	48,246	-55.31%	107,956	175.52%	39,183	0.00%
	4,848,430	1.60%	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%
Current assets												
Stock-in-trade	1,789,236	62.23%	1,102,921	-61.56%	2,868,898	226.48%	878,742	96.43%	447,345	-44.22%	801,995	-16.56%
Trade debts	1,019,802	540.42%	159,240	49.92%	106,219	2.90%	103,225	35.64%	76,104	-93.60%	1,189,384	401.98%
Loans and advances	245,699	-60.69%	625,011	225.17%	192,210	114.24%	89,718	-40.66%	151,182	311.40%	36,748	-74.91%
Short term deposits and prepayments	27,757	-14.16%	32,337	33.02%	24,309	25.84%	19,317	-37.98%	31,144	-36.30%	48,894	75.03%
Other receivables	365,876	94.21%	188,392	-57.19%	440,065	211.26%	141,381	182.68%	50,015	53.82%	32,515	87.51%
Accrued Interest	3,486	-93.42%	52,988	9179.86%	571	46.41%	390	19400.00%	2	-99.97%	7,772	-49.32%
Short term investment	222,717	0.06%	222,583	-1.86%	226,804	-49.15%	446,043	-38.33%	723,285	-18.04%	882,469	-3.80%
Cash and bank balances	352,417	47.20%	239,412	-63.57%	657,142	148.41%	264,544	113.04%	124,178	-21.86%	158,925	-66.30%
	4,026,990	53.53%	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%
Non-current asset classified as held for sale	135,000	100.00%	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	9,010,420	21.84%	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%
EQUITY AND LIABILITIES												
SHARE CAPITAL AND RESERVES												
Issued, subscribed and paid up capital	1,392,048	0.00%	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%
Reserves	2,546,313	4.75%	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%
Total equity	3,938,361	3.02%	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%
Non-current liabilities												
Long term financing	-	-	-	0.00%	-	-100.00%	47,490	12.35%	42,268	2219.87%	1,822	-87.77%
Liabilities against assets subject to finance lease	-	-	-	0.00%	-	0.00%	-	0.00%	-	-100.00%	26,625	-66.34%
Lease liabilities	497,633	1.12%	492,139	4.28%	471,952	41.02%	334,670	63.54%	204,637	100.00%	-	0.00%
Long term deposits	15,000	-9.09%	16,500	-2.94%	17,000	0.00%	17,000	3300.00%	500	-50.00%	1,000	-33.33%
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%
	512,633	0.79%	508,639	6.9%	558,830	6.1%	399,522	7.1%	249,268	5.0%	29,447	0.5%
Current liabilities												
Trade and other payables	2,559,182	162.67%	974,284	-64.26%	2,725,758	96.77%	1,385,265	96.69%	704,279	-4.71%	739,055	20.38%
Accrued mark-up	67,682	-16.46%	81,020	112.37%	38,150	291.00%	9,757	-55.86%	22,103	-68.23%	69,576	281.93%
Short term borrowings	1,777,188	-4.02%	1,851,556	23.91%	1,494,219	224.00%	461,181	-39.81%	766,263	-61.20%	1,974,915	179.09%
Current portion of non-current liabilities	149,684	-0.70%	150,743	-12.45%	172,182	5.83%	162,698	80.37%	90,201	27.15%	70,939	16.11%
Unclaimed dividend	5,689	-2.42%	5,831	1.30%	5,756	-9.02%	6,327	84.03%	3,438	-14.61%	4026	-
Provision for taxation and levy - net	-	0.00%	-	0.00%	-	0.00%	10,919	0.00%	-	-100.00%	1,224	-98.95%
	4,559,425	48.83%	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%
TOTAL EQUITY AND LIABILITIES	5,072,059	21.84%	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%
Statement of Profit or Loss												
	2024		2023		2022		2021		2020		2019	
	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age
Net Revenue	24,016,482	55%	15,531,692	-12%	17,739,037	67%	10,598,209	88%	5,628,659	-40%	9,431,162	2%
Cost of Sales	(22,571,816)	62%	(13,944,983)	-7%	(15,019,145)	71%	(8,802,509)	95%	(4,503,767)	-45%	(8,136,799)	11%
Gross Profit	1,444,666	-9%	1,586,709	-42%	2,719,892	51%	1,795,700	60%	1,124,892	-13%	1,294,363	-33%
Administrative Expenses	(689,468)	1%	(683,246)	30%	(524,457)	22%	(431,094)	31%	(328,992)	-16%	(390,823)	11%
Distribution Cost	(771,180)	-5%	(811,509)	-7%	(876,129)	31%	(666,407)	9%	(609,514)	-23%	(795,362)	31%
EBITDA	(15,982)	-117%	91,954	-93%	1,319,306	89%	698,199	275%	186,386	72%	108,178	-89%
Depreciation and Amortization	(281,532)	5%	(267,484)	5%	(255,338)	38%	(184,463)	17%	(157,102)	94%	(80,777)	41%
Other Expenses	(54,559)	51%	(36,143)	-85%	(236,055)	472%	(41,275)	105%	(20,180)	-81%	(103,571)	64%
Other Income	1,058,520	110%	505,106	32%	382,803	240%	112,541	-11%	126,125	11%	113,899	5%
EBIT	706,447	141%	293,433	-76%	1,210,716	107%	585,002	333%	135,229	258%	37,729	-96%
Finance Cost	(544,047)	15%	(474,617)	143%	(195,516)	141%	(81,148)	-56%	(186,326)	-21%	(235,072)	185%
(Loss) / Profit Before Taxation	162,401	-190%	(181,184)	-118%	1,015,200	101%	503,854	1086%	(51,097)	-74%	(197,343)	-123%
Taxation	(50,997)	-158%	87,772	-132%	(277,278)	95%	(142,533)	1398%	10,980	-105%	(237,476)	-26%
(Loss) / Profit After Taxation	111,404	-219%	(93,412)	-113%	737,922	104%	361,321	1001%	(40,117)	-91%	(434,819)	-178%

