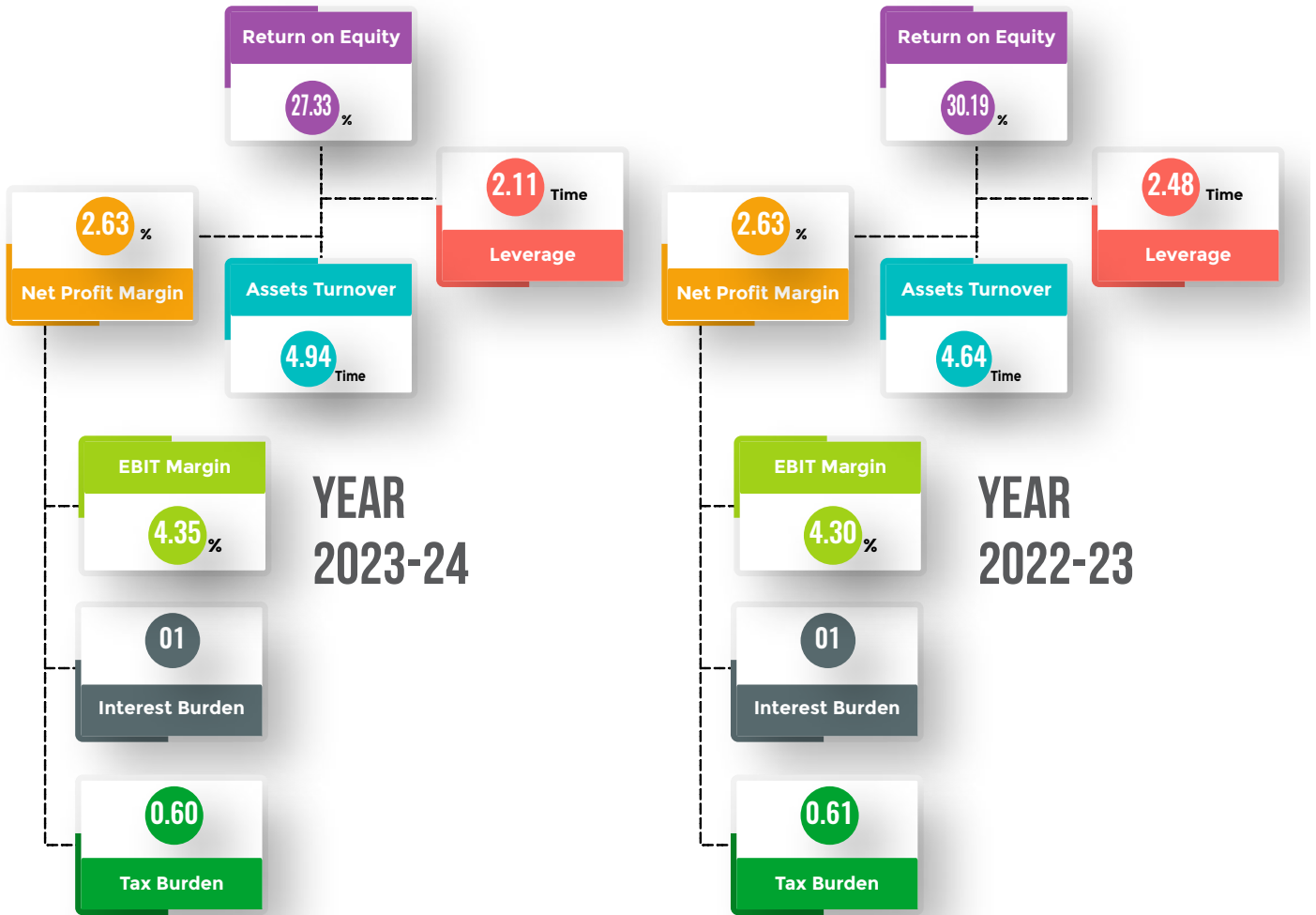


# Financial Analysis



# Dupont Analysis



The decrease in Return on equity (ROE) this year can be primarily attributed to reduced financial leverage, despite the net profit margin remaining stable and an increase in asset turnover. While the company has improved its efficiency in generating revenue from its assets, the lower financial leverage has limited its ability to enhance ROE. This indicates that the decline in ROE is due to the reduced impact of leverage on amplifying returns, even as operational efficiency has improved.

# Key Operating and Financial Data

## for Six Years from 2018-19 to 2023-24

		2023-24	2022-23	2021-22	2020-21	2019-20	2018-19
<b>Summary of Profit or Loss</b>							
Sales volumes	Metric Tons	1,605,261	1,743,161	2,320,736	1,912,823	1,907,342	2,147,038
Net sales	Rs thousand	526,316,756	473,938,329	370,074,929	188,645,375	201,078,720	223,054,352
Gross profit	Rs thousand	22,042,471	26,070,668	41,003,092	9,981,941	3,637,890	8,221,167
Operating profit	Rs thousand	16,506,220	18,820,534	32,759,923	7,499,729	1,083,793	5,708,378
Profit before income tax and final taxes	Rs thousand	22,911,766	20,384,969	30,609,769	6,939,058	1,503,086	5,722,857
Profit after tax	Rs thousand	13,821,630	12,460,790	18,536,343	4,919,632	1,008,294	3,960,606
Profit before interest, tax, depreciation, and amortization (EBITDA)	Rs thousand	25,356,502	22,604,141	32,620,852	8,567,400	2,677,291	6,314,452
<b>Summary of Financial Position</b>							
Shareholders' equity							
Share capital	Rs thousand	1,244,160	1,244,160	995,328	995,328	995,328	995,328
Reserves	Rs thousand	54,693,836	43,975,745	36,323,827	21,725,606	17,450,693	17,931,407
	Rs thousand	55,937,996	45,219,905	37,319,155	22,720,934	18,446,021	18,926,735
Non- current liabilities							
Long term lease liabilities	Rs thousand	8,447,613	7,531,422	6,257,911	6,274,485	3,978,932	-
Others	Rs thousand	2,049,101	1,103,923	1,088,247	1,107,011	904,651	792,993
	Rs thousand	10,496,714	8,635,345	7,346,158	7,381,496	4,883,583	792,993
Current assets							
Stock in trade	Rs thousand	35,492,045	30,169,689	51,662,152	16,121,539	9,464,503	12,865,862
Trade debts	Rs thousand	7,646,562	13,917,495	18,218,902	11,025,245	13,970,178	16,838,255
Cash, bank balances & Short term investments	Rs thousand	29,104,925	39,571,022	5,438,672	11,391,415	8,279,393	3,810,956
Others	Rs thousand	7,434,303	3,561,318	3,055,306	5,672,781	3,812,064	3,587,872
	Rs thousand	79,677,835	87,219,524	78,375,032	44,210,980	35,526,138	37,102,945
Current liabilities							
Trade and other payables	Rs thousand	35,325,521	48,551,243	47,614,884	31,179,480	27,561,324	26,633,386
Others	Rs thousand	3,518,885	5,547,772	4,070,848	615,975	347,404	49,598
	Rs thousand	38,844,406	54,099,015	51,685,732	31,795,455	27,908,728	26,682,984
Net current assets	Rs thousand	40,833,429	33,120,509	26,689,300	12,415,525	7,617,410	10,419,961
Property, plant and equipment	Rs thousand	23,226,936	19,077,870	16,597,854	16,616,819	13,839,661	8,348,942
Other non-current assets	Rs thousand	2,374,345	1,656,871	1,378,159	1,070,086	1,872,533	950,825
Capital expenditure during the year	Rs thousand	2,712,757	2,751,209	1,249,610	1,597,707	2,135,057	2,523,060
Total assets	Rs thousand	105,279,116	107,954,265	96,351,045	61,897,885	51,238,332	46,402,712
Total liabilities	Rs thousand	49,341,120	62,734,360	59,031,890	39,176,951	32,792,311	27,475,977

