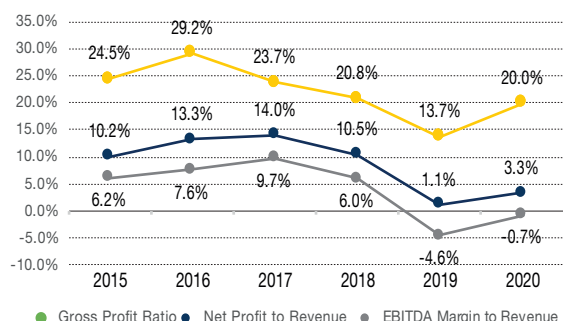


ANALYSIS OF FINANCIAL STATEMENTS

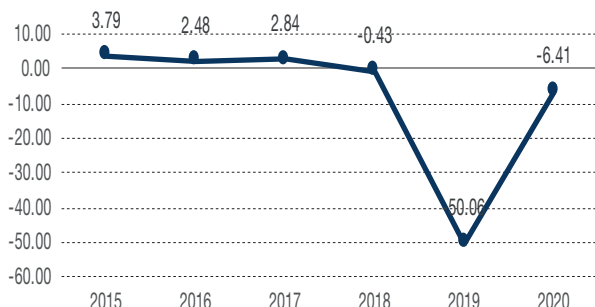
FOR THE CURRENT AND LAST FIVE YEARS

Key Performance Indicators	UOM	2020	2019	2018	2017	2016	2015
PROFITABILITY RATIOS							
Gross Profit Ratio	%	19.99%	13.72%	20.84%	23.69%	29.16%	24.47%
Net Profit to Revenue	%	-0.71%	-4.61%	5.99%	9.71%	7.55%	6.18%
EBITDA Margin to Revenue	%	3.32%	1.15%	10.49%	14.02%	13.27%	10.16%
Operating Leverage Ratio	Times	-6.41	-50.06	-0.43	2.84	2.48	3.79
Return on Equity	%	-1.27%	-13.48%	14.24%	19.41%	15.90%	27.28%
Return on Capital Employed	%	-0.86%	-8.65%	11.38%	17.40%	22.74%	27.83%
LIQUIDITY RATIOS							
Current Ratio	Times	1.01	1.10	1.84	1.75	3.96	1.35
Quick Ratio / Acid Test Ratio	Times	0.73	0.82	1.20	1.02	2.92	0.66
Cash to Current Liabilities	Times	0.08	0.06	0.31	0.04	0.29	0.12
Cash Flow from Operations to Revenue	Times	0.22	-0.13	0.13	-0.05	0.06	0.08

PROFITABILITY RATIOS



OPERATING LEVERAGE RATIO



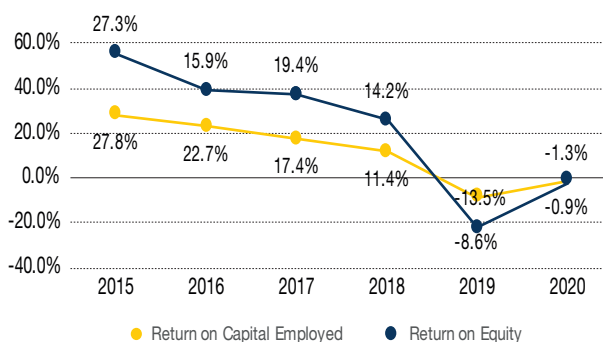
PROFITABILITY RATIOS

Profitability ratios are financial metrics which help to assess the Company's ability in terms of its earnings. This includes Gross Profit Ratio, Net Profit to Revenue Ratio, EBDITDA Margin to Revenue, Operating Leverage Ratio, Return on Equity and Return on Capital Employed. Unfavorable fluctuations in International lubricant prices coupled with market volatility in terms of uncertain global / local economic conditions and abrupt devaluation in rupee against dollar put upward pressure causing the cost of sales to dramatically increase due to which profitability ratios show decreasing trend from mainly in FY 2018 and FY 2019. With a fiercely competitive market, the Company still able to retain its market share by ensuring customers receive high quality products and services at affordable prices which in turn cost to Company's margins. However, in FY 2020 apart from challenges profitability ratios shows improvement which is a positive sign for the Company.

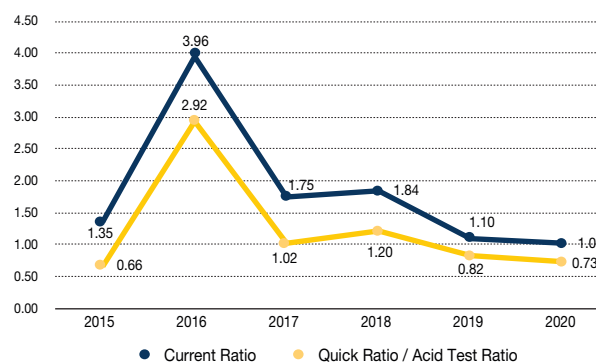
LIQUIDITY RATIOS

Liquidity ratios are financial metrics used to determine Company's ability to meet its short term debt and other short term liabilities when they fall due. This include Current Ratio, Quick Ratio, Cash to Current Liabilities and Cash Flow from Operations to Revenue. Liquidity ratios metrics show mixed trend in FY 2020 as compare to FY 2019. Current Ratio and Quick Ratio show decrease while Cash to Current Liabilities and Cash Flow from Operations to Revenue show some increase in FY 2020 as compare to FY 2019. Increase in Cash Flow from Operations to Revenue from -0.13 time to 0.22 times which is positive indicator for the Company.

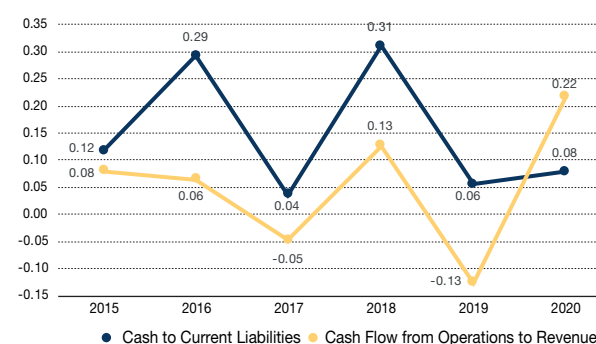
PROFITABILITY RATIOS



LIQUIDITY RATIOS



LIQUIDITY RATIOS

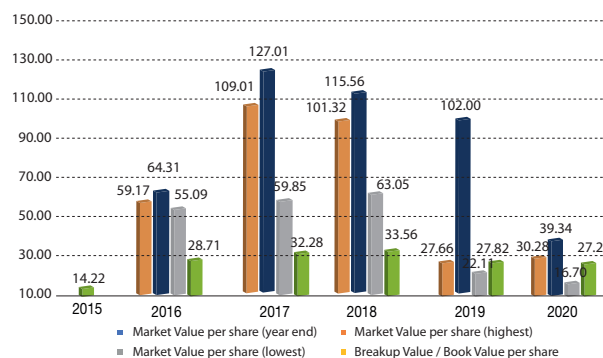


Key Performance Indicators	UOM	2020	2019	2018	2017	2016	2015
INVESTMENT/MARKET RATIOS							
Earnings / (Loss) per share	Rs.	-0.35	-3.75	4.78	6.27	5.43	4.37
Price Earnings Ratio	Times	-86.51	-7.38	21.20	17.39	10.90	*
Price to Book Ratio	%	0.7	0.5	2.1	2.2	1.7	*
Dividend Yield Ratio	Times	0.01	0.06	0.03	0.02	0.03	*
Dividend Payout Ratio	%	-71.43%	-46.67%	73.22%	43.06%	27.62%	320.82%
Cash Dividend per share	Rs.	0.25	1.75	3.50	2.70	1.50	14.02
Market Value per share (year end)	Rs.	30.28	27.66	101.32	109.01	59.17	*
Market Value per share (highest)	Rs.	39.34	102	115.56	127.01	64.31	*
Market Value per share (lowest)	Rs.	16.7	22.11	63.05	59.85	55.09	*
Breakup Value / Book Value per share	Rs.	27.2	27.8	33.6	32.3	28.7	14.2
No. of Shares based on par value of Rs.10	No.(000)	116,004	116,004	116,004	116,004	116,004	87,003
Total Dividend Paid	Rs.(000)	29,001	203,007	406,014	313,211	168,206	128,755

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, HTLL circulates price sensitive information to stock exchanges in accordance with the requirements of listing regulations in a timely manner. During the year 2020, HTLL's share price touched the peak of Rupees 39.34 while the lowest recorded price was Rupees 16.70 with a closing price of Rupees 30.28 at the end of the year.