HORIZONTAL ANALYSIS

FOR THE CURRENT AND LAST FIVE YEARS

FINANCIAL POSITION

HORIZONTAL ANALYSIS

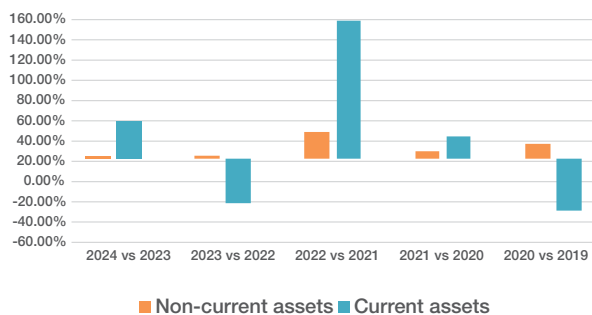
Non-current assets exhibited a modest increase of 1.60% in comparison to FY 2023. This increase was primarily attributed to the recognition of a deferred income tax asset during the year.

Similarly, there was a substantial increase of 58.68% in current assets. This increase can be attributed to increase in inventory stocks, trade debts and cash & bank balances.

The total equity of the company witnessed an incline of 3.02%. This incline was primarily driven by the net profit incurred during the fiscal year.

Non-current liabilities showed a slight increase of 0.79%. This increase was attributed to increase in lease liabilities.

HORIZONTAL ANALYSIS-TOTAL ASSETS



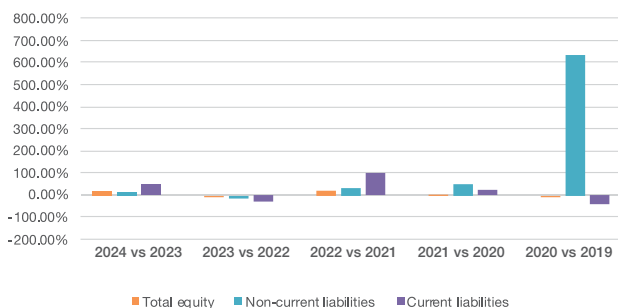
Current liabilities experienced a significant increase of 48.83%. This incline was primarily due to increase in trade and other payables, indicating increased short-term financial obligations.

Shareholders' equity has been increased by Rupees 115.415 million (3.02%) mainly on account of profit earned during the year.

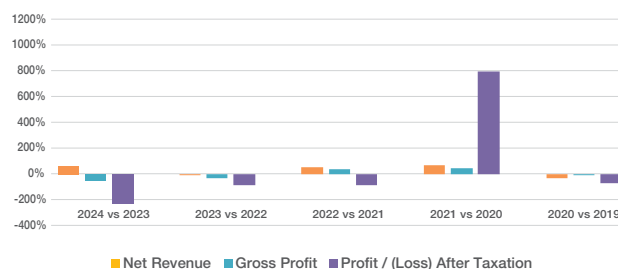
Non-current liabilities for the year have been increased by Rupees 3.995 million (0.79%) due to increase in lease liabilities.

Current liabilities have been increased by Rupees 1,495.992 million (48.83%) mainly due to increase in trade and other payables.

HORIZONTAL ANALYSIS-TOTAL EQUITY & LIABILITIES (2024)



HORIZONTAL ANALYSIS-PROFIT OR LOSS



STATEMENT OF PROFIT OR LOSS

HORIZONTAL ANALYSIS

In the fiscal year 2024, the company faced a notable decline in its financial performance compared to the preceding fiscal year, FY2023:

The Company's net revenue witnessed a significant increase of 55% in FY2024 when contrasted with FY2023.

The cost of sales experienced a 62% increase in FY2024. However, this increase in the cost of sales did not align with the increase in revenue, leading to a decrease in gross profit margins.

Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) plummeted by 117%, indicating a substantial decline in the company's operational performance.

Finance costs saw a significant increase of 15%. This increase attributed to higher interest rates during the year.

The company incurred a profit after taxation of Rupees 111.404 million in FY2024.