		2023-24	2022-23	2021-22	2020-21	2019-20	2018-19
<b>Summary of Cash Flows</b>							
Cash flow from operating activities	Rs thousand	(7,760,980)	37,354,107	(552,540)	5,631,875	7,414,512	2,998,293
Cash flow from of investing activities	Rs thousand	5,034,259	1,752,668	965,658	(1,177,105)	(1,681,346)	(1,246,624)
Cash flow from of financing activities	Rs thousand	(7,737,768)	(4,988,807)	(5,223,655)	(1,498,680)	(1,851,147)	(3,492,842)
Effect of exchange rate changes	Rs thousand	(1,608)	14,382	8,426	1,726	(1,684)	6,500
Net change in cash and cash equivalents	Rs thousand	(10,466,097)	34,132,350	(4,802,111)	2,957,816	3,880,335	(1,734,673)
Cash & cash equivalents at end of the year	Rs thousand	29,104,925	39,571,022	5,438,672	10,240,783	7,282,967	3,402,632
Free cash flow	Rs thousand	(13,689,120)	32,825,240	(2,913,000)	3,076,028	4,740,157	475,233

**PERFORMANCE INDICATORS (RATIOS)**

		2023-24	2022-23	2021-22	2020-21	2019-20	2018-19
<b>Profitability and Operating Ratios</b>							
Gross profit	%	4.19	5.50	11.08	5.29	1.81	3.69
Net profit to sales	%	2.63	2.63	5.01	2.61	0.50	1.78
EBITDA margin to sales	%	4.82	4.77	8.81	4.54	1.33	2.83
Operating leverage	%	112.16	(119.02)	354.69	(5,848.86)	748.42	(119.70)
Return on equity	%	27.33	30.19	61.75	23.90	5.40	21.21
Return on capital employed	%	27.33	30.19	61.68	23.80	5.38	21.21
Shareholders' Funds	Rs thousand	55,937,996	45,219,905	37,319,155	22,720,934	18,446,021	18,926,735
Return on Shareholders' Funds	%	27.33	30.19	61.75	23.90	5.40	21.21
Return on Investment	%	12.96	12.20	23.43	8.70	2.07	8.56
Total Shareholder Return	%	40.80	31.01	12.39	7.39	10.73	(34.95)

**Liquidity Ratios**

Current	Times	2.05	1.61	1.52	1.39	1.27	1.39
Quick / Acid test ratio	Times	1.13	1.05	0.51	0.88	0.93	0.90
Cash to current liabilities	Times	0.75	0.73	0.11	0.32	0.26	0.13
Cash flows from operations to sales	Times	(0.01)	0.08	(0.00)	0.03	0.04	0.01
Cash flow to Capital expenditures	Times	(2.86)	13.58	(0.44)	3.52	3.47	1.19
Cash flow to Coverage Ratio	Times	-	784.34	(3.18)	27.12	90.77	-

**Activity / Turn Over Ratios**

Inventory turnover	Times	15.36	10.95	9.71	13.97	17.68	16.97
No. of days in inventory		24	33	38	26	21	22
Debtors turnover	Times	48.81	29.50	25.31	15.09	13.05	13.39
No. of days in receivables		7	12	14	24	28	27
Creditors turnover	Times	12.02	9.32	8.35	6.08	7.29	8.14
No. of days in payables		30	39	44	60	50	45
Total assets turnover	Times	4.94	4.64	4.68	3.33	4.12	4.82
Fixed assets turnover	Times	43.01	45.09	38.79	20.75	23.53	30.21
Operating cycle	Days	1	7	8	(10)	(1)	4
Number of retail outlets		798	754	731	738	702	662



