HI- TECH LUBRICANTS LTD.

INTEGRATED ANNUAL REPORT 2024

FUELING GROWTH

DRIVING PROGRESS WITH SUSTAINABILITY

FUELING GROWTH,

DRIVING PROGRESS WITH SUSTAINABILITY

Hi-Tech Lubricants Limited (HTL) is celebrated for its remarkable growth and resilience in navigating challenging landscapes. Our steadfast commitment to core values not only bolsters team morale but also ignites a collective drive for success. In the face of a difficult economic climate affecting the nation and the business community, HTL embraces the belief that perspective is key. HTL remain dedicated to maintaining an optimistic outlook and focusing on the twin pillars of long-term sustainability and expansion.

Our strategic approach, anchored in relentless innovation and customer-centric solutions, enables us to mitigate the impact of economic fluctuations. We achieve this by continuously diversifying our product portfolio and exploring emerging markets.

At HTL, our responsibility goes beyond delivering premium products; it encompasses our commitment to sustainable practices. Guided by our vision statement, we aim to minimize our environmental footprint and delivering unparalleled product performance. Customer trust is fundamental to our business, and we ensure that our products not only meet the highest performance standards but also contribute positively to a sustainable future.

As foreign brands withdraw from the Pakistani market due to economic and political challenges, HTL views this as a transformative opportunity. We are determined to emerge as a local leader, reinforcing our presence with resilience. Our in-depth understanding of Pakistan's landscape, coupled with innovation, positions us to not only grow but also empower local industries and address market gaps.

Looking ahead, HTL is committed to driving growth through sustainable progress. We believe that true success lies in responsible growth, guided by the principle of creating long-term value. Together with our people, partners, and customers, we are dedicated to fueling the future with responsibility, innovation, and integrity.

INSIDE THIS REPORT


SK ZIC
HTL STATION
Business that FUEL Your Dreams
OCTANE TOP
SUPER X7

INTEGRATED **REPORTING APPROACH**

Hi-Tech Lubricants Limited (HTL or the Company) is a distinguished leader in our industry. Upholding our commitment to exceptional governance and transparency, we focus on delivering comprehensive and well-rounded performance reports to our stakeholders, partners, and the communities we engage with. This commitment is embodied in HTL's Integrated Report 2024, which goes beyond financial outcomes to incorporate discussions on sustainability and future prospects. This approach ensures that our stakeholders gain a clear perspective on our strategic path for the short, medium, and long term.

OUR REPORTING **BOUNDARIES**

This Integrated Report (IR) encompasses the reporting period from July 1, 2023, to June 30, 2024, unless specified otherwise. The information provided addresses the risks, opportunities, and outcomes of the Group's activities, including those of our subsidiary.

- Organizational overview, Strategy, including key strategic trade-offs
- Value Creation Business model, including value created for stakeholders and its engagement
- External environment, including sustainability driven initiatives
- Commitment to Governance and Future Outlook

Financial **Reporting Boundary**
Including our operating subsidiary

Non-Financial **Reporting Boundary**
Cover our operating subsidiary

ABOUT OUR COMMITMENT TO EXCELLENCE **IN CORPORATE REPORTING AND TRANSPARENCY (BCR AWARDS)**

OUR APPROACH TO **DELIVERING IMPACT IS GUIDED BY**

We have focused on 12 of the 17 Sustainable Development Goals (SDGs) where we can make the most significant impact through our core business operations and initiatives.

OUR REPORTING **SUITE**

HTL (Hi-Tech Lubricants) is a leading integrated lubricants and oil marketing enterprise, underpinned by a strong and diverse stakeholder network. The trust and confidence of our stakeholders are paramount to our long-term sustainability. To reinforce this trust, we are committed to providing clear, transparent insights into our business strategy, performance, and future direction, while meticulously identifying and communicating the material risks, we encounter.

THE INTEGRATED **IR REPORT 2024**

The Integrated Report 2024 (IR) of Hi-Tech Lubricants (HTL) aims to furnish our stakeholders with a comprehensive and balanced evaluation of our financial and non-financial performance. Through this report, stakeholders will gain an in-depth understanding of our business operations, sustainability initiatives, performance metrics, governance practices, risk management, and future outlook. This report underscores our unwavering commitment to transparency and is designed to strengthen the trust and confidence of our stakeholders.

Our governance section provides extensive coverage of our Corporate Governance activities, including the Corporate Governance Overview Statement, Nomination and Remuneration Committee Report, Board Audit Committee Report, Board Sustainability and Risk Committee Report, and the Statement on risk and opportunities arising thereof.

FINANCIAL **REPORT 2024 (FR)**

Our Financial Report 2024 (FR) encompasses the Directors Report, Audited Financial Statements and Independent Auditors' Report. This comprehensive document provides in-depth financial insights to our shareholders, investors, analysts and other key stakeholders ensuring a clear and thorough understanding of our financial health and performance.