SHARE PRICE SENSITIVITY ANALYSIS

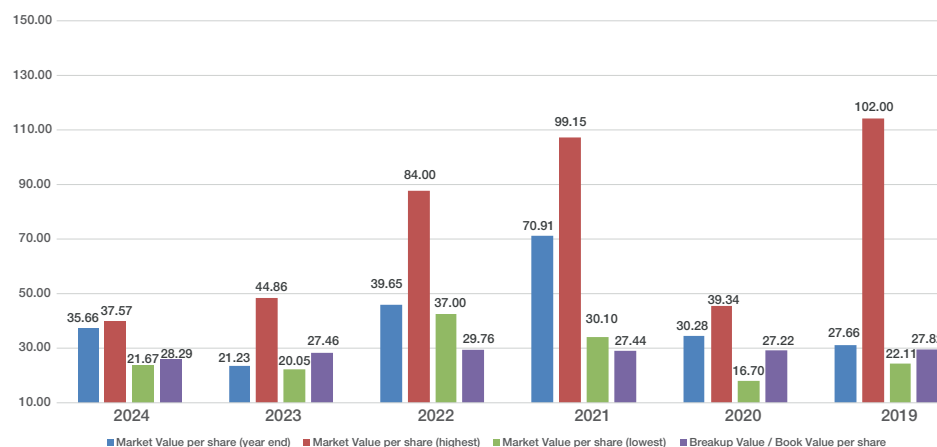
Share price in the stock market moves due to various factors such as company performance, general market sentiment, economic events and interest rates, etc. Being a responsible and law-compliant Company, HTL circulates price sensitive information to stock exchanges in accordance with the requirements 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 2024, HTL's share price touched the peak of Rupees 37.57 while the lowest recorded price was Rupees 21.67 with a closing price of Rupees 35.66 at the end of the year.

SHARE PRICE SENSITIVITY ANALYSIS



COMPOSITION OF LOCAL VS IMPORTED MATERIAL

In FY 2024, 17% of the total material purchased for the OMC business and 8% of the total material purchased for the lubricants segment were imported. As a result, imported materials constituted 14% of HTL's overall material purchases for the year. Consequently, a 10% depreciation in the USD/PKR exchange rate, assuming all other factors remain constant, would lead to a 1.4% increase in HTL's total cost of sales.

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

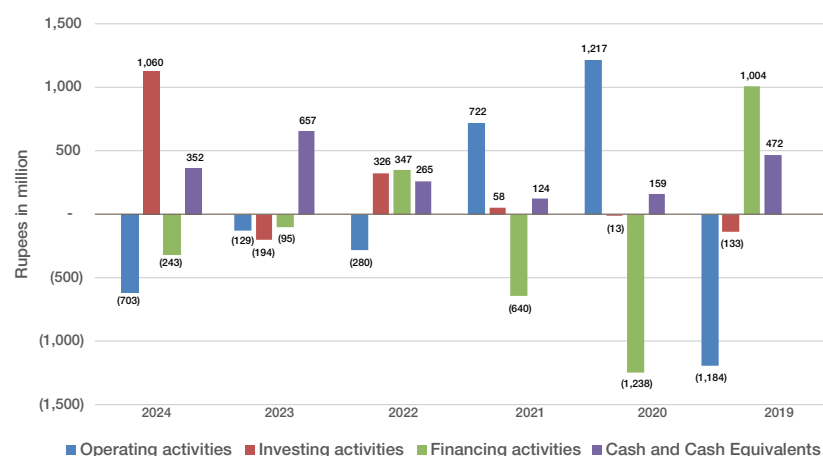
RATIO DESCRIPTION	BENCH MARK	2024	2023
Interest bearing loan to market capitalization	Not exceed 30%	Negative	Negative
Interest taking deposit to market capitalization	Not exceed 30%	0%	0%
Income generated from prohibited component to total income	Not exceed 5%	0%	0%
Net liquid assets per share to market value per share	At least 25%	Complied	Complied

CASH FLOWS ANALYSIS

FOR THE CURRENT AND LAST FIVE YEARS

Summary of Cash Flow Statement	2024	2023	2022	2021	2020	2019
	Rupees in thousand					
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash (used in) / generated from operations	(25,217)	(506,606)	(51,319)	856,216	1,522,038	(592,457)
Finance cost paid	(557,384)	(431,385)	(162,381)	(85,570)	(233,431)	(183,712)
Income tax paid	(137,305)	(200,960)	(58,722)	(56,195)	(74,725)	(404,279)
Net increase in long term loans to employees	-	(3,136)	(983)	-	280	769
Net decrease in long term security deposits	17,590	103	(6,682)	(8,702)	2,898	(3,538)
Decrease in long term deposits	(1,500)	(500)	-	16,500	(500)	(500)
Net cash generated (used in) / from operating activities	(703,817)	(129,272)	(280,087)	722,249	1,216,560	(1,183,717)
CASH FLOWS FROM INVESTING ACTIVITIES						
Capital expenditure on operating fixed assets	(296,132)	(134,758)	(198,381)	(267,487)	(282,116)	(275,337)
Capital expenditure on intangible assets	-	(1,500)	(825)	(7,069)	(5,362)	(8,026)
Short term loan given to subsidiary company	(391,900)	(1,093,657)	-	-	-	(548,900)
Short term loan repaid by subsidiary company	877,400	608,157	-	-	-	548,900
Proceeds from disposal of operating fixed assets	21,929	(1,093,657)	-	-	-	(548,900)
Short term investments - net	5,417	4,938	220,880	277,775	153,963	30,869
Dividends received	692,512	295,937	282,797	20,453	10,437	1,132
Interest received on short term loan to subsidiary company	115,830	44,386	-	-	7,741	41,196
Profit on bank deposits and term deposit receipt received	35,121	22,813	21,992	21,829	86,942	69,330
Net cash (used in) / from investing activities	1,060,177	(193,726)	325,609	58,073	(13,000)	(132,812)
Cash flow from financing activities						
Repayment of lease liabilities	(168,845)	(125,883)	(107,111)	(81,501)	(48,576)	-
Dividend paid	(141)	(278,334)	(483,148)	(333,524)	(29,589)	(203,278)
Long term financing repaid	-	(47,851)	(95,704)	(46,431)	(14,894)	(15,000)
Short term borrowings - net	(74,368)	357,337	1,033,038	(305,082)	(1,208,652)	1,267,280
Net cash used in financing activities	(243,354)	(94,731)	347,075	(639,956)	(1,238,307)	1,003,849
Net increase / (decrease) in cash and cash equivalents	113,005	(417,729)	392,597	140,366	(34,747)	(312,680)
Cash and cash equivalents at the beginning of the year	239,412	657,141	264,544	124,178	158,925	471,605
Cash and cash equivalents at the end of the year	352,417	239,412	657,141	264,544	124,178	158,925