SHARE PRICE SENSITIVITY ANALYSIS



SEGMENTAL REVIEW

LUBRICANTS

Lubricant segment operations represents purchase and sale of lubricants, parts and rendering of services. Lubricants segment of the Company performed well in comparison from FY 2019 and has been able to achieve profit from operations of Rupees 153.335 million in comparison to loss of Rupees 29.050 million in FY 2019. Detailed segment information has been presented in note 52 of the financial statements.

PETROLEUM PRODUCTS

Petroleum segment operations represents marketing and sale of petroleum products through HTL Fuel Stations. The Company has successfully started its petroleum segment operations during the FY 2020. Detailed segment information has been presented in note 52 of the financial statements.

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

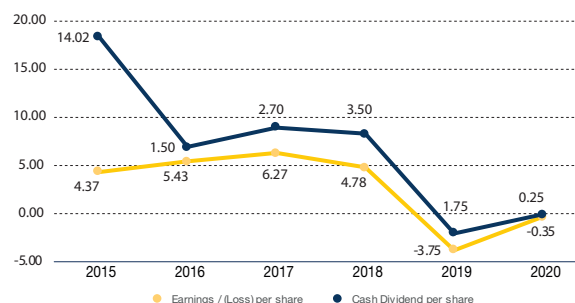
DESCRIPTION	REVENUE
	Rupee in thousand
Lubricants	5,279,394
Petroleum products	349,263
Total revenue of the Company	5,628,657

Revenue of petroleum segment operations will increase in line with the increase in fuel stations. On 30 June 2020, the Company have eleven operational fuel stations in Punjab Province.

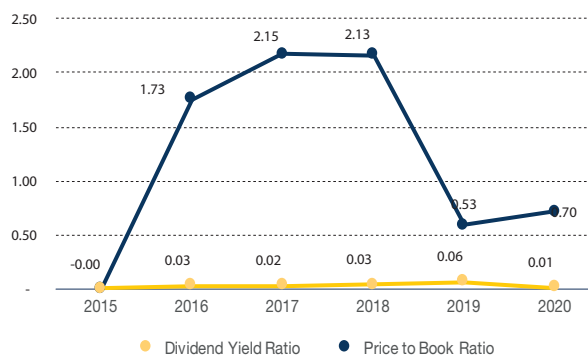
INVESTMENT / MARKET SHARE RATIOS

Stock market has witnessed downfall during the year. On the other hand, the Company has been able to reduce its loss per share from Rupee 3.75 to Rupees 0.35 which is a positive indicator for the Company. Due to macro and micro economic challenges investment / market share ratios shows mixed trend.

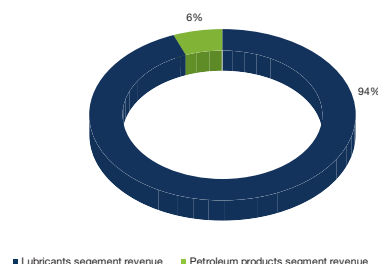
INVESTMENT / MARKET SHARE RATIOS



INVESTMENT / MARKET SHARE RATIOS



SEGMENTAL REVENUE

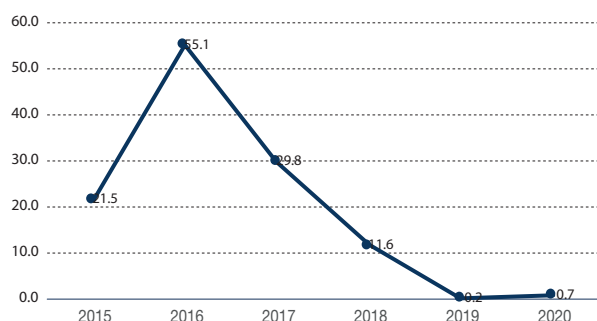


ANALYSIS OF FINANCIAL STATEMENTS

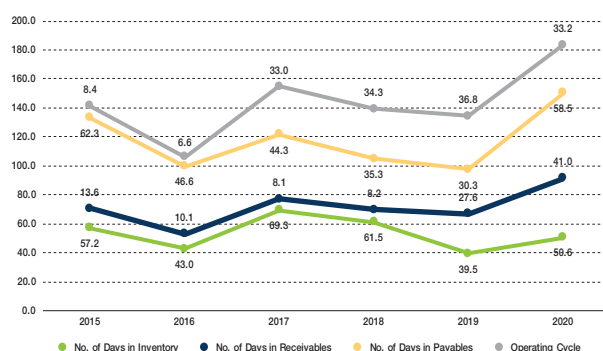
FOR THE CURRENT AND LAST FIVE YEARS

Key Performance Indicators	UOM	2020	2019	2018	2017	2016	2015
CAPITAL STRUCTURE							
Financial Leverage Ratio	Times	27.0%	64.3%	22.2%	33.2%	1.1%	4.2%
Long term Debt to Equity Ratio (as per Book Value)	%	1.84%	0.46%	0.77%	0.57%	0.07%	0.00%
Long term Debt to Equity Ratio (as per Market Value)	%	1.65%	0.46%	0.3%	0.2%	-	0%
Interest Coverage Ratio	Times	0.7	0.2	11.6	29.8	55.1	21.5
ACTIVITY/TURNOVER RATIOS							
Total Assets Turnover Ratio	Times	1.13	1.54	1.68	1.27	1.76	2.71
Fixed Assets Turnover Ratio	Times	3.32	5.95	6.67	7.96	21.69	26.17
No. of Days in Inventory	Days	50.63	39.55	61.45	69.26	43.03	57.16
No. of Days in Receivables	Days	41.03	27.60	8.21	8.07	10.14	13.60
No. of Days in Payables	Days	58.49	30.35	35.32	44.30	46.60	62.31
Operating Cycle	Days	33.17	36.80	34.35	33.03	6.57	8.44

INTEREST COVERAGE RATIO



ACTIVITY/TURNOVER RATIOS



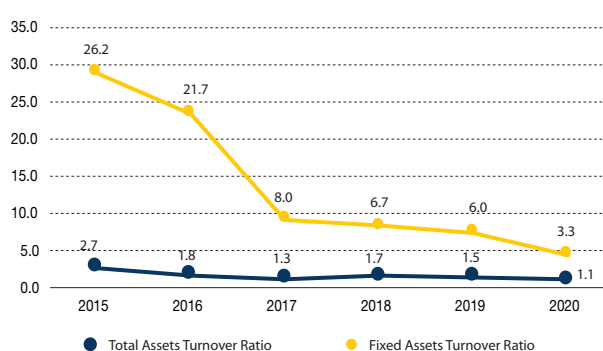
CAPITAL STRUCTURE RATIOS

Interest cover has increased in FY 2020 in comparison from 2019 i.e. 0.7 times from 0.2 times, which is a positive indicator for the Company. Long term debt to equity ratio is increased on account of long term finance obtained by the Company during the year. On the other hand, financial leverage ratio has been decreased during the year which is also a positive indicator for the Company.

ACTIVITY / TURNOVER RATIOS

Operating cycle of the Company has been decreased in comparison from previous two years which depicts efficient working capital management.