		2023-24	2022-23	2021-22	2020-21	2019-20	2018-19
<b>Investment / Market Ratios</b>							
Basic and diluted EPS	Rs	111.09	100.15	186.23	49.43	10.13	39.79
Basic and diluted EPS (restated)	Rs	111.09	100.15	148.99	39.54	8.10	31.83
Price earning	Times	3.48	3.00	1.73	6.50	30.13	7.25
Price to book	Times	0.86	0.83	0.86	1.41	1.65	1.52
Dividend yield	%	7.65	8.89	14.25	8.05	2.96	4.38
Dividend payout	%	24.75	27.46	24.16	54.63	88.84	50.26
Dividend cover	Times	4.04	3.64	4.14	1.83	1.13	1.99
Cash dividends	Rs thousand	3,421,440	3,421,440	4,478,976	2,687,386	895,795	1,990,656
Cash dividend per share	Rs	27.50	27.50	45.00	27.00	9.00	20.00
Bonus shares issued	Rs thousand	-	-	248,832	-	-	-
Bonus per share	%	-	-	25	-	-	-
Break-up value per share without surplus on revaluation of Property plant and equipment	Rs	450	363	375	228	185	190
Break-up value per share with surplus on revaluation of Property plant and equipment including the effect of all investments	Rs	450	363	375	228	185	190
Break-up value per share including investment in related party at fair/ market value and with surplus on revaluation of Property plant and equipment	Rs	450	363	375	228	185	190
<b>Market value per share</b>							
Year end	Rs	386	300	321	321	305	289
Highest (during the year)	Rs	440	399	362	390	398	633
Lowest (during the year)	Rs	280	275	285	297	207	255
Economic Value Added (EVA)	Rs thousand	4,106,818	3,840,179	13,876,268	1,879,728	(1,912,101)	545,971
<b>Capital Structure Ratios</b>							
Debt to equity (as per book value)	%	0:100	0:100	0:100	0.27 : 99.73	0.65 : 99.35	0:100
Debt to equity (as per market value)	%	0:100	0:100	0:100	0.02 : 99.98	0.04 : 99.96	0:100
Financial leverage	times	-	-	-	0.00	0.01	-
Weighted average cost of debt	%	-	-	-	0.64	0.93	-
Net assets per share	Rs	450	363	375	228	185	190
Interest cover	times	-	-	881	5,183	1,989	-
<b>Non-Financial Ratios</b>							
Revenue per Employee	Rs thousand	1,151,678	1,050,861	815,143	404,818	430,575	494,577
Staff Turnover Ratio	%	8.10	10.64	10.57	6.22	7.28	6.43
Spares Inventory as %age Assets Cost	%	0.22	0.18	0.16	0.21	0.32	0.20
Maintenance Cost as % of operating expenses	%	4.87	3.34	3.09	6.22	5.57	4.91
Customer Retention Ratio	%	99.57	99.66	98.95	99.63	99.16	98.75
Market Share (Source: OCAC)	%	10.2	10.1	10.0	9.4	10.9	10.8

**Note:** Due to the nature of the Company's operations, the percentage of plant availability for its products is not a relevant metric.

Figures from previous years have been restated, where necessary, for the purpose of comparison.

# Vertical Analysis

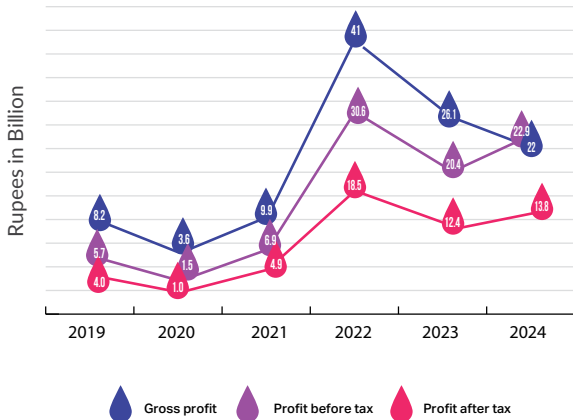
	2023-24		2022-23		2021-22		2020-21		2019-20		2018-19	
	Rs ('000)	%	Rs ('000)	%	Rs ('000)	%	Rs ('000)	%	Rs ('000)	%	Rs ('000)	%
<b>Statement of Financial Position</b>												
Property, Plant and Equipment	23,226,936	22.1	19,077,870	17.7	16,597,854	17.2	16,616,819	26.8	13,839,661	27.0	8,348,942	18.0
Other Non-Current Assets	2,374,345	2.3	1,656,871	1.5	1,378,159	1.4	1,070,086	1.7	1,872,533	3.7	950,825	2.0
Current Assets	79,677,835	75.7	87,219,524	80.8	78,375,032	81.3	44,210,980	71.4	35,526,138	69.3	37,102,945	80.0
<b>Total Assets</b>	<b>105,279,116</b>	<b>100.0</b>	<b>107,954,265</b>	<b>100.0</b>	<b>96,351,045</b>	<b>100.0</b>	<b>61,897,885</b>	<b>100.0</b>	<b>51,238,332</b>	<b>100.0</b>	<b>46,402,712</b>	<b>100.0</b>
Shareholders' Equity	55,937,996	53.1	45,219,905	41.9	37,319,155	38.7	22,720,934	36.7	18,446,021	36.0	18,926,735	40.8
Non-Current Liabilities	10,496,714	10.0	8,635,345	8.0	7,346,158	7.6	7,381,496	11.9	4,883,583	9.5	792,993	1.7
Current Liabilities	38,844,406	36.9	54,099,015	50.1	51,685,732	53.6	31,795,455	51.4	27,908,728	54.5	26,682,984	57.5
<b>Total Shareholders' Equity &amp; Liabilities</b>	<b>105,279,116</b>	<b>100.0</b>	<b>107,954,265</b>	<b>100.0</b>	<b>96,351,045</b>	<b>100.0</b>	<b>61,897,885</b>	<b>100.0</b>	<b>51,238,332</b>	<b>100.0</b>	<b>46,402,712</b>	<b>100.0</b>
<b>Statement of Profit or Loss</b>												
Net Sales	526,316,756	100.0	473,938,329	100.0	370,074,929	100.0	188,645,375	100.0	201,078,720	100.0	223,054,352	100.0
Cost of Products Sold	504,274,285	95.8	447,867,661	94.5	329,071,837	88.9	178,663,434	94.7	197,440,830	98.2	214,833,185	96.3
Gross Profit	22,042,471	4.2	26,070,668	5.5	41,003,092	11.1	9,981,941	5.3	3,637,890	1.8	8,221,167	3.7
Operating Profit	16,506,220	3.1	18,407,445	3.9	32,759,923	8.9	7,499,729	4.0	1,083,793	0.5	5,708,378	2.6
Profit before income tax and final tax	22,911,766	4.4	20,384,969	4.3	30,609,769	8.3	6,939,058	3.7	1,503,086	0.7	5,722,857	2.6
<b>Profit for the Year</b>	<b>13,821,630</b>	<b>2.6</b>	<b>12,460,790</b>	<b>2.6</b>	<b>18,536,343</b>	<b>5.0</b>	<b>4,919,632</b>	<b>2.6</b>	<b>1,008,294</b>	<b>0.5</b>	<b>3,960,606</b>	<b>1.8</b>