ANALYSIS OF CASH FLOWS



CASH FLOWS ANALYSIS

In FY2024, the company reported a significant deterioration in its operating cash flows, with increase in cash outflows from operating activities to Rupees 704 million from Rupees 129 million in FY2023. This indicates need for improvement in efficiently managing day-to-day operations. In terms of investing activities, there was a notable shift from a negative cash outflow of Rupees 194 million in FY2023 to a positive cash inflow of Rupees 1060 million in FY2024. This is mainly due to the dividend received from subsidiary company and short term loan repaid by subsidiary company.

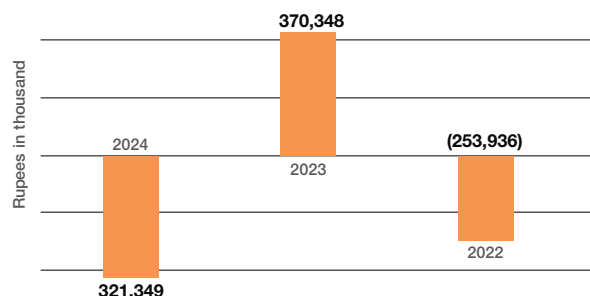
Financing activities also underwent a substantial change, as the company experienced increase in cash outflow from financing activities, inclining from Rupees 95 million in FY2023 to Rupees 243 million in FY2024. This indicates reduced external financing.

The most noteworthy change can be observed in the company's cash and cash equivalents position, which increased to Rupees 352 million in FY2024 from Rs 239 million in FY2023 mainly due to inflows from investing activities.

ANALYSIS OF FREE CASH FLOWS

Free Cash Flows	2024	2023	2022
	Rupees in thousand		
(Loss) / Profit before taxation	162,401	(181,184)	1,015,200
Adjustments for non-cash items and other items	40,852	310,629	283,334
Working capital changes	(228,470)	377,161	(1,349,853)
Capital additions	(296,132)	(136,258)	(202,617)
Free Cash Flows	(321,349)	370,348	(253,936)

FREE CASH FLOWS (2024-2022)



DIRECT METHOD CASH FLOWS

Cash Flows From Operating Activities	2024	2023
	Rupees	
Collection from customers	24,976,176,601	17,194,285,407
Payments to employees as remuneration	(918,958,186)	(1,021,069,431)
Payments to suppliers and service providers	(21,854,190,232)	(14,250,617,327)
Income tax paid	(137,305,411)	(200,960,436)
Sales tax paid	(2,212,155,756)	(1,418,544,777)
Finance cost paid	(557,384,460)	(431,385,437)
Zakat paid	-	(980,123)
Net cash used in operating activities	(703,817,444)	(129,272,124)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures on operating fixed assets	(296,131,583)	(134,757,935)
Capital expenditure on intangible assets	-	(1,500,000)
Initial direct cost incurred on right-of-use assets	-	-
Short term loan given to subsidiary company	(391,900,000)	(1,093,656,544)
Short term loan repaid by subsidiary company	877,400,000	608,156,544
Proceeds from disposal of operating fixed assets	21,928,948	59,957,697
Short term investments - net	5,416,933	4,937,545
Dividends received	692,512,052	295,937,019
Interest received on loans to subsidiary company	115,829,997	44,386,253
Profit on bank deposits and term deposit receipts received	35,120,772	22,813,380
Net cash (used in) / from investing activities	1,060,177,119	(193,726,041)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(168,844,507)	(125,883,130)
Dividend paid	(141,327)	(278,334,373)
Repayment of long term financing	-	(47,851,814)
Short term borrowings - net	(74,368,418)	357,337,406
Net cash (used in) / from financing activities	(243,354,252)	(94,731,911)
Net (decrease) / increase in cash and cash equivalents	113,005,423	(417,730,076)
Cash and cash equivalents at the beginning of the year	239,411,720	657,141,796
Cash and cash equivalents at the end of the year	352,417,143	239,411,720