ACTIVITY/TURNOVER RATIOS



VERTICAL ANALYSIS

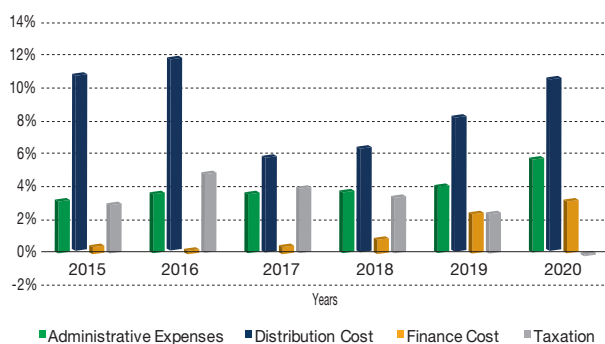
FOR THE CURRENT AND LAST FIVE YEARS

Profit & Loss	2020		2019		2018		2017		2016		2015	
	Rs. (000)	%age	Rs. (000)	%age	Rs. (000)	%age	Rs. (000)	%age	Rs. (000)	%age	Rs. (000)	%age
Net Revenue	5,628,659	100%	9,431,162	100%	9,253,578	100%	7,488,882	100%	7,015,302	100%	5,466,916	100%
Cost of Sales	(4,503,767)	80%	(8,136,799)	86%	(7,325,252)	79%	(5,714,430)	76%	(4,969,649)	71%	(4,129,152)	76%
Gross Profit	1,124,892	20%	1,294,363	14%	1,928,326	21%	1,774,452	24%	2,045,653	29%	1,337,764	24%
Administrative Expenses	(328,230)	6%	(390,823)	4%	(351,091)	4%	(279,254)	4%	(263,512)	4%	(177,330)	3%
Distribution Cost	(609,514)	11%	(795,362)	8%	(606,107)	7%	(445,148)	6%	(851,449)	12%	(605,095)	11%
EBITDA	1,050,050	19%	108,178	1%	971,128	10%	1,050,050	14%	930,692	13%	555,339	10%
Depreciation and Amortization	(157,102)	3%	(80,777)	1%	(57,433)	1%	(44,748)	1%	(38,311)	1%	(34,677)	1%
Other Expenses	(24,486)	0.4%	(103,571)	1%	(63,070)	1%	(33,869)	0.5%	(43,437)	1%	(47,229)	1%
Other Income	129,668	2%	113,899	1%	108,463	1%	95,757	1%	46,313	1%	52,825	1%
EBIT	1,067,190	19%	37,729	0.4%	959,088	10%	1,067,190	14%	895,257	13%	526,258	10%
Finance Cost	(186,326)	3%	(235,072)	2%	(82,541)	1%	(35,838)	0%	(16,240)	0%	(24,479)	0%
(Loss) / Profit Before Tax	(51,098)	-1%	(197,343)	-2%	876,547	9%	1,031,352	14%	879,017	13%	501,779	9%
Taxation	10,980	-0.2%	(237,476)	3%	(322,117)	3%	(304,484)	4%	(349,352)	5%	(164,160)	3%
(Loss) / Profit After Tax	(40,118)	-1%	(434,819)	-5%	554,430	6%	726,868	10%	529,665	8%	337,619	6%

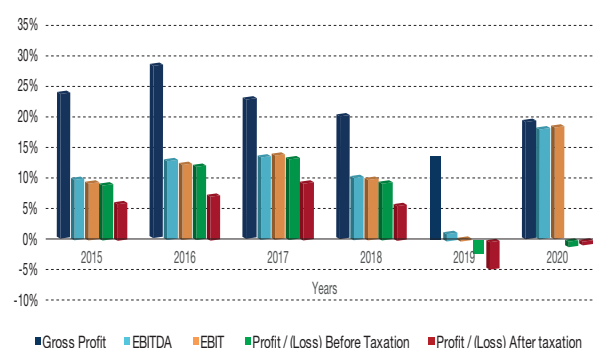
STATEMENT OF PROFIT OR LOSS VERTICAL ANALYSIS

Gross profit of the Company decreased by 13% in comparison to 2019 mainly due to decrease in revenue during the year. General slowdown in the economy, high inflation, rupee devaluation slowdown in automobile industry along with COVID-19 pandemic has effected negatively on the Company's revenue during the year. On the other hand, decrease in period cost in comparison from last year has given the Company positive support due to which net loss of the Company has reduced to Rupees 40 million.

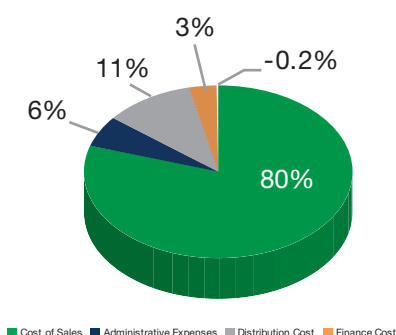
VERTICAL ANALYSIS-EXPENSES (2015-20)



VERTICAL ANALYSIS-PROFITS (2015-20)



VERTICAL ANALYSIS-STATEMENT OF PROFIT OR LOSS (2020)



VERTICAL ANALYSIS

FOR THE CURRENT AND LAST FIVE YEARS

Statement of Financial Position	2020		2019		2018		2017		2016		2015	
	Rs. (000)	%age	Rs. (000)	%age	Rs. (000)	%age	Rs. (000)	%age	Rs. (000)	%age	Rs. (000)	%age
Non current assets												
Fixed assets	1,693,746	33.9%	1,583,889	25.9%	1,386,311	25.1%	940,568	16.0%	323,455	8.1%	208,872	10.4%
Right-of-use assets	270,943	5.4%	-	-	-	-	-	-	-	-	-	-
Intangible assets	7,597	0.2%	8,038	0.1%	2,895	0.1%	7,554	0.1%	12,584	0.3%	13,045	0.6%
Investment in subsidiary company	1,300,001	26.0%	1,300,001	21.3%	1,300,001	23.5%	1,300,001	22.1%	1,102,760	27.6%	776,410	38.5%
Long term loans to employees	-	0.0%	-	0.0%	280	0.0%	1,049	0.0%	3,235	0.1%	2,598	0.1%
Long term security deposits	11,745	0.2%	26,154	0.4%	38,612	0.7%	32,737	0.6%	13,504	0.3%	13,628	0.7%
Deferred income tax asset-net	107,956	2.2%	39,183	0.6%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total non current assets	3,391,988	67.9%	2,957,265	48.4%	2,728,099	49.4%	2,281,909	38.8%	1,455,538	36.5%	1,014,553	50.3%
Current assets												
Stock-in-trade	447,345	9.0%	801,995	13.1%	961,206	17.4%	1,505,338	25.6%	663,266	16.6%	508,481	25.2%
Trade debts	76,104	1.5%	1,189,384	19.4%	236,937	4.3%	179,385	3.1%	151,782	3.8%	237,843	11.8%
Loans and advances	149,157	3.0%	36,748	0.6%	146,456	2.7%	663,618	11.3%	58,791	1.5%	108,248	5.4%
Short term deposits and prepayments	31,144	0.6%	48,894	0.8%	27,934	0.5%	14,611	0.2%	13,684	0.3%	15,440	0.8%
Accrued Interest	50,015	1.0%	32,515	0.5%	15,335	0.3%	351.0	0.0%	31	0.0%	-	0.0%
Other receivables	2	0.0%	7,772	0.1%	17,340	0.3%	79,648	1.4%	478	0.0%	44,334	2.2%
Short term investment	723,285	14.5%	882,469	14.4%	917,354	16.6%	1,081,129	18.4%	1,458,563	36.6%	-	0.0%
Cash and bank balances	124,178	2.5%	158,925	2.6%	471,605	8.5%	75,113	1.3%	186,863	4.7%	86,784	4.3%
Total current assets	1,601,230	32.1%	3,158,702	51.6%	2,794,167	50.6%	3,599,193	61.2%	2,533,458	63.5%	1,001,130	49.7%
Total assets	4,993,218	100.0%	6,115,967	100.0%	5,522,266	100.0%	5,881,102	100.0%	3,988,996	100.0%	2,015,683	100.0%
Capital and reserves												
Issued, subscribed and paid up capital	1,160,040	23.2%	1,160,040	19.0%	1,160,040	21.0%	1,160,040	19.7%	1,160,040	29.1%	870,030	43.2%
Share premium	1,441,698	28.9%	1,441,698	23.6%	1,441,698	26.1%	1,441,698	24.5%	1,441,698	36.1%	-	0.0%
Accumulated profit / (loss)	555,928	11.1%	625,047	10.2%	1,290,983	23.4%	1,142,568	19.4%	728,911	18.3%	367,451	18.2%
Total capital and reserves	3,157,666	63.2%	3,226,785	52.8%	3,892,721	70.5%	3,744,306	63.7%	3,330,649	83.5%	1,237,481	61.4%
Non current liabilities												
Long term financing	42,268	0.8%	1,822	0.0%	14,894	0.3%	13,496	0.2%	1,030	0.0%	-	0.0%
Liabilities against assets subject to finance lease	-	0.0%	26,625	0.4%	79,105	1.4%	65,810	1.1%	15,175	0.4%	25,154	1.2%
Lease liabilities	204,637	4.1%	-	-	-	-	-	-	-	-	-	-
Long term deposit	500	0.0%	1,000	0.0%	1,500	0.0%	2,000	0.0%	2,000	0.1%	3,000	0.1%
Deferred liabilities	5,285	0.1%	-	0.0%	12,069	0.2%	3,207	0.1%	-	0.0%	9,029	0.4%
Total non current liabilities	252,690	5.1%	29,447	0.5%	107,568	1.9%	84,513	1.4%	18,205	0.5%	37,183	1.8%
Current liabilities												
Trade and other payables	704,279	14.1%	739,055	12.1%	613,958	11.1%	803,559	13.7%	583,597	14.6%	685,295	34.0%
Accrued mark-up	22,103	0.4%	69,576	1.1%	18,217	0.3%	9,517	0.2%	543	0.0%	-	0.0%
Short term borrowing	766,263	15.3%	1,974,915	32.3%	707,636	12.8%	1,118,969	19.0%	-	0.0%	-	0.0%
Current portion of non-current liabilities	86,779	1.7%	70,939	1.2%	61,094	1.1%	43,489	0.7%	21,752	0.5%	26,455	1.3%
Unclaimed dividend	3438	0.1%	4026	-	4297	-	1,526	-	-	-	-	-
Taxation - net	-	0.0%	1,224	0.0%	116,775	2.1%	75,223	1.3%	34,250	0.9%	29,269	1.5%
Total current liabilities	1,582,862	31.7%	2,859,735	46.8%	1,521,977	27.6%	2,052,283	34.9%	640,142	16.0%	741,019	36.8%
Total liabilities and equity	4,993,218	100.0%	6,115,967	100.0%	5,522,266	100.0%	5,881,102	100.0%	3,988,996	100.0%	2,015,683	100.0%