# Horizontal Analysis

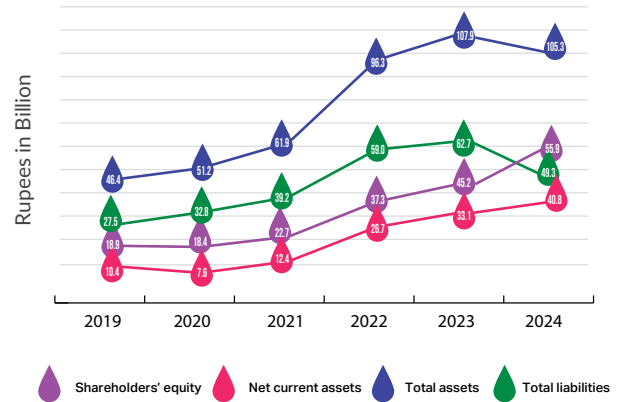
	2023-24		2022-23		2021-22		2020-21		2019-20		2018-19	
	Rs ('000)	Increase / (decrease) from last year (%)	Rs ('000)	Increase / (decrease) from last year (%)	Rs ('000)	Increase / (decrease) from last year (%)	Rs ('000)	Increase / (decrease) from last year (%)	Rs ('000)	Increase / (decrease) from last year (%)	Rs ('000)	Increase / (decrease) from last year (%)
<b>Statement of Financial Position</b>												
Property, Plant and Equipment	23,226,936	21.7	19,077,870	14.9	16,597,854	(0.1)	16,616,819	20.1	13,839,661	65.8	8,348,942	30.1
Other Non-Current Assets	2,374,345	43.3	1,656,871	20.2	1,378,159	28.8	1,070,086	(42.9)	1,872,533	96.9	950,825	(39.2)
Current Assets	79,677,835	(8.6)	87,219,524	11.3	78,375,032	77.3	44,210,980	24.4	35,526,138	(4.2)	37,102,945	(2.7)
<b>Total Assets</b>	<b>105,279,116</b>	<b>(2.5)</b>	<b>107,954,265</b>	<b>12.0</b>	<b>96,351,045</b>	<b>55.7</b>	<b>61,897,885</b>	<b>20.8</b>	<b>51,238,332</b>	<b>10.4</b>	<b>46,402,712</b>	<b>0.6</b>
Shareholders' Equity	55,937,996	23.7	45,219,905	21.2	37,319,155	64.3	22,720,934	23.2	18,446,021	(2.5)	18,926,735	2.8
Non- Current Liabilities	10,496,714	21.6	8,635,345	17.5	7,346,158	(0.5)	7,381,496	51.1	4,883,583	515.8	792,993	(13.0)
Current Liabilities	38,844,406	(28.2)	54,099,015	4.7	51,685,732	62.6	31,795,455	13.9	27,908,728	4.6	26,682,984	(0.4)
<b>Total Shareholders' Equity &amp; Liabilities</b>	<b>105,279,116</b>	<b>(2.5)</b>	<b>107,954,265</b>	<b>12.0</b>	<b>96,351,045</b>	<b>55.7</b>	<b>61,897,885</b>	<b>20.8</b>	<b>51,238,332</b>	<b>10.4</b>	<b>46,402,712</b>	<b>0.6</b>
<b>Statement of Profit or Loss</b>												
Net Sales	526,316,756	11.1	473,938,329	28.1	370,074,929	96.2	188,645,375	(6.2)	201,078,720	(9.9)	223,054,352	25.9
Cost of Products Sold	504,274,285	12.6	447,867,661	36.1	329,071,837	84.2	178,663,434	(9.5)	197,440,830	(8.1)	214,833,185	28.3
Gross Profit	22,042,471	(15.5)	26,070,668	(36.4)	41,003,092	310.8	9,981,941	174.4	3,637,890	(55.7)	8,221,167	(15.6)
Operating Profit	16,506,220	(10.3)	18,407,445	(43.8)	32,759,923	336.8	7,499,729	592.0	1,083,793	(81.0)	5,708,378	(29.4)
Profit before income tax and final tax	22,911,766	12.4	20,384,969	(33.4)	30,609,769	341.1	6,939,058	361.7	1,503,086	(73.7)	5,722,857	(31.0)
<b>Profit for the Year</b>	<b>13,821,630</b>	<b>10.9</b>	<b>12,460,790</b>	<b>(32.8)</b>	<b>18,536,343</b>	<b>276.8</b>	<b>4,919,632</b>	<b>387.9</b>	<b>1,008,294</b>	<b>(74.5)</b>	<b>3,960,606</b>	<b>(30.0)</b>