QUARTERLY ANALYSIS

FOR THE **CURRENT YEAR**

Statement of Profit or Loss	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	Rupees in thousand			
GROSS REVENUE	4,533,632	5,854,177	7,308,208	9,063,253
DISCOUNTS	(127,124)	(214,398)	(147,015)	(139,771)
SALES TAX	(406,997)	(459,279)	(638,324)	(609,880)
NET REVENUE	3,999,510	5,180,500	6,522,869	8,313,602
COST OF SALES	(3,694,048)	(5,025,889)	(6,104,566)	(7,747,314)
GROSS PROFIT	305,463	154,611	418,304	566,288
DISTRIBUTION COST	(208,486)	(111,035)	(385,896)	(313,217)
ADMINISTRATIVE EXPENSES	(169,047)	(174,630)	(189,801)	(190,070)
OTHER EXPENSES	(14,422)	(2,142)	(2,556)	(35,439)
OTHER INCOME	(391,955)	(287,807)	(578,252)	(538,725)
	140,514	269,058	500,244	148,705
(LOSS) / PROFIT FROM OPERATIONS	54,022	135,863	340,295	176,268
FINANCE COST	(138,445)	(147,745)	(114,994)	(142,862)
(LOSS) / PROFIT BEFORE TAXATION	(84,423)	(11,883)	225,301	33,405
TAXATION	(32,532)	(72,139)	(23,833)	77,507
(LOSS) / PROFIT AFTER TAXATION	(116,955)	(84,022)	201,468	110,912

Statement of Financial Position	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	Rupees in thousand			
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Authorized share capital				
150,000,000 (2023: 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	2,313,943	2,288,357	2,489,825	2,546,313
Total Equity	3,705,991	3,680,405	3,881,873	3,938,361
LIABILITIES				
NON-CURRENT LIABILITIES				
Lease Liabilities	463,229	474,099	470,595	497,633
Long term deposits	15,500	20,000	18,500	15,000
	478,729	494,099	489,095	512,633
CURRENT LIABILITIES				
Trade and other payables	1,389,421	1,702,004	1,415,892	2,559,182
Accrued mark-up	86,144	82,800	56,476	67,682
Short term borrowings	1,867,269	1,987,530	1,680,183	1,777,188
Current portion of non-current liabilities	146,112	161,571	150,043	149,684
Unclaimed dividend	5,808	5,689	5,689	5,689
Provision for taxation - net	3,851	-	13,596	-
	3,498,605	3,939,594	3,321,878	4,559,425
Total liabilities	3,977,334	4,433,693	3,810,974	5,072,059
Contingencies and Commitments	-	-	-	-
TOTAL EQUITY AND LIABILITIES	7,683,325	8,114,098	7,692,846	9,010,420

Statement of Financial Position	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	Rupees in thousand			
ASSETS				
NON-CURRENT ASSETS				
Fixed assets	2,601,787	2,613,085	2,664,593	2,771,812
Right-of-use assets	573,537	614,833	574,396	591,487
Intangible assets	3,053	2,349	1,644	1,198
Investment property	135,000	-	-	-
Investment in subsidiary company	1,300,001	1,300,001	1,300,001	1,300,001
Long term security deposits	51,943	44,629	44,629	37,719
Long term loan to an employee	2,752	2,518	2,284	2,051
Deffered income tax asset - net	68,904	90,830	90,830	144,162
	4,736,977	4,668,244	4,678,378	4,848,430
CURRENT ASSETS				
Stock-in-trade	1,282,686	1,440,093	1,296,992	1,789,236
Trade debts	240,070	129,266	399,472	1,019,802
Loans and advances	563,923	667,977	217,288	245,699
Short term deposits and prepayments	47,836	58,017	73,400	27,757
Other receivables	325,024	437,260	298,909	365,876
Accrued interest	36,740	26,983	14,542	3,486
Short term investments	213,442	215,508	221,199	222,717
Cash and bank balances	236,627	335,750	357,668	352,417
	2,946,348	3,310,854	2,879,469	4,026,990
Non-current asset classified as held for sale	-	135,000	135,000	135,000
	2,946,348	3,445,854	3,014,469	4,161,990
TOTAL ASSETS	7,683,325	8,114,098	7,692,846	9,010,420

QUARTERLY ANALYSIS REVENUE

Total revenue showing mixed trend during the year with the highest in fourth quarter which represent 34.62% of total revenue. FY-2023-2024 remained challenging, due to:

- Political uncertainty
- Fuel price volatility
- State Bank of Pakistan's Monetary Policy Committee raised Policy Rate to an unprecedented 22.00%
- Increased import costs
- Challenging economic environment for businesses

COST OF SALES

Cost of sales shows mixed trend in FY 2024 with lowest in first quarter and highest in fourth quarter mainly on account of increased cost of imports.

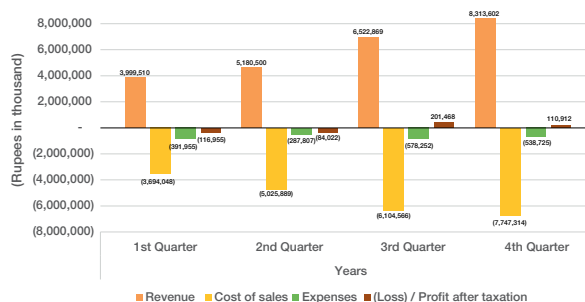
NET PROFIT AFTER TAXATION

The company experienced fluctuating financial performance throughout the fiscal year. It incurred net loss in the first and second quarters but achieved profits in the third and fourth quarters. These profits were primarily due to increased sales revenue, and relatively lower finance costs. As a result, the company reported a net profit of Rupees 111 million for the fiscal year.