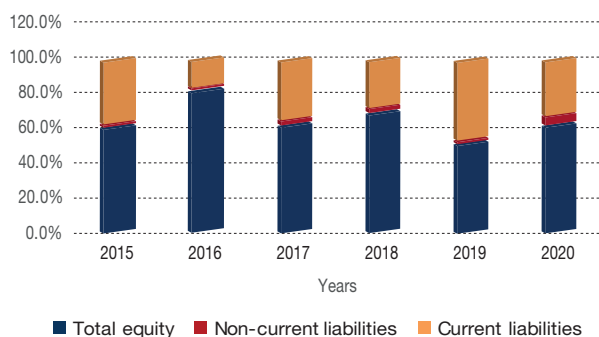
FINANCIAL POSITION'S VERTICAL ANALYSIS

Total assets comprise of current and non-current assets. At 30 June 2020, non-current assets are 67.9% of total assets while current assets are 32.1%.

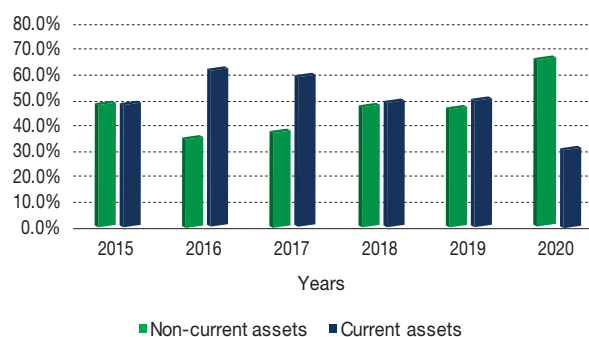
On the other side, share capital and reserves are 63.2% of the total equity and liabilities while non-current liabilities and current liabilities are 5.1% and 31.7% respectively. Share capital and reserves mainly constitute issued subscribed and paid up share capital (23.2%), share premium (28.9%) and unappropriated profit (11.1%).

Non-current liabilities mainly constitute lease liabilities (4.1%) and long term financing (0.8%). Current liabilities mainly constitute short term financing (15.3%) and trade and other payables (14.1%).

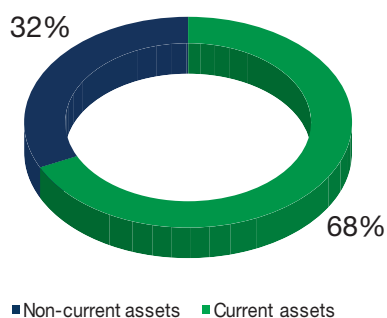
VERTICAL ANALYSIS-TOTAL EQUITY & LIABILITIES (2020)



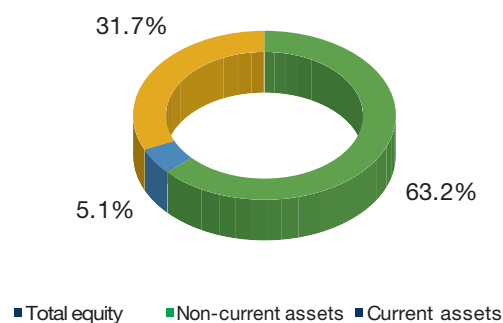
VERTICAL ANALYSIS-TOTAL ASSETS (2020)



VERTICAL ANALYSIS-TOTAL ASSETS (2020)



VERTICAL ANALYSIS-TOTAL EQUITY & LIABILITIES (2020)



HORIZONTAL ANALYSIS

FOR THE CURRENT AND LAST FIVE YEARS

Statment of Financial Position	2020	2020 vs 2019	2019	2019 vs 2018	2018	2018 vs 2017	2017	2017 vs 2016	2016	2016 vs 2015	2015
	Rs. (000)	%age	Rs. (000)	%age	Rs. (000)	%age	Rs. (000)	%age	Rs. (000)	%age	Rs. (000)
Non current assets											
Fixed assets	1,693,746	6.94%	1,583,889	14.25%	1,386,311	47%	940,568	191%	323,455	55%	208,872
Right-of-use assets	270,943	271.00%	-	0%	-	0%	-	0%	-	0%	-
Intangible assets	7,597	-5.49%	8,038	0%	2,895	0%	7,554	0%	12,584	0%	13,045
Investment in subsidiary company	1,300,001	0.00%	1,300,001	0%	1,300,001	0%	1,300,001	18%	1,102,760	42%	776,410
Long term loans to employees	-	0.00%	-	0%	280	-73%	1,049	-68%	3,235	25%	2,598
Long term security deposits	11,745	-55.09%	26,154	-32%	38,612	18%	32,737	142%	13,504	-1%	13,628
Deferred income tax asset-net	107,956	175.52%	39,183	0%	-	0%	-	0%	-	0%	-
Total non current assets	3,391,988	14.70%	2,957,265	8.4%	2,728,099	19.6%	2,281,909	56.8%	1,455,538	43.5%	1,014,553
Current assets											
Stock-in-trade	447,345	-44.22%	801,995	-17%	961,206	-36%	1,505,338	127%	663,266	30%	508,481
Trade debts	76,104	-93.60%	1,189,384	402%	236,937	32%	179,385	18%	151,782	-36%	237,843
Loans and advances	149,157	305.89%	36,748	-75%	146,456	-78%	663,618	1029%	58,791	-46%	108,248
Short term security deposits and prepayments	31,144	-36.30%	48,894	75%	27,934	91%	14,611	7%	13,684	-11%	15,440
Accrued Interest	50,015	53.82%	32,515	88%	17,340	-	79,648	-	478	-	44,334
Other receivables	2	-99.97%	7,772	-49%	15,335	150%	351.0	0%	31	0%	-
Short term investment	723,285	-18.04%	882,469	-4%	917,354	-15%	1,081,129	-26%	1,458,563	0%	-
Cash and bank balances	124,178	-21.86%	158,925	-66%	471,605	528%	75,113	-60%	186,863	115%	86,784
Total current assets	1,601,230	-49.31%	3,158,702	13%	2,794,167	-22%	3,599,193	42%	2,533,458	153%	1,001,130
Total assets	4,993,218	-18.36%	6,115,967	11%	5,522,266	-6%	5,881,102	47%	3,988,996	98%	2,015,683
Capital and reserves											
Issued, subscribed and paid up capital	1,160,040	0.00%	1,160,040	0%	1,160,040	0%	1,160,040	0%	1,160,040	33%	870,030
Share premium	1,441,698	0.00%	1,441,698	0%	1,441,698	0%	1,441,698	0%	1,441,698	0%	-
Accumulated profit / (loss)	555,928	-11.06%	625,047	-52%	1,290,983	13%	1,142,568	57%	728,911	98%	367,451
Total capital and reserves	3,157,666	-2.14%	3,226,785	-17%	3,892,721	4%	3,744,306	12%	3,330,649	169%	1,237,481
Non current liabilities											
Long term financing	42,268	2219.87%	1,822	-88%	14,894	10%	13,496	1210%	1,030	0%	-
Liabilities against assets subject to finance lease	-	-100.00%	26,625	-66%	79,105	20%	65,810	334%	15,175	-40%	25,154
Lease liabilities	204,637	100.00%	-	-	-	-	-	-	-	-	-
Long term deposits	500	-50.00%	1,000	-33%	1,500	-25%	2,000	0%	2,000	-33%	3,000
Deferred liabilities	5,285	500.00%	-	-100%	12,069	276%	3,207	0%	-	-100%	9,029
Total non current liabilities	252,690	758.12%	29,447	-73%	107,568	27%	84,513	364%	18,205	-51%	37,183
Current liabilities											
Trade and other payables	704,279	-4.71%	739,055	20%	613,958	-24%	803,559	38%	583,597	-15%	685,295
Accrued mark-up/profit	22,103	-68.23%	69,576	282%	18,217	91%	9,517	1653%	543	0%	-
Short term borrowing	766,263	-61.20%	1,974,915	179%	707,636	-37%	1,118,969	0%	-	0%	-
Current portion of non-current liabilities	86,779	22.33%	70,939	16%	61,094	40%	43,489	100%	21,752	-18%	26,455
Unclaimed dividend	3,438	-14.61%	4026	-	4297	-	1,526	-	-	-	-
Taxation - net	-	-100.00%	1,224	-99%	116,775	55%	75,223	120%	34,250	17%	29,269
Total current liabilities	1,582,862	-44.65%	2,859,735	88%	1,521,977	-26%	2,052,283	221%	640,142	-14%	741,019
Total liabilities and equity	4,993,218	-18.36%	6,115,967	11%	5,522,266	-6%	5,881,102	47%	3,988,996	98%	2,015,683