SUSTAINABILITY **REPORT 2024 (SR)**

Hi-Tech Lubricants' (HTL) Sustainability Report 2024 (SR) presents a detailed account of our performance across Economic, Environmental, Social, and Governance (EESG) dimensions. The report highlights our initiatives and their outcomes, aimed at generating positive and sustainable impacts for all our stakeholders.

CORE FRAMEWORKS **APPLIED**

Following frameworks and International Standards applied for preparing the integrated report.

Core frameworks applied	IR	FR	SR
GRI Standards	✓		✓
United Nation SDGs	✓		✓
The ten principles of UNGC	✓		✓
Code of Corporate Governance	✓	✓	✓
International Financial Reporting Standards		✓	
Companies Act 2017		✓	
BCR by ICAP and ICMAP	✓	✓	
BSR by ICAP and ICMAP	✓		✓
IFRS S-1*	✓		✓
IFRS S-2*	✓		✓

*these are not mandatory and applied partially for better practices

Note: Disclosure beyond BCR Criteria

The Company has also mapped its report with additional disclosure which are beyond the criteria of BCR by ICAP and ICAMP to ensure further transparency, consistency, comparability and presentation of information for its stakeholders.

INTEGRATED ANNUAL **REPORT COMPILATION & STRUCTURING**

This integrated Annual Report 2024, is compiled and structured by M/S Tayyab Arshad & Co., Chartered Accountants.

RESPONSIBILITIES **OF MANAGEMENT**

The responsibility for the preparation and presentation of the non-financial indicators in accordance with the applicable reporting criteria rests with the management of Hi-Tech Lubricants (HTL) Pakistan. This includes establishing and maintaining appropriate internal controls relevant to the preparation of the non-financial indicators and ensuring that they are free from material misstatement.

INDEPENDENT **ASSURANCE STATEMENT**

Assurance for this report is provided by our Board of Directors and supported by independent assurance by M/S Riaz Ahmed & Company, Chartered Accountants

INDEPENDENT LIMITED **ASSURANCE STATEMENT**

Independent Limited assurance is given by M/S Muhammad Salman Naseem & Co., Chartered Accountants on sustainability report prepared on the GRI standards criteria.

FEEDBACK

HTL is committed to constantly enhancing the quality of our reports and we greatly value input from our stakeholders. If you have any questions or suggestions,

Please contact the following:
Name: Mr. Fraz Amjad Khawaja
Position: Company Secretary and Chief Compliance Officer
Phone: +92-42-111-645-645
Fax: +92- 42-3631-18-14


SK
ZIC
X7
10W-40
FULLY SYNTHETIC
VHVI TECH
API SN
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GLIMPSE **OF HTL**

As the patent holder of SK Enmove in Pakistan, HTL delivers top-quality products, leveraging cutting-edge technology while promoting environmental responsibility and community impact.

COMPANY **OVERVIEW**

Hi-Tech Lubricants Limited (HTL) is a leading player in Pakistan's lubricants industry, with 27 years of experience. Serving automotive, industrial, and marine segments, HTL offers top-quality lubricant solutions available at around 12,156 retail outlets and wash stations. The company employs 138 people across Pakistan and operates over 300 distribution vans for door-to-door delivery. HTL's product portfolio includes Passenger Car Motor Oil (PCMO), Diesel Engine Oil (DEO), and Motorcycle Oil (MCO), with synthetic and semi-synthetic options.

In 2017, HTL launched HTL Express Centers for vehicle maintenance and adopted a franchise model in 2020, now present in Lahore, Gujranwala, Rawalpindi, and Karachi. The company diversified into petroleum products in 2020 with HTL Fuel Stations in Punjab. In 2023, HTL secured authorization from the Oil and Gas Regulatory Authority (OGRA) to expand into Khyber Pakhtunkhwa. HTL remains committed to high-quality products and services, leveraging its network and expertise to maintain its trusted name in the industry.

PRINCIPLE BUSINESS **ACTIVITIES OF THE COMPANY**

HTL offers a wide range of premium synthetic and semi-synthetic lubricants under the ZIC brand, primarily serving the automotive and industrial sectors. As the sole authorized distributor of ZIC in Pakistan, HTL imports a variety of products from SK Enmove Co., Ltd. (formerly SK Lubricants, Ltd.), a leading South Korean manufacturer.

Through its wholly owned subsidiary, Hi-Tech Blending (Private) Limited (HTBL), HTL operates a state-of-the-art blending plant. This facility, equipped with advanced bottle processing and automated filling lines, produces lubricants adhering to international quality standards. HTBL imports bulk lubricants from SK Enmove and packages them locally. In collaboration with SK Enmove, HTL has also initiated local blending of ZIC-branded lubricants in Pakistan. The facility includes a Hi-Tech Testing Laboratory, which supports both internal and external testing needs.