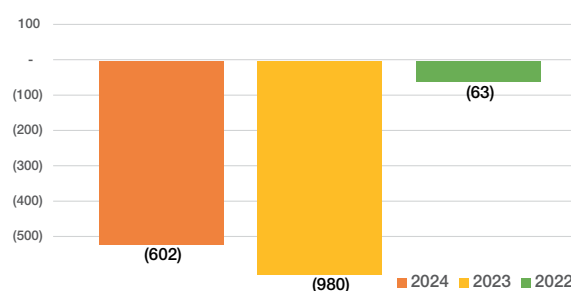
ECONOMIC VALUE ADDED

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 2022 to FY 2024, offering a clear illustration of the Company's EVA trends over this period.

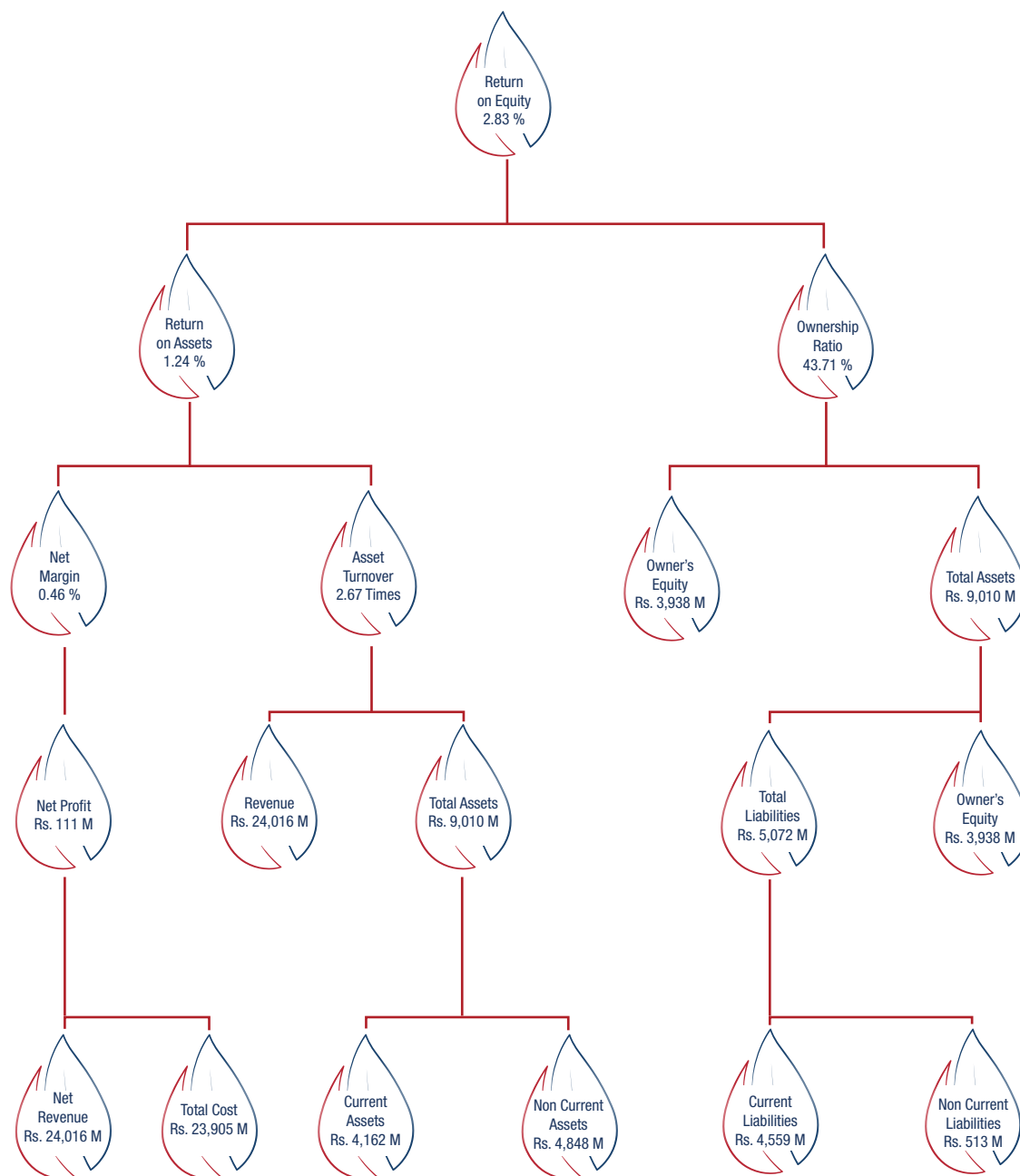
QUARTERLY ANALYSIS



ECONOMIC VALUE ADDED (EVA)



DUPONT ANALYSIS



The Dupont analysis is a framework for analyzing fundamental performance and it is a useful technique used to decompose the different drivers of return on equity (ROE).