Statement of Profit or Loss	2020	2020 vs 2019	2019	2019 vs 2018	2018	2018 vs 2017	2017	2017 vs 2016	2016	2016 vs 2015	2015
	Rs. (000)	%age	Rs. (000)	Rs. (000)	%age	Rs. (000)	%age	Rs. (000)	%age	Rs. (000)	%age
Net Revenue	5,628,659	-40%	9,431,162	2%	9,253,578	24%	7,488,882	7%	7,015,302	28%	5,466,916
Cost of Sales	(4,503,767)	-45%	(8,136,799)	11%	(7,325,252)	28%	(5,714,430)	15%	(4,969,649)	20%	(4,129,152)
Gross Profit	1,124,892	-13%	1,294,363	-33%	1,928,326	9%	1,774,452	-13%	2,045,653	53%	1,337,764
Administrative Expenses	(328,230)	-16%	(390,823)	11%	(351,091)	26%	(279,254)	6%	(263,512)	49%	(177,330)
Distribution Cost	(609,514)	-23%	(795,362)	31%	(606,107)	36%	(445,148)	-48%	(851,449)	41%	(605,095)
EBITDA	187,148	73%	108,178	-89%	971,128	-8%	1,050,050	13%	930,692	68%	555,339
Depreciation and Amortization	(157,102)	94%	(80,777)	41%	(57,433)	28%	(44,748)	17%	(38,311)	10%	(34,677)
Other Expenses	(24,486)	-76%	(103,571)	64%	(63,070)	86%	(33,869)	-22%	(43,437)	-8%	(47,229)
Other Income	129,668	14%	113,899	5%	108,463	13%	95,757	107%	46,313	-12%	52,825
EBIT	135,228	258%	37,729	-96%	959,088	-10%	1,067,190	19%	895,257	70%	526,258
Finance Cost	(186,326)	-21%	(235,072)	185%	(82,541)	130%	(35,838)	121%	(16,240)	-34%	(24,479)
(Loss) / Profit Before Tax	(51,098)	-74%	(197,343)	-123%	876,547	-15%	1,031,352	17%	879,017	75%	501,779
Taxation	10,980	-105%	(237,476)	-26%	(322,117)	6%	(304,484)	-13%	(349,352)	113%	(164,160)
(Loss) / Profit After Tax	(40,118)	-91%	(434,819)	-178%	554,430	-24%	726,868	37%	529,665	57%	337,619

FINANCIAL POSITION HORIZONTAL ANALYSIS

Non-current assets have been increased by Rupees 434.723 million (14.7%) from the last year. This increase was mainly due to investments made in expansion projects that support Company's growth strategy and recognition of right of use assets on adoption of IFRS 16 'Leases'.

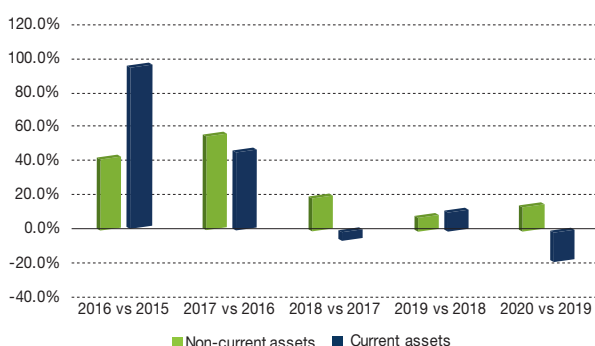
Current assets primarily comprise of inventory, trade debts, short term investments and cash and bank balances. On an aggregate basis, current assets decreased by Rupees 1,557.472 million (-49.31%) mainly on account of decrease in stock-trade by Rupees 354.650 million (-44.22%) and trade debts by Rupees 1,113.280 million (-93.60%) in comparison to last year.

Shareholders' equity has been decreased by Rupees 69.119 million (-2.14%) due to net loss of Rupees 40.118 million and apportionment of final dividend for the year 30 June 2019 of Rupees 29.001 million.

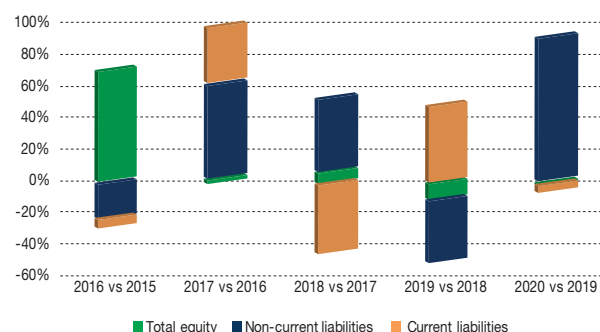
Non-current liabilities for the year have been increased by 758% with an amount of Rupees 223.243 million. Mainly due to increase in long term finance facility by the Company and increase in lease liabilities due to adoption of IFRS 16 'Leases'.

Current liabilities have decreased by Rupees 1,276 million mainly due to decrease in short term borrowings of the Company.

HORIZONTAL ANALYSIS-TOTAL ASSETS



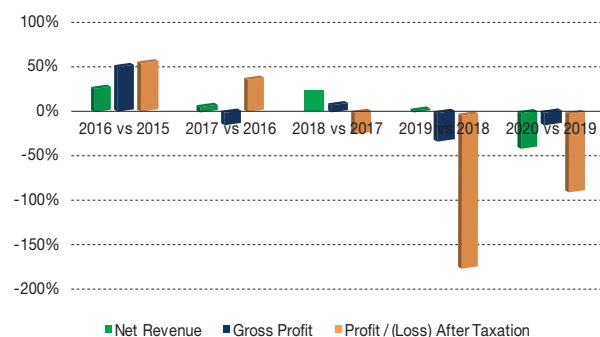
HORIZONTAL ANALYSIS-TOTAL EQUITY & LIABILITIES



STATEMENT OF PROFIT OR LOSS HORIZONTAL ANALYSIS

Gross profit has been decreased by Rupees 169.471 million in comparison to last year mainly due to decrease in revenue of the Company during the year. The decrease in revenue is mainly due to general economic slowdown coupled with COVID-19 pandemic. However, on the other hand the Company was able to decrease its distribution cost, administrative cost and other expenses by effective cost control measures. Finance cost has been decrease due to repayment of short term borrowings by the Company. While other income shows positive increase mainly on account of reversal of allowance for expected credit losses as the Company timely recovered its trade debts. FY 2020 was remained challenging, but due to effective management the Company able to sustained its position and reported a net loss of Rupees 40.118 million in comparison to net loss of Rupees 434.819 million reported in FY 2019.