HTL has expanded into the polymer segment through HTBL, installing cutting-edge machinery to produce polymer products for external clients. This strategic diversification aims to meet industry demands and support the company's growth.

Additionally, HTL offers vehicle maintenance services through its HTL Express Centers and operates petroleum stations under the HTL Fuel Stations brand in Punjab, dealing in petrol and diesel. The company is expanding its petroleum operations into Khyber Pakhtunkhwa Province, highlighting its commitment to growth and diversification.

HTL BY **NUMBERS**

Gross Revenue Earned
Rs. 26.7 Billion
2023: Rs.17.5 Billion

Gross Profit
Rs. 1.4 Billion
2023: Rs.1.6 Billion

EBIT
Rs. 706 Million
2023: Rs.293 Million

Taxtation
Rs. 51 Million
2023: Rs.(88) Million

Profit After Tex
Rs. 111 Million
2023: Rs.(93) Million

Total Assets
Rs. 9.0 Billion
2023: Rs.7.4 Billion

Current Assets
Rs. 4.2 Billion
2023: Rs.2.6 Billion

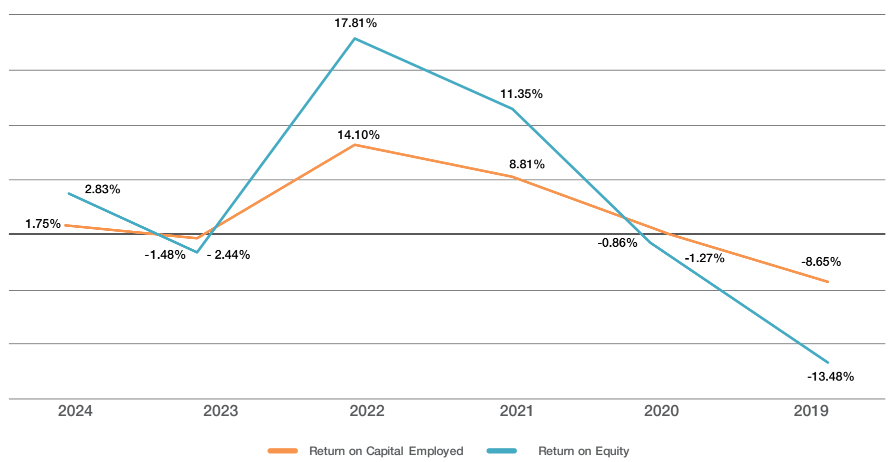
Fixed Assets
Rs. 2.8 Billion
2023: Rs.2.6 Billion

Total Equity & Liabilities
Rs. 9.0 Billion
2023: Rs.7.4 Billion

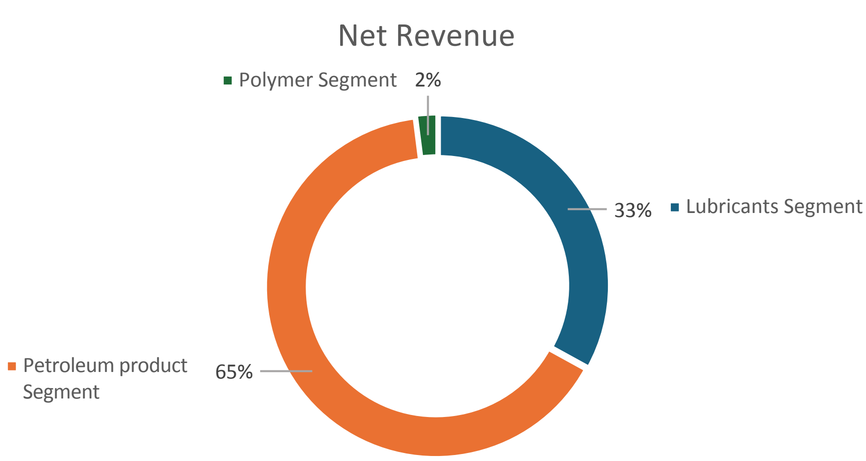
Current Liabilities
Rs. 4.6 Billion
2023: Rs.3.1 Billion

Non Current Liabilities
Rs. 513 Million
2023: Rs.509 Million

PROFITABILITY **RATIOS**



HTL GROUP **BY NUMBERS**



Gross Revenue Earned
Rs. 27.1 Billion
2023: Rs.17.6 Billion

Gross Profit
Rs. 2.4 Billion
2023: Rs.2.4 Billion

EBIT
Rs. 623 Million
2023: Rs.399 Million

OUR **VISION**

Our Mission is to provide the finest quality lubricants, fuels and polymer products to a great variety of our customers, from owners of a single motorcycle to the managers of giant industrial plants, that assist them in attaining their objectives efficiently and economically.