Dupont analysis for last six years depicts that the Company is generating mixed returns for its shareholders. The management of the Company regularly monitors all the drivers used in Dupont analysis to identify strengths and weaknesses and analyze the Company's fundamental performance.

Year	Return on assets (Net profit / total assets)	Ownership ratio Total equity / total assets	ROE A/B
	A	B	A/B
2024	1.24%	43.71%	2.83%
2023	-1.26%	51.70%	-2.43%
2022	8.08%	45.34%	17.81%
2021	6.43%	56.65%	11.35%
2020	-0.80%	63.24%	-1.27%
2019	-7.11%	52.76%	-13.48%

ANALYSIS OF FINANCIAL AND NON-FINANCIAL PERFORMANCE



HTL's Financial Department plays a pivotal role in annual budgeting. In the last quarter of the fiscal year, each business unit and cost center uses a system-based budgeting module to submit their financial plans. After careful review by the company's top management, these budgets go through an audit committee for further scrutiny and eventual approval by the Board of Directors. These budgets are meticulously prepared, taking into account forecasts and assumptions that align with the specific needs of the business. The Budgeting Department also conducts sensitivity analysis to ensure the budgets can withstand various scenarios, considering factors like costs that can be controlled, those that can't, seasonal fluctuations, and ongoing trends. Moreover, the CEO and management teams are assigned balanced scorecards based on business unit targets, profitability goals, and other qualitative metrics, ensuring a well-rounded approach to evaluating performance.

PERFORMANCE AGAINST FINANCIAL MEASURES

Company sets financial targets for business units, their liquidity and working capital against defined targets.

SUMMARISED OPERATING PERFORMANCE OF THE COMPANY FOR THE CURRENT YEAR

- The Company achieved a noteworthy 55% increase in revenue compared to the previous year. This increase can be primarily attributed to a significant increase in revenue of petroleum products by 96% during the year.
- The Company experienced a 9% reduction in its gross profit over the course of the year. This decline can be primarily attributed to increase in the cost of sales incurred by the Company.
- Distribution cost has been decreased by 5% in comparison from last year in correspondence to the increase in sales revenue.
- Administrative expenses registered a slight increase of 1% compared to the previous year.
- The Company experienced a 51% increase in its other expenses compared to the previous year. This increase can be primarily attributed to increase in allowance for expected credit losses recognized during the year.
- Other income has exhibited a notable increase of 110% in comparison to the previous year, primarily attributed to dividend income and promotional incentive received from SK Enmove Co., Ltd. - principal supplier and long term partner of HTL.
- The overall finance costs experienced an increase of 15% compared to the previous year, primarily driven by the escalation of bank charges and commission by 269% during the year.
- The Company recorded a net profit of Rupees 111.40 million for the year.

PERFORMANCE AGAINST NON-FINANCIAL MEASURES

The company places great emphasis on a comprehensive array of non-financial targets, encompassing human resource development, growth and expansion initiatives, and succession planning. Additionally, the organization

is committed to enhancing process and production efficiencies within HTL and HTBL, fostering quality improvements in both products and services, investing in automation, safeguarding intellectual capital, prioritizing health and safety measures, nurturing positive community relationships (social capital), managing diversity in its workforce, ensuring strict compliance with all applicable laws and regulations, and fulfilling its tax obligations diligently. These factors collectively define the core values and priorities of the company.

In addition to addressing various challenges, the HR department is diligently engaged in a multifaceted approach aligned with the outlined targets. This approach encompasses the recruitment of qualified individuals at competitive compensation levels, utilizing both internal and external talent sources. Furthermore, the department has conducted training sessions and conferences for employees, extended internship opportunities, facilitated the employment of individuals with special needs, and formulated succession plans at various organizational levels in accordance with the Company's evolving requirements. These endeavors reflect the HR department's commitment to nurturing a skilled and diverse workforce in support of the Company's strategic objectives.

The IT department has achieved a noteworthy milestone by ensuring uninterrupted operation of information systems and essential tools throughout the entire year, making a substantial contribution to our overall business achievements.

In parallel, the department has prioritized fire safety, conducting comprehensive training sessions and safety drills at the HTBL plant site to ensure strict compliance with health and safety requirements.

Our dedicated business intelligence department has also continued its efforts to safeguard our intellectual capital, further enhancing our brand equity in the market. These initiatives underscore our unwavering commitment to excellence and the protection of our valuable assets.

The company monitored following KPIs in the achievement of above targets:

- Analyze various prospects of investment in the industry
- Production efficiency, current, gearing and activity ratios
- Optimization and better allocation of available resources
- Provision and monitoring of supportive environment with special focus on health and safety of the employees
- EPS, ROE, Analysis of market price as a measure of relationship capital and provision of maximum customer support beyond the general relationship

ANALYSIS OF CHANGES IN THE PERFORMANCE

Pakistan's economy has shown recovery in FY2024 after FY2023's contraction. Government initiatives boosted economic activity, with strong

ANALYSIS OF FINANCIAL AND NON-FINANCIAL PERFORMANCE

agricultural growth, easing inflation, and improved current account balance. Inflation decreased, with CPI averaging 23.4% in June 2024, down from 29.4% the previous year. The State Bank of Pakistan reduced its Policy Rate by 150 basis points to 20.50% in June 2024. Pakistan's GDP growth rebounded to 2.4% in FY24.