# Graphical Presentation

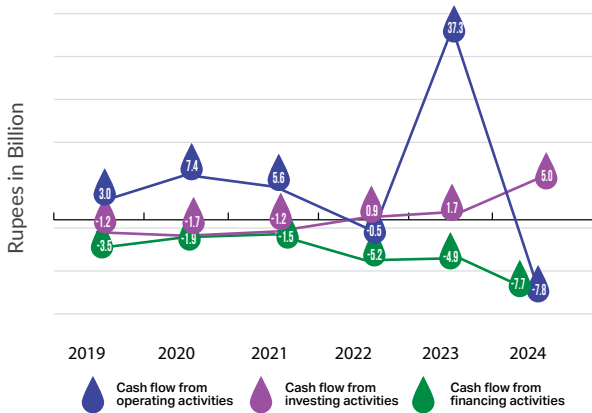
### Profit or Loss



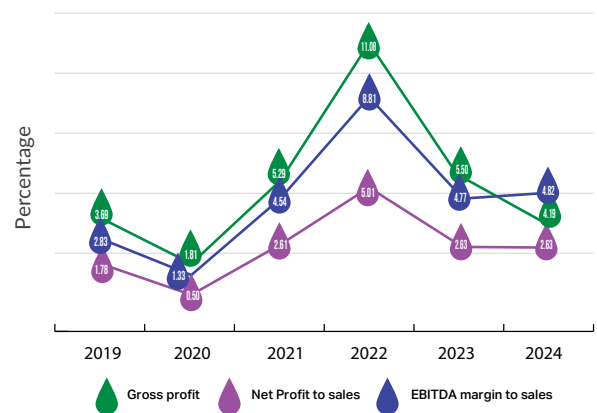
### Financial Position



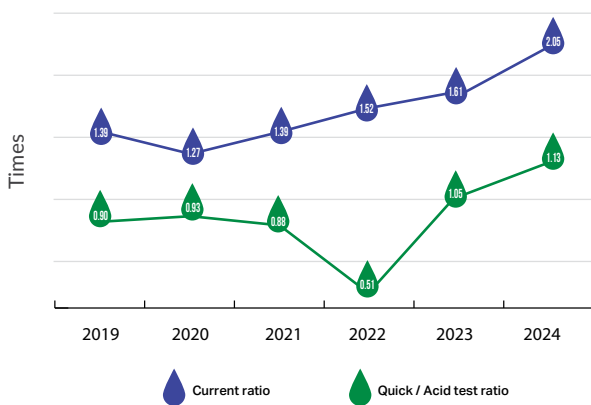
### Cash Flows



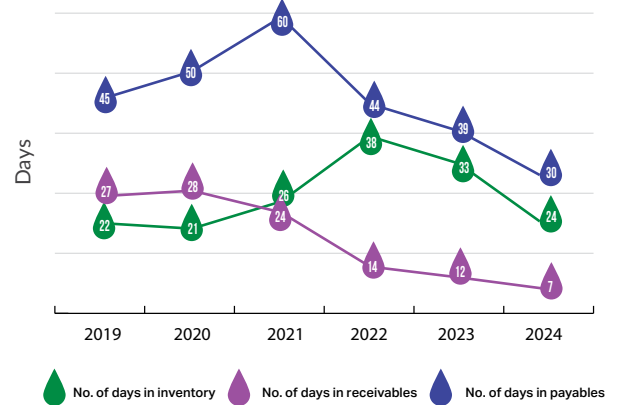
### Profitability Ratios



### Liquidity Ratios

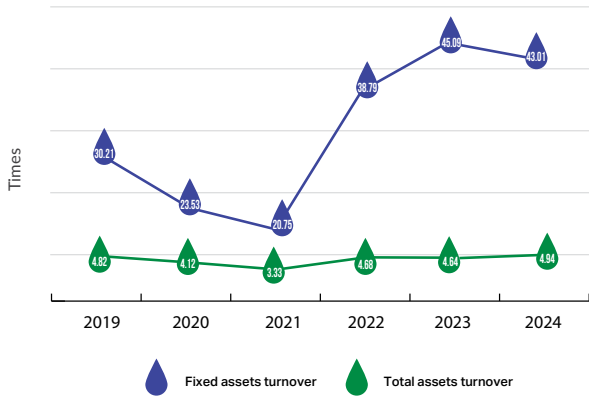


### Activity Ratios

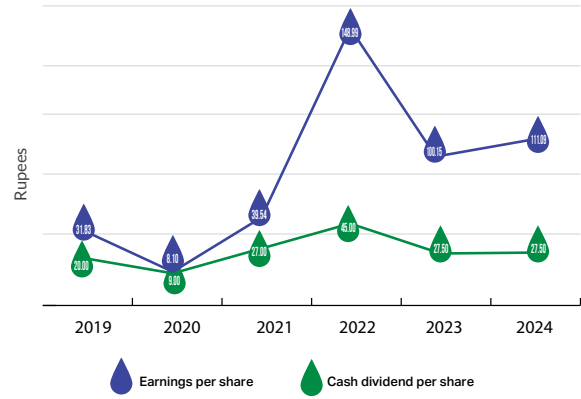




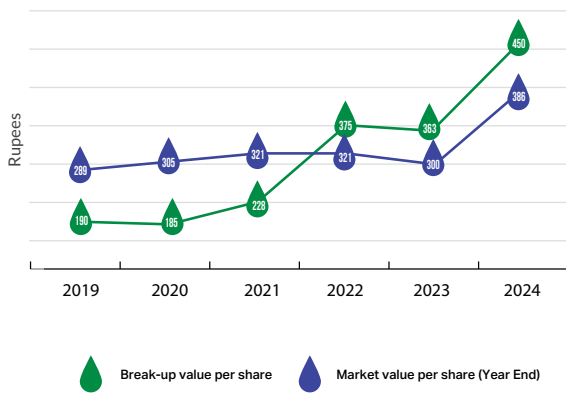
### Turnover Ratios



### Investment Ratios



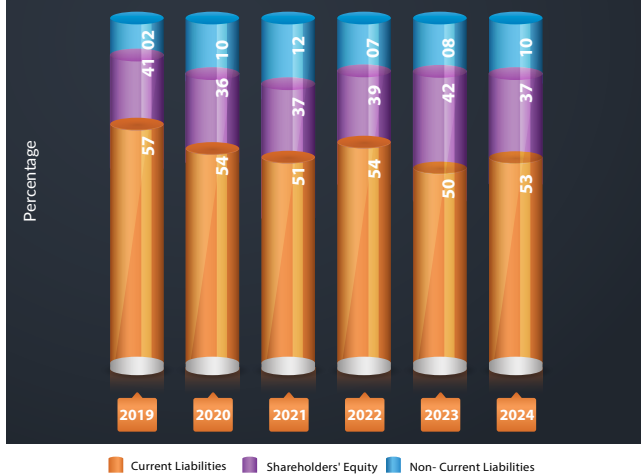
### Market Ratios



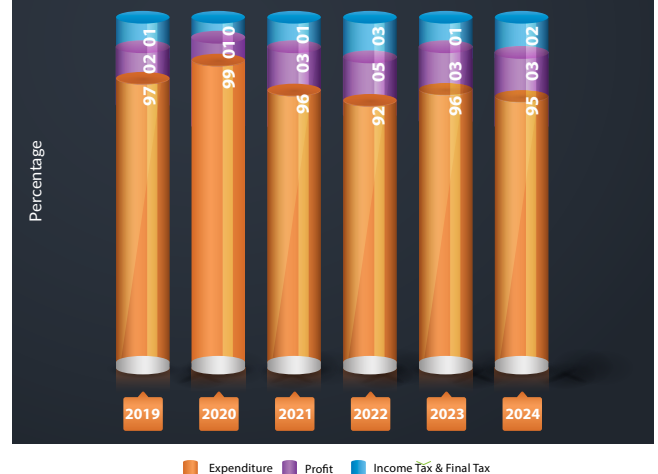
### Composition of Assets

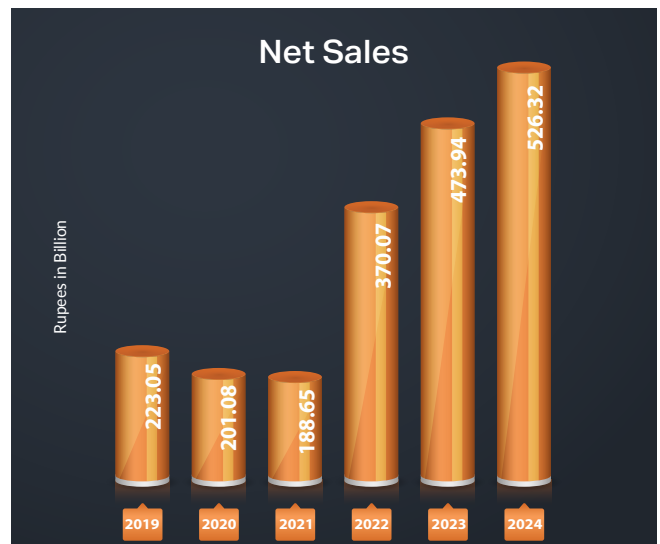
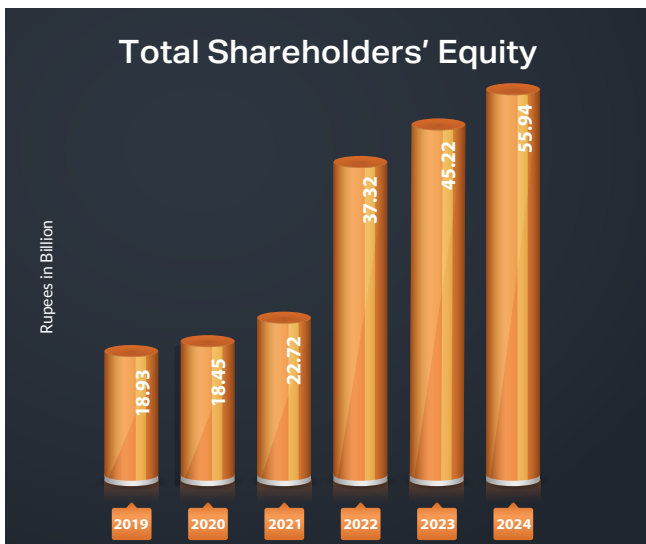


### Composition of Total Liabilities & Shareholders' Equity



### Composition of Profit and loss





# Comments on Financial Analysis

## Statement of Cash flow

**Operating activities:** Over the six years (2019 to 2024), cash flows fluctuated primarily due to variations in profitability, inventory levels, trade receivables and trade payables. In 2024, cash flows turned negative at Rs 7,761 million, primarily due to higher inventory levels and a decrease in trade payables. In contrast, 2023 experienced a strong positive cash flow of Rs 37,354 million, driven by decrease in inventory levels and reduced trade debts. In addition, fluctuations in operating cash flows from 2019 to 2022 reflect the company's operational performance, its working capital management strategies, and the effects of market conditions on inventory levels and trade balances.

**Investing activities:** From 2019 to 2024, cash flows from investing activities have fluctuated significantly, with positive inflows in recent years and negative outflows in earlier periods. In 2024, cash flow peaked at Rs 5,034 million, representing the highest amount recorded in the periods under review, driven by strong investment inflows, while 2023 and 2022 saw positive cash flows of Rs 1,753 million and Rs 966 million, respectively, due to favorable investment returns. In contrast, 2021, 2020, and 2019 experienced negative cash flows primarily due to substantial capital expenditures and reduced returns on investments during those years.

**Financing activities:** From 2019 to 2024, cash flows from financing activities

consistently reflected negative outflows, driven primarily by the payment of dividends and lease liabilities. In 2024, cash outflows reached Rs 7,738 million, the highest amount recorded in the periods under review, due to increased dividend payments and lease obligations. Similarly, 2023 and previous years experienced fluctuating negative cash flows, primarily due to changes in dividend payments and lease obligations.