HORIZONTAL ANALYSIS-PROFIT OR LOSS

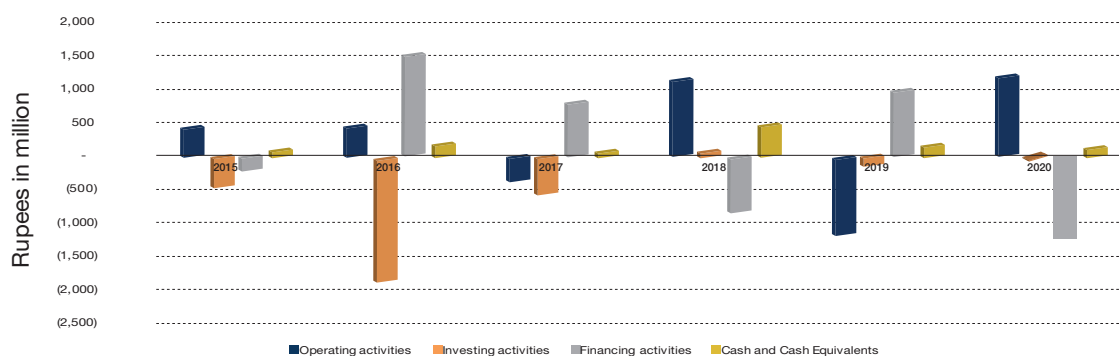


CASH FLOWS ANALYSIS

FOR THE CURRENT AND LAST FIVE YEARS

Summary of Cash Flow Statement	2020	2019	2018	2017	2016	2015
Amounts in PKR Thousands						
Cash flow from operating activities						
(Loss) / profit before taxation	(51,098)	(197,341)	876,546	1,031,351	879,017	501,779
Adjustments for non-cash items and other items	218,949	290,049	81,069	8,525	17,554	10,729
Working capital changes	1,354,187	(685,165)	561,664	(1,091,236)	(70,540)	102,707
Finance cost paid	(233,431)	(183,712)	(73,841)	(26,864)	(15,697)	(29,194)
Income tax paid	(74,725)	(404,279)	(271,703)	(260,304)	(353,145)	(142,913)
Net decrease in long term loan to employees	280	769	1,390	3,058	(1,176)	(1,794)
Net decrease / (increase) in long term security deposits	2,898	(3,538)	(7,700)	(24,555)	(4,791)	(3,700)
(Decrease) / increase in long term deposits	(500)	(500)	(500)	-	(1,000)	1,000
Net cash generated from / (used in) operating activities	1,216,560	(1,183,717)	1,166,925	(360,025)	450,222	438,614
CASH FLOWS FROM INVESTING ACTIVITIES						
Capital expenditures on operating fixed assets	(282,116)	(275,337)	(440,267)	(650,938)	(138,692)	(10,032)
Capital expenditures on intangible assets	(5,362)	(8,026)	(676)	(1,865)	(5,985)	(905)
Proceeds from disposal of operating fixed assets	15,395	8,024	9,537	74,722	2,805	61,082
Investment in subsidiary company	-	-	-	(197,241)	(326,350)	(521,410)
Loans to subsidiary company	-	(548,900)	(296,500)	(261,000)	-	-
Repayment of loans by subsidiary company	-	548,900	557,500	-	-	-
Short term investments - net	153,963	30,869	155,000	378,663	(1,453,246)	-
Dividend received	10,437	1,132	272	1,151	-	-
Interest received on loans to subsidiary company	7,741	41,196	28,948	-	-	-
Profit on bank deposits and term deposits received	86,942	69,330	57,615	85,353	27,394	6,321
Net cash used in financing activities	(13,000)	(132,812)	71,429	(571,155)	(1,894,074)	(464,944)
Cash flow from financing activities						
Proceeds from issue of share capital - net	-	-	-	-	1,731,708	120,000
Repayment of liabilities against assets subject to finance lease	-	(45,153)	(35,973)	(5,804)	(22,830)	(21,769)
Repayment of lease liabilities	(48,576)	-	-	-	-	-
Dividends paid	(29,589)	(203,278)	(403,243)	(312,549)	(167,341)	(128,755)
Proceeds from long term financing	63,404	-	21,865	23,135	2,727	-
Repayment of long term financing	(14,894)	(15,000)	(13,178)	(4,321)	(333)	-
Short term borrowings - net	(1,208,652)	1,267,280	(411,333)	1,118,969	-	(37,528)
Loan from directors	-	-	-	-	-	(140,760)
Net cash (used in) / from financing activities	(1,238,307)	1,003,849	(841,862)	819,430	1,543,931	(208,812)
Net (decrease) / increase in cash and cash equivalents	(34,747)	(312,680)	396,492	(111,750)	100,079	(235,142)
Cash and cash equivalents at the beginning of the year	158,925	471,605	75,113	186,863	86,784	321,926
Cash and cash equivalents at the end of year	124,178	158,925	471,605	75,113	186,863	86,784

ANALYSIS OF CASH FLOWS



CASH FLOWS ANALYSIS

HTLL makes, execute and monitor its plans for operating, financing and investing cash flows activities. Analysis of its cash flow cycle is explained below:

OPERATING ACTIVITIES

After excluding impact of non-cash items, the Company witnessed increase in net cash generated from operating activities by Rupees 1.217 billion in comparison to the last year's net decrease of Rupees 1.184 billion. This is mainly due to reduction in trade debts of the Company during the year.

INVESTING ACTIVITIES

HTLL used net cash amounting to Rupees 13.001 million in investing activities while in last year it was Rupees 132.811 million. This mainly due to recoveries on account of short term investments during the year.

FINANCING ACTIVITIES

Net outflows from financing activities are Rupees 1.238 billion as compared to the Rupees 1.004 billion last year. This substantial increase in cash outflows is mainly due to repayment of short term borrowings.

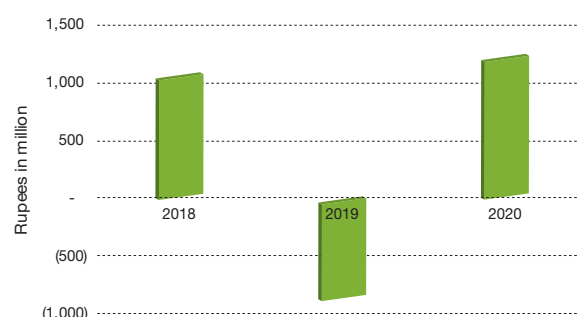
CASH AND CASH EQUIVALENTS

Cash and cash equivalents are reduced by Rupees 34.748 million mainly on account of outflows in financing activities.

ANALYSIS OF FREE CASH FLOWS

Free Cash Flows	2020	2019
(Loss) / profit before taxation	(51,098)	(197,341)
Adjustments for non-cash items and other items	218,949	290,049
Working capital changes	1,354,187	(685,165)
Capital additions	(287,478)	(283,363)
Free Cash Flows	1,234,560	(875,820)

FREE CASH FLOWS



DIRECT METHOD CASH FLOWS

Cash Flows From Operating Activities	2020	2019
Collection from customers	8,157,274,771	10,383,438,441
Payments to employees as remuneration	(557,416,534)	(484,096,196)
Payments to suppliers and service providers	(4,645,985,957)	(8,580,619,806)
Income tax paid	(74,724,817)	(404,278,887)
Sales tax paid	(1,428,792,867)	(1,914,140,374)
Finance cost paid	(233,430,812)	(183,712,464)
Zakat paid	(363,462)	(307,597)
Net cash generated from / (used in) operating activities	1,216,560,322	(1,183,716,883)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures on operating fixed assets	(282,116,245)	(275,337,578)
Capital expenditure on intangible assets	(5,362,625)	(8,025,992)
Proceeds from disposal of operating fixed assets	15,395,072	8,024,425
Loans to subsidiary company	-	(548,900,000)
Repayment of loans by subsidiary company	-	548,900,000
Short term investments - net	153,963,043	30,869,260
Dividends received	10,437,403	1,132,225
Interest received on loans to subsidiary company	7,741,006	41,195,974
Profit on bank deposits and term deposit receipts received	86,941,717	69,330,110
Net cash from / (used in) investing activities	(13,000,629)	(132,811,576)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of liabilities against assets subject to finance lease	-	(45,152,757)
Repayment of lease liabilities	(48,575,756)	-
Dividend paid	(29,588,773)	(203,278,160)
Proceeds from long term financing	63,404,019	-
Repayment of long term financing	(14,894,159)	(15,000,007)
Short term borrowings - net	(1,208,652,827)	1,267,280,086
Net cash (used in) / from financing activities	(1,238,307,496)	1,003,849,162
Net decrease in cash and cash equivalents	(34,747,803)	(312,679,297)
Cash and cash equivalents at the beginning of the year	158,925,453	471,604,750
Cash and cash equivalents at the end of the year	124,177,650	158,925,453