OUR **MISSION**

Our Vision is a steadily progressive Pakistan where the wheels of transport and industries are incessantly moving to take the country and it's people to greater heights of development, economic wellbeing and a better quality of life.

CORE AND **ETHICAL VALUES**

We are guided by our core qualities of integrity, quality, respect and responsibility. We are committed to conducting all our operations ethically, transparently and in strict compliance with all laws striving to maintain a healthy and happy balance between the interests of all our stakeholders including shareholders, employees, business associates and the society at large.

RESPECT	INTEGRITY	QUALITY	RESPONSIBILITY
Consideration, fairness, honor with HTL	We uphold the highest ethical standards, personal and professional integrity,	Boosting competitiveness and corporate value via innovation, global expansion, and financial stability.	Committed to employee well-being and environmental protection through responsible practices.

CODE OF BUSINESS **CONDUCT AND ETHICS**

ETHICAL CONDUCT **& PERSONAL MAINTENANCE**

Employees must maintain integrity, honesty, and high personal standards, including proper hygiene, to ensure client satisfaction and support organizational values and goals.

WORK **ETHICS**

Employees should use the STAR method (Stop, Think, Act Responsibly) in decision-making and adhere to HTL values, rules, and regulations, particularly for employment inquiries and attendance.

HEALTH AND **SAFETY**

Employees must maintain a safe, healthy work environment, stay fit, avoid performance-impairing substances, and not take naps or extended breaks, except for prescribed medications used as directed.

As per the job nature, employees observe all the safety rules and instructions provided by supervisor and use safety equipment where required.

ANTI-BULLYING **& ANTI-DISCRIMINATION**

HTL's zero-tolerance policy covers all forms of bullying and discrimination, with supervisors responsible for prevention and resolution to avoid liability.

SEXUAL HARASSMENT **AT WORKPLACE**

HTL has a zero-tolerance policy for sexual harassment, including unwelcome advances, demeaning behavior, and retaliation, with supervisors held accountable for preventing, addressing, or engaging in such conduct.

ABUSE OF **COMPANY RESOURCES**

HTL equipment is for job use only, must not be used personally or removed without approval, and employees must follow information security policies and standard operating procedures.

MEDIA & SOCIAL **NETWORKING**

Only officially designated employees may speak on behalf of HTL in any media; unauthorized statements will result in personal liability for the employee.

CONFIDENTIALITY

Employees and directors must keep all entrusted information confidential, disclosing it only when authorized or legally required.

FRAUD, DECEPTION, DISHONESTY, BRIBERY **& ANTI-CORRUPTION MEASURES**

HTL strictly prohibits fraudulent acts, including bribery and corruption, and ensures that business partners adhere to the same ethical standards.

CONFLICT **OF INTEREST**

HTL upholds uniform standards and ensures honest, fair dealings by addressing any conflicts of interest where personal interests may interfere with the Company's interests.

TRADE **REGULATIONS**

HTL strictly adheres to national trade laws and regulations in its import dealings, ensuring compliance with international trade sanctions and rules.

SOCIALLY **RESPONSIBLE BUSINESS**

HTL is dedicated to fairness, equality, and diversity, respects human rights, and actively contributes positively to the community as a socially responsible business.


SK
ZIC
TOP
0W-40
PAO
100% SYNTHETIC
TOYOTA
20
03

KEY BRANDS
PRODUCT & SERVICES

ZIC **Oil**

The Company's product portfolio consists of four major categories:

- Mineral / Classic Oil
- Semi Synthetic Engine Oils
- Synthetic Engine Oils
- Fully synthetic

MINERAL **OIL**

- Refined from crude oil
- Conventional oil

SYNTHETIC **OIL**

- Artificially prepared chemically
- Tailored according to the need or requirements of the vehicle

SEMI **SYNTHETIC OILS**

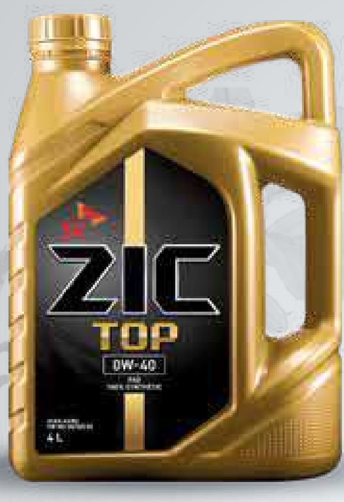
- Mixture of both mineral and synthetic oil
- Composition
  - 50-90% synthetic oil
  - Remaining mineral traces

FULLY SYNTHETIC **OIL**

- 100% chemical composition

GASOLINE **ENGINE (GEO)**

ZIC Synthetic Oil is based on Very High Viscosity Index (VHVI) technology offering various grades (issued by SAE). Fully Synthetic Oil provides superior engine protection and is also fuel efficient. ZIC Gasoline