During the year in review, on an unconsolidated basis, HTL incurred a net profit of Rupees 111 million, translating to earnings per share of Rupees 0.80.

PERFORMANCE MEASURE INDICATORS

In the year 2024, the Company diligently adhered to the Balance Scorecard approach as a robust framework for assessing performance indicators across each division and the organization as a whole. This strategic approach served as a comprehensive tool to gauge and enhance the overall effectiveness and productivity of our operations.

METHODS USED IN COMPILING THE INDICATORS

- Customer satisfaction Index through recurring feedback and retention of old customers
- Contribution / Value addition analysis
- Return on capital expenditures

MARKET SHARE EXTERNAL SOURCES

In the fiscal year 2016-17, an external assessment of the company's market share was commissioned, conducted by the independent entity "Kantar TNS," a prominent international research agency. As per the research report provided by Kantar TNS, the utilization rate for our product "ZIC" was documented at 21%, securing a ranking of 3rd in terms of market share for that particular year. This impartial evaluation served as a valuable benchmark in our market positioning analysis.

INTERNAL SOURCES

According to the internal market data analysis HTL has a sizeable market share in Lubricants.

BUSINESS RATIONAL OF MAJOR CAPITAL EXPENDITURES / PROJECTS

To facilitate growth and diversification initiatives, the Company made substantial capital investments in its petroleum segment operations during the fiscal year. Furthermore, the Company remains steadfast in its ongoing endeavors to expand and fortify its presence in this sector for the foreseeable future, aligning with its strategic objectives

TIMELY PAYMENT OF DEBTS AND GOVERNMENT DUES

The Company paid all its debts and government dues on time during the year.

DISCLOSURES BY SHARIA COMPLIANT COMPANY AND THE COMPANY LISTED ON ISLAMIC INDEX

Disclosures required under clause 10 of the Fourth Schedule of the Companies Act, 2017 for the Shariah compliant companies and companies listed on Islamic Index are stated in Note 49 to the annexed unconsolidated financial statements.

BOARD'S RESPONSIBILITY STATEMENT ON FULL COMPLIANCE OF FINANCIAL ACCOUNTING AND REPORTING STANDARDS AS APPLICABLE IN PAKISTAN

The Board of Directors of the Company strongly believes in adherence to full compliance with all the applicable International Accounting Standards (IAS) / IFRS issued by the International Accounting Standards Board (IASB) and as adopted by SECP vital to fair preparation and presentation of financial information.

Compliance with IFRS encourages sufficient disclosures of the financial statements that are beneficial for informed decisions of stakeholders. Financial statements for the year have been prepared in accordance with the accounting and reporting standards issued by IASB as are applicable in Pakistan. IFRS adoption status is explained in detail in note 2.1 of the annexed unconsolidated financial statements.

ADOPTION OF INTERNATIONAL INTEGRATED REPORTING FRAMEWORK BY FULLY APPLYING THE 'FUNDAMENTAL CONCEPTS, CONTENT ELEMENTS AND GUIDING PRINCIPLES

The Company is in the process of adoption of International Integrated Reporting Framework..

ANALYSIS OF FINANCIAL AND NON-FINANCIAL PERFORMANCE

NON FINANCIAL RATIOS	UOM	2024	2023
Percentage of plant availability	%	84%	-
Production per employee	units	15,142	-
Revenue per employee	Rs. ('000')	63,035	32,493
Spares Inventory as % of Assets Cost (Consolidated)	%	1.09%	2.01%
Maintenance Cost as % of Operating Expenses	%	2.14%	1.56%

* These ratios are newly included in the current year's report so no comparatives are shown.

ANALYSIS OF FINANCIAL AND NON-FINANCIAL PERFORMANCE AGAINST TARGETS / BUDGET

HTL has reported a gross revenue of Rs. 26.76 billion for the year, which reflects 11.6% decrease compared to the budgeted gross revenue. This shortfall can be primarily attributed to a significant drop in the sales volume within the lubricants sector, which experienced a decline due to intense price competition among various market players. Additionally, the overall automobile sector faced a substantial downturn, with a staggering 37.4% decline, further impacting HTL's revenue performance. These factors combined have contributed to the overall underachievement in revenue for the year.

At the end of the previous year, HTL's fuel station network comprised a total of 30 fuel stations, all located within the Punjab Province. Meanwhile, the total number of sites approved by OGRA (Oil and Gas Regulatory Authority) stood at 87, which included 52 sites in Punjab and 35 in KPK Province. Throughout the year, the company successfully inaugurated 10 new fuel stations in Punjab and 15 new fuel stations in KPK Province. This expansion brought the total number of fuel stations to 55. However, it is important to note that the total number of OGRA-approved sites remained unchanged at 87.

HTL is actively working to expand its fuel station network further. However, this endeavor is not without its challenges. Opening new fuel stations is a lengthy process that requires significant time and capital. The lead time for establishing a new station can be quite extensive, and the capital investment needed is substantial. Despite these hurdles, HTL remains committed to growing its presence in the market and enhancing its service offerings to better meet the needs of its customers across the regions.