QUARTERLY ANALYSIS

FOR THE **CURRENT YEAR**

Profit & Loss	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	Amounts in PKR Thousands			
GROSS REVENUE	606,055	2,022,478	2,097,491	2,560,627
DISCOUNTS	(15,247)	(9,205)	(70,731)	(175,247)
	590,808	2,013,273	2,026,760	2,385,380
SALES TAX	(127,575)	(399,893)	(390,945)	(469,149)
NET REVENUE	463,233	1,613,380	1,635,815	1,916,231
COST OF SALES	(397,790)	(1,244,983)	(1,301,318)	(1,559,676)
GROSS PROFIT	65,443	368,397	334,497	356,555
DISTRIBUTION COST	(205,246)	(163,409)	(180,083)	(165,074)
ADMINISTRATIVE EXPENSES	(98,955)	(98,113)	(94,336)	(89,631)
OTHER EXPENSES	(4,672)	(4,859)	(8,926)	(6,029)
	(308,873)	(266,381)	(283,345)	(260,734)
OTHER INCOME	41,035	33,732	24,946	29,955
(LOSS) / PROFIT FROM OPERATIONS	(202,395)	135,748	76,098	125,776
FINANCE COST	(37,919)	(58,487)	(52,916)	(37,004)
(LOSS) / PROFIT BEFORE TAXATION	(240,314)	77,261	23,182	88,772
TAXATION	(13,274)	(8,795)	(13,684)	46,733
(LOSS) / PROFIT AFTER TAXATION	(253,588)	68,466	9,498	135,505

Statement of Financial Position	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	Amounts in PKR Thousands			
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Authorized share capital				
150,000,000 (2019: 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	1,160,040	1,160,040	1,160,040	1,160,040
Reserves	1,813,155	1,852,620	1,862,118	1,997,626
Total Equity	2,973,195	3,012,660	3,022,158	3,157,666
LIABILITIES				
NON-CURRENT LIABILITIES				
Long term financing	-	-	-	42,268
Liabilities against assets subject to finance lease	19,480	-	-	-
Lease Liabilities	-	141,726	154,888	204,637
Long term deposits	1,000	500	500	500
Deferred liability	-	-	-	5,285
	20,480	142,226	155,388	252,690
CURRENT LIABILITIES				
Trade and other payables	1,153,185	455,551	383,246	704,279
Accrued mark-up	37,592	49,639	51,425	22,103
Current portion of non-current liabilities	49,084	68,211	24,910	86,779
Unclaimed dividend	3,897	3,892	3,474	3,438
Short term borrowings	1,230,754	1,463,977	1,255,222	766,263
Taxation - net	98	-	-	-
	2,474,610	2,041,270	1,718,277	1,582,862
Total liabilities	2,495,090	2,183,496	1,873,665	1,835,552
Contingencies and Commitments	-	-	-	-
TOTAL EQUITY AND LIABILITIES	5,468,285	5,196,156	4,895,823	4,993,218

Statement of Financial Position	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	Amounts in PKR Thousands			
ASSETS				
NON-CURRENT ASSETS				
Fixed assets	1,605,769	1,561,734	1,670,652	1,693,746
Right-of-use assets	-	260,901	242,009	270,943
Intangible assets	8,216	6,844	6,332	7,597
Investment in subsidiary company	1,300,001	1,300,001	1,300,001	1,300,001
Long term loans to employees	-	-	-	-
Long term security deposits	26,104	22,123	22,133	11,745
Deferred income tax asset - net	39,183	59,183	59,183	107,956
	2,979,273	3,210,786	3,300,310	3,391,988
CURRENT ASSETS				
Stock-in-trade	1,252,670	732,106	523,682	447,345
Trade debts	78,992	86,621	128,649	76,104
Loans and advances	72,063	211,466	67,252	149,157
Short term deposits and prepayments	52,598	48,938	20,581	31,144
Other receivables	51,637	20,499	54,809	50,015
Accrued interest	1,721	18	23	2
Short term investments	789,926	838,408	746,004	723,285
Cash and bank balances	189,405	47,315	54,513	124,178
	2,489,012	1,985,370	1,595,513	1,601,230
TOTAL ASSETS	5,468,285	5,196,156	4,895,823	4,993,218

QUARTERLY ANALYSIS REVENUE

First quarter of the fiscal year, which is generally slower coupled with economic slowdown, one represents 8% of total revenue with increasing trend in remaining quarters with highest in fourth quarter which represent 34% of total revenue.

COST OF SALES

Cost of sales shows increasing trend in FY 2020 with lowest in first quarter and highest is fourth quarter in line with the revenue of the Company.

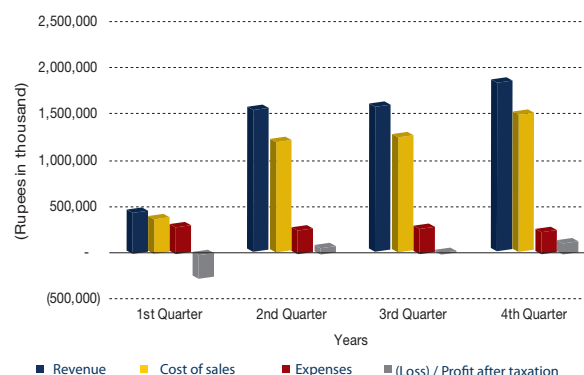
PROFIT FROM OPERATIONS

The Company reported loss from operations in its first quarter due to seasonal impact and general economic slowdown. The Company then struggled hard to get back in track and reported profit from operations in remaining three quarters of FY 2020. The Company was expecting to achieve profitable results on whole year basis, but last quarter saw overall economic and social activity due to COVID 19 pandemic, not able to achieve profitable annual results. But the Company performs well in last three quarters specially in COVID-19 pandemic due to effective management.

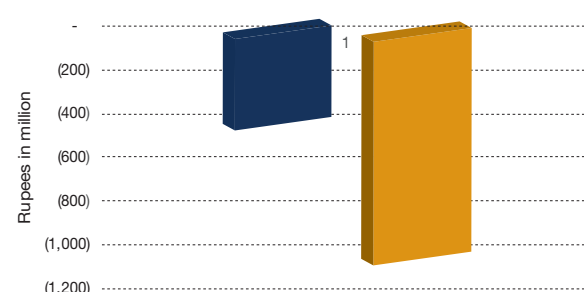
ECONOMIC VALUE ADDED

Economic value added (EVA) is used to measure the value a company generates from funds into its business. In FY 2020, although EVA of the Company showing declined of Rupees 437 million but it reflects improvement than FY 2019.

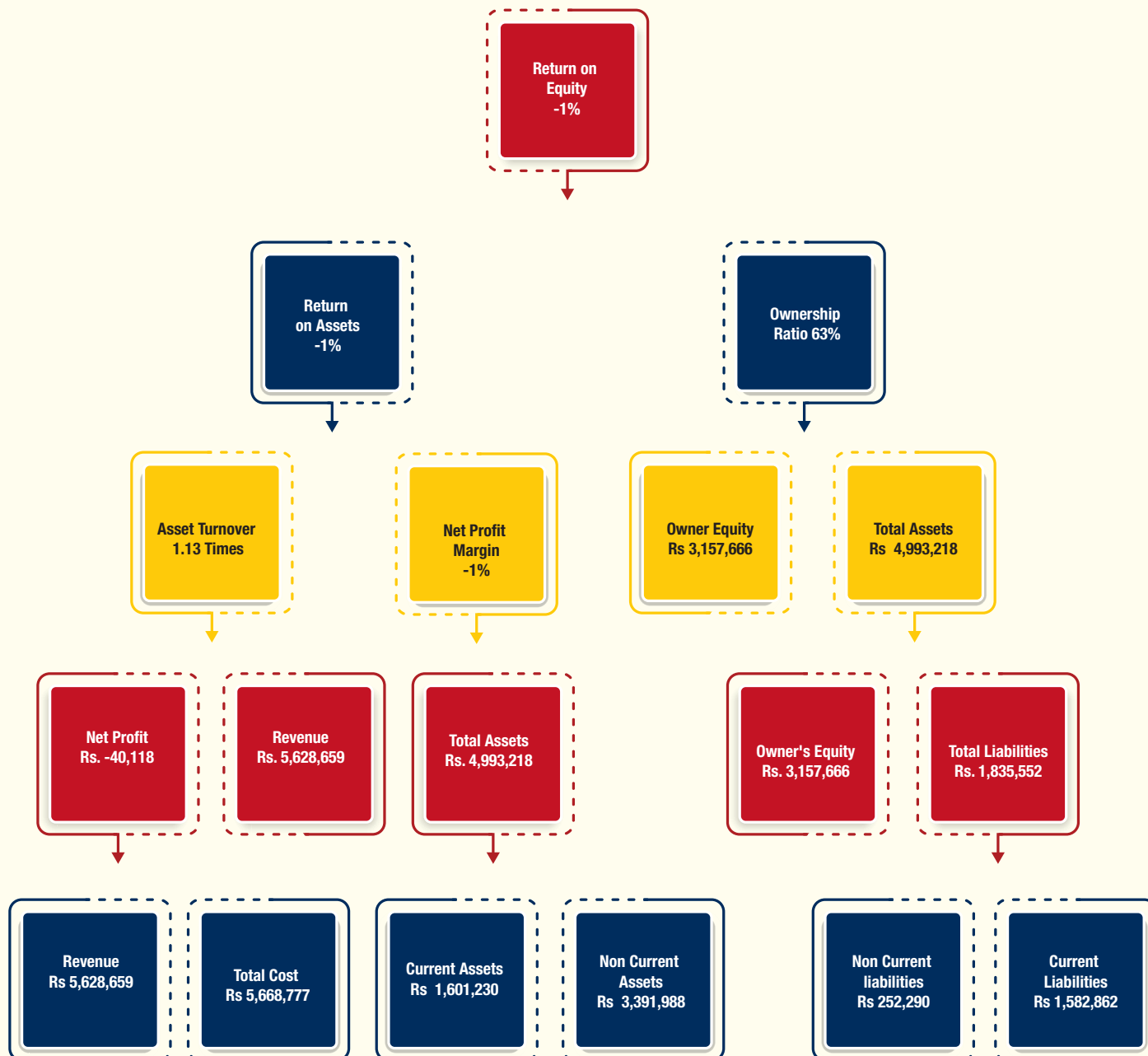
QUARTERLY ANALYSIS



ECONOMIC VALUE ADDED (EVA)