## Ratios Analysis

**Profitability and operating ratios:** Gross profit margin decreased significantly from 11.08% in 2021-22 to 4.19% in 2023-24, reflecting increased costs and higher selling prices. The stability in net profit margins for 2023-24 and 2022-23 indicates effective management of other expenses and enhanced other income, which helped maintain a steady net profit margin. The EBITDA margin improved from 1.33% in 2019-20 to 4.82% in 2023-24, driven by enhanced operational efficiency. Return on equity (ROE) showed strong performance, peaking at 61.75% in 2021-22 and stabilizing between 27-30% thereafter, due to effective equity utilization and high profitability.

**Liquidity ratios:** Current ratio improved from 1.27 times in 2019-20 to 2.05 times in 2023-24, indicating a stronger ability to cover short-term liabilities with current assets over the years. However, the quick ratio, which excludes inventory, showed more variability, rising from 0.90 times in 2018-19 to 1.13 times in 2023-24. This

increase in the quick ratio reflects improved liquidity excluding inventory, indicating a better capacity to meet short-term liabilities.

**Activity / Turn over ratios:** Debtors turnover ratio saw a substantial improvement, rising from 13.39 times in 2018-19 to 48.81 times in 2023-24, reflecting enhanced receivables collection and stronger cash flow management. The creditors turnover ratio improved over the years from 8.14 times to 12.02 times, indicating more frequent payments to creditors and effective cash management. The inventory turnover ratio decreased from 17.68 times in 2019-20 to 15.36 times in 2023-24, reflecting higher stock levels. Assets turnover ratio rose from 4.64 times in 2022-23 to 4.94 times in 2023-24, demonstrating improved efficiency in generating sales from assets, while Fixed assets turnover ratio surged from 20.75 times in 2020-2021 to 43.01 times in 2023-24, showing more effective use of fixed assets to drive revenue.

**Investment / Market ratios:** Basic and diluted EPS increased from Rs 100.15 in 2022-23 to Rs 111.09 in 2023-24, highlighting earnings growth and enhanced profitability. In 2019-20, EPS was Rs 10.13, which increased significantly to Rs 186.23 in 2021-22 before stabilizing. Dividend payout ratio ranged from 24.75% in 2023-24 to 88.84% in 2019-20, indicating a strong return to shareholders. Meanwhile, the market value per share increased from Rs 300 in 2022-23 to Rs 386,

reflecting the positive effect of improved earnings.

**Capital Structure ratios:** All capital requirements are financed through equity contribution.

### Vertical analysis

**Statement of financial position:** The vertical analysis of the Statement of Financial Position from 2018-19 to 2023-24 reveals notable variations in the structure of assets, liabilities, and shareholders' equity. Weightage of Property, Plant, and Equipment increased from 18.0% in 2018-19 to 22% in 2023-24, reflecting sustained investment in fixed assets. The proportion was 17.7% in 2022-23, highlighting a significant rise in 2023-24, due to substantial capital expenditures. Current Assets, which fluctuated between 69.3% in 2019-20 and 80.8% in 2022-23, decreased to 75.7% in 2023-24, showing a minor reduction despite maintaining high levels over the years. Weightage of shareholders' equity increased from 36.0% in 2019-20 to 53.1% in 2023-24, with a notable rise from 41.9% in 2022-23, reflecting a substantial increase in equity primarily driven by retained earnings. Non-Current Liabilities increased from 8% in 2022-23 to 10.0% in 2023-24, indicating a growing proportion of long-term obligations, partly due to increased lease liabilities. Current Liabilities, which ranged from 57.5% in 2018-19 to 50.1% in 2022-23, decreased to 36.9% in 2023-24, reflecting improved management of short-term obligations.

**Statement of Profit or loss:** Gross Profit as a percentage of net sales fluctuated, increasing from 3.7% in 2018-19 to 4.2% in 2023-24, despite a significant rise in absolute terms from Rs 8.2 billion to Rs 22.04 billion. This indicates improved efficiency in managing production costs relative to sales. Profit for the year also improved, with its percentage of net sales holding steady at 2.6% in 2018-19, 2022-23 and 2023-24. This reflects a stronger bottom line performance over the years.

### Horizontal Analysis

**Statement of Financial Position:** From 2018-19 to 2023-24, property, plant, and equipment grew by 21.7% in 2023-24, continuing the upward trend following a substantial 65.8% increase in 2019-20, reflecting ongoing capital investments. Current assets declined by 8.6% in 2023-24, following a sharp 77.3% increase in 2021-22. Total assets decreased by 2.5% in 2023-24, primarily due to the decline in current assets. However, shareholders' equity continued its upward trajectory, rising by 23.7% in 2023-24 after a 64.3% jump in 2021-22, indicating solid equity growth. Non-current liabilities increased by 21.6%, while current liabilities dropped by 28.2%, mainly due to a reduction in trade and other payables.

**Statement of Profit or loss:** Over the years, fluctuations in sales volumes, improved margins, and the impact of changing petroleum product prices both favorable and unfavorable, have led to varying levels of sales and profits.

### METHODS/ASSUMPTIONS USED TO COMPILE THE INDICATORS:

The company's performance is effectively reflected through key operating and financial data, which are regularly reviewed by management to assess and enhance overall performance.

Profitability ratios are crucial financial benchmarks that stakeholders use to assess and evaluate a company's ability to generate profit in relation to its revenue.

Liquidity ratios are used to assess a company's ability to meet its obligations and provide insights into how effectively working capital is managed over time.

Activity ratios indicate how efficiently the Company is leveraging its assets to generate revenues and cash.

Earnings per share measures the earnings of the Company against the total outstanding shares and dividend per share reflects dividend declared by Company for every outstanding ordinary share.

Market price per share is the measure of perception of the Company in the market.

### RATIONAL FOR MAJOR CAPITAL EXPENDITURES

Major capital expenditure has been incurred for establishing and construction of retail outlets, rational for the same has been discussed in detail in Directors' report for the year ended June 30, 2024.

# Analysis of Performance Against Target/Budget

During the current year, the company experienced an improvement in net profit compared to budgeted expectations. These outcome were driven by several key factors:

**Increased Net Profit:** The Company achieved a higher net profit than initially projected, primarily due to increased product margins, higher other income and reduced operating expenses.

**Lower Sales Volumes:** Despite sales volumes falling short of expectations, profitability was not adversely affected. The improvement in profit margins effectively offset the impact of the reduced sales.

**Reduction in Operating Expenses:** Operating expenses were lower than anticipated, reflecting successful cost management and enhanced operational efficiencies. This contributed positively to overall profitability.

**Growth in Other Income and Finance Income:** Other income sources, including returns from investments, exceeded expectations, further enhancing the company's profitability.

## Statement of Charity Account

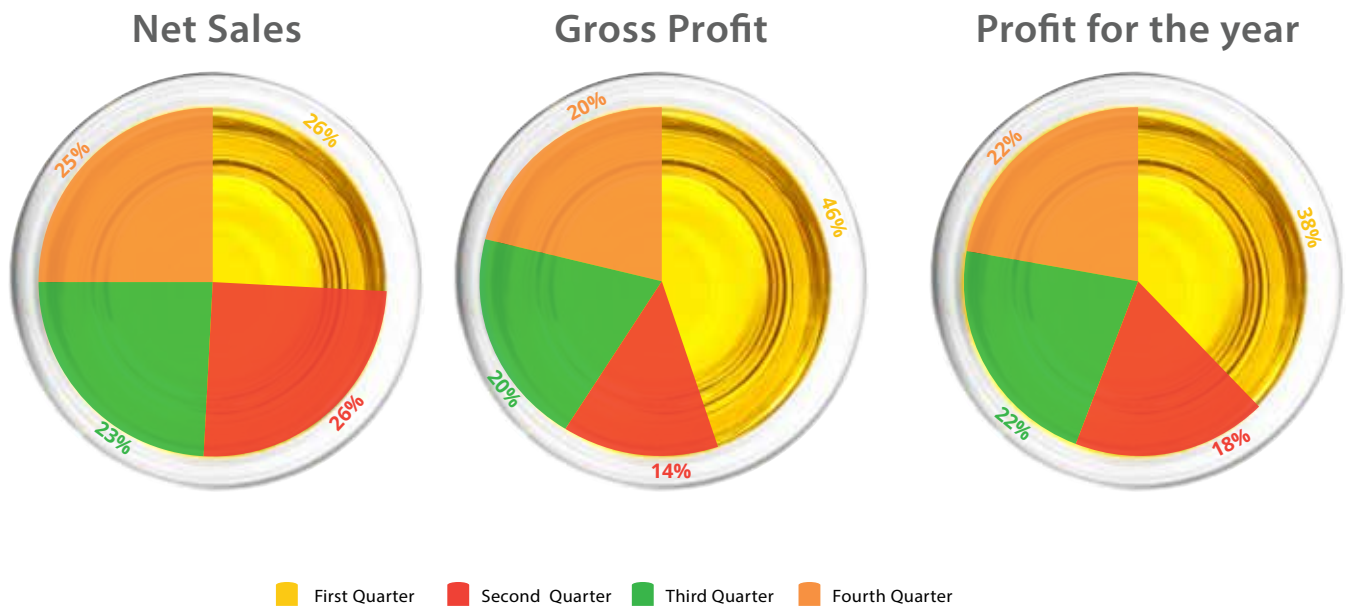
Particulars	2023-24
	Rs ('000)
Education and Scholarship	16,300
Health care and Environment	1,781
Sports Development	1,619
Community Welfare	19,866
<b>Total *</b>	<b>39,567</b>

\* Includes through Company's trust

# Analysis of Variation

in results of interim reports with the final accounts

	Total for the year June 30, 2024	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
	Rs ('000)	Rs ('000)	Rs ('000)	Rs ('000)	Rs ('000)
<b>Statement of Profit or Loss</b>					
Sales volume (M.tons)	1,605,261	400,409	387,619	390,323	426,910
Net Sales	526,316,756	130,638,436	123,768,126	135,470,801	136,439,393
Gross Profit	22,042,471	4,344,663	4,321,816	3,102,085	10,273,907
Profit before income tax and final taxes	22,911,766	5,272,731	4,882,190	3,983,477	8,773,368
Profit for the year	13,821,630	3,041,382	2,980,605	2,540,078	5,259,565
Earnings Per share- Basic and diluted (Rupees)	111.09	24.44	23.96	20.42	42.27



Net sales, gross profit, and net profit peaked in the first quarter of the year, driven by the highest sales volumes, which were fueled by strong demand and favorable fluctuations in petroleum product prices. In contrast, gross profit and net profit reached their lowest levels in the second quarter, primarily due to unfavorable price fluctuations and comparatively lower sales volumes. Profitability in the third and fourth quarters remained stable, supported by improved margins and recovery in product demand, which helped maintain a more balanced financial performance toward the latter half of the year.

# Statement of Economic Value Added

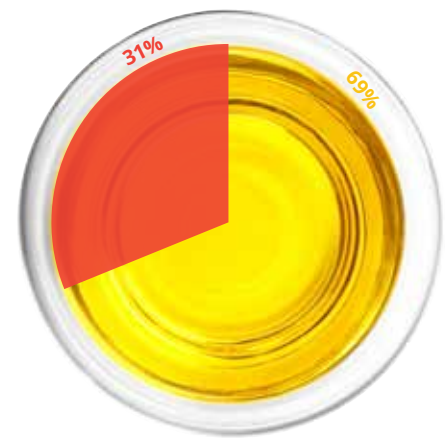
Description	2023-24	2022-23
	Rs ('000)	Rs ('000)
Profit for the year	13,821,630	12,460,790
Cost of Capital	(9,714,812)	(8,620,611)
Economic Value Added (EVA)	4,106,818	3,840,179
Economic Value Added Per share (Rupees) *	33.01	30.87

The Company's Economic Value Added (EVA) improved by Rs 267 million (7%) in the current year compared to the previous year. This increase was primarily driven by an 11% rise in net profit, resulting from higher finance income and reduced operating expenses. The positive variance in EVA reflects stronger value creation, as the company effectively leveraged its resources to generate higher returns above the cost of capital.

## Composition of Net Profit



2023-24



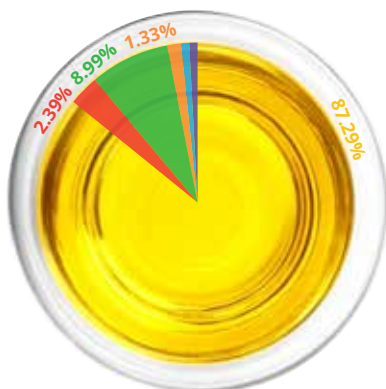
2022-23

● Economic Value Added ● Cost of Capital

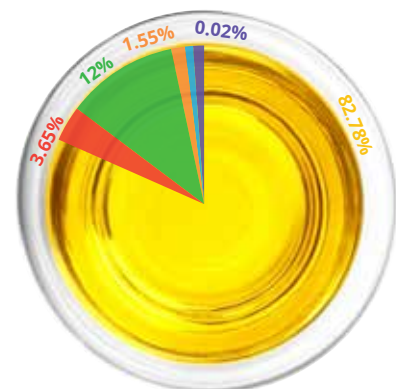
# Statement of Value Added

	2023-24		2022-23	
	Rs in thousand	%	Rs in thousand	%
Gross revenue and other income	550,367,577		496,049,992	
Cost of sales and operating expenses	(407,477,167)		(402,214,463)	
<b>Total value added</b>	<b>142,890,410</b>		<b>93,835,529</b>	

<b>DISTRIBUTION</b>				
Employee remuneration:	1,895,775	1.33	1,455,269	1.55
Government as:				
Company taxation	9,090,136	6.36	7,924,179	8.44
Sales tax, duties and levies	113,955,306	79.75	68,272,337	72.76
WPPF and WWF	1,682,827	1.18	1,483,782	1.58
Shareholders as:				
Dividends	3,421,440	2.39	3,421,440	3.65
Bonus shares	-	-	-	-
Society as:				
Donation	-	-	20,000	0.02
Providers of finance as:				
Financial Charges	-	-	54	0.00
Retained in business:				
Depreciation	2,444,736	1.71	2,219,118	2.36
Net earnings	10,400,190	7.28	9,039,350	9.63
<b>Total</b>	<b>142,890,410</b>	<b>100.00</b>	<b>93,835,529</b>	<b>100.00</b>



2023-24



2022-23

● Government  
 ● Shareholders  
 ● Retained in business  
 ● Employee remuneration  
 ● Provider of finance  
 ● Society