DUPONT ANALYSIS



Gross profit of the Company decreased by 13% mainly due to decrease in revenue during the year. General slowdown in the economy, high inflation and rupee devaluation along with COVID-19 pandemic has effected negatively on the Company's revenue during the year. Period cost is decreased during the year mainly on account of effective management and cost control measures taken by the management due to which net profit margin decreased less than 2019. i.e. -1% in 2020 while -4% in 2019. On the other hand, total assets are decreased by 18 % while total liabilities are also decreased by 38% resultantly increase the ownership ratio by 10% in comparison to last year. The decrease in total assets is mainly due to decrease in trade and stock in trade while decrease in total liabilities was mainly due to decrease in short term borrowings. Consequently, the return on equity that is the ultimate interest factor of the equity providers is in negative.

ANALYSIS OF FINANCIAL AND NON-FINANCIAL PERFORMANCE

HTL financials department has been entrusted the responsibility of yearly budgeting. A comprehensive exercise been carried out in last quarter of the fiscal year whereby each business unit and cost center submits its input through system based budgeting module. After careful consideration and review by Company's executive management, the budgets are presented to audit committee for their review, consideration and recommendation for approval by the Board. Budgets are based on forecast and assumption appropriate to business. Further budgeting department also carries out sensitivity analysis to ensure if analysis. Factors like controllable and non-controllable costs, seasonality and trends are given due importance. CEO and management teams are clearly assigned balance scorecard based on business unit's targets, profitability and other qualitative factors.

PERFORMANCE AGAINST FINANCIAL MEASURES

Company sets financial targets for business units, their liquidity and working capital against defined targets. Company was able to sustain its market share. Company also achieved its working capital and liquidity targets. On the other hand, by effective management of economic as well as COVID-19 challenges other cost control measures, the Company able to reduce the negative impacts and reported better results in comparison from last year.

STATEMENT OF FINANCIAL POSITION

SHAREHOLDERS' EQUITY

Shareholders' equity has decreased by 2.14 % as compared to the previous year, due to reported net loss during the year. Shareholders' equity includes share capital and reserves (i.e. capital and revenue reserves).

NON CURRENT LIABILITIES

Non-current liabilities have increased by Rupees 223.243 million mainly due to increase in long term financing and lease liabilities. The Company has obtained long term financing Under SBP Refinance Scheme for payment of wages and salaries to workers and employees of business concerns. On the other hand, increase in lease liabilities occurred mainly due to adoption of IFRS 16 'Leases' by the Company.

CURRENT LIABILITIES

Overall, current liabilities decreased by 44.65 % in 2020. This decrease is mainly on account of decrease in short term borrowings during the year.

NON CURRENT ASSETS

Non-current assets have increased by Rupees 435.723 million (14.70 %) from the last year. This increase is mainly in three categories i.e. fixed assets, right of use assets and deferred income tax-net. The increase in fixed assets is mainly to support the Company's expansion strategies. Right of use assets are increased due to adoption of IFRS 16 'Leases' while deferred income tax asset – net is increase due to availability tax losses.

STATEMENT OF PROFIT OR LOSS

GROSS PROFIT

Gross profit of the Company decreased by 13% mainly due to decrease in revenue during the year. General slowdown in the economy, high inflation and rupee devaluation along with COVID-19 pandemic has effected negatively on the Company's revenue during the year.

DISTRIBUTION COST

Distribution cost has been reduced by 14% in comparison from last year mainly due to effective cost controls measures taken by the management of the Company.

ADMINISTRATIVE EXPENSES

Administrative expenses also reduced by 12% in comparison from last year mainly due to effective cost controls measures taken by the management of the Company.

OTHER INCOME

Overall other income has been increased by Rupees 15.769 million in comparison from last year mainly due to reversal of allowance for expected credit losses. The reason behind the reversal was effective recoveries from debtors by the Company.

FINANCE COST

Overall finance cost has been reduced by 21% in comparison from last year mainly due to decrease in mark /up profit on short term borrowings in line with decrease in short term borrowings.

LOSS FOR THE YEAR

With help of cost control measures and effective management during the economic as well COVID-19 challenges, the Company been able to reduce its reported net loss to Rupees 40.118 million in comparison from last year's loss of Rupees 434.816 million.

PERFORMANCE AGAINST NON-FINANCIAL MEASURES

Non-financial targets are set for human resource development, growth / expansion, and succession. Process and production efficiencies at HTLL and HTBL respectively, quality improvements both in product and services, automation (IT Capital), protection of intellectual capitals, health and safety, building better relationship with community (social capital), managing diversity, ensuring compliance with all the laws and regulations and paying due taxes are the hallmark of the company.

Apart from the challenges, HR department continuously working multidimensional aspects as envisaged in the targets, including, hired right person at competitive packages through internal and external sources, held trainings and conferences for employees, offered internships, employed special person, and devising succession plan at different cadre as per the need of the Company.

The Company achieved another milestone by successful start of petroleum segment operations in Punjab Province during the year. On 30 June 2020, the Company has eleven operational HTL Fuel Stations in Punjab Province. The Company is making hard efforts to start its petroleum operations in Khyber Pakhtunkhwa Province. With regard to HTL Express Centers, the Company successfully started HTL Express Center in Rawalpindi and the total reached to eight which contributes in total revenue of the Company.

IT department ensured that the down time of Information systems and other tools remained zero during the whole year and it's been again major business success. Fire safety trainings and safety drills were conducted at HTBL plant site to ensure health and safety requirements. Our business intelligence department made further efforts for protection of intellectual capital in order to maintain its brand equity.

ANALYSIS OF CHANGES IN THE PERFORMANCE

2020 was challenging year for Oil and Lubricant marketing companies due to frequent dollar fluctuation, instability in material cost, tough competition and decreased purchasing power of ultimate consumers and COVID-19 pandemic. These factors contributed negatively. Further, the Company successfully started its petroleum products segment operations in Punjab Province to achieve growth through diversification. The Company continued its focus on local blending through HTBL which is risen to around eight million liters during the year.

CHANGES IN THE INDICATORS AND PERFORMANCE MEASURES

The Company continued Balance Scorecard approach in the year 2020 to measure performance indicators of each division and company as a whole. Further, the Company successfully started its petroleum products segment operations in Punjab Province to achieve growth through diversification. The Company continued its focus on local blending through HTBL which is risen to around eight million liters during the year.

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

TIMELY PAYMENT OF DEBTS AND GOVERNMENT DUES

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

MARKET SHARE EXTERNAL SOURCES

In year 2016-17, an external valuation of the market share of the company was conducted by an independent party "Kantar TNS", one of the largest international research agencies. According to the research report of the Kantar TNS, the usage rate for ZIC was recorded as 21% with a ranking of 3rd in terms of M/S for the year.

INTERNAL SOURCES

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

HISTORY OF MAJOR EVENTS DURING THE YEAR

During the year, the Company successfully started marketing and sale of petroleum products through HTL Fuel Stations in Punjab Province.

BUSINESS RATIONAL OF MAJOR CAPITAL EXPENDITURES / PROJECTS

In order to support growth and diversification, the Company incurred major capital expenditures in its petroleum segment operations during the year and also making continuous efforts for their expansion in future.

UNRESERVED COMPLIANCE OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The management of the Company strongly believes in adherence to unreserved 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 ISLAMIC FINANCIAL ACCOUNTING STANDARDS (IFAS)

The Company has fully complied with Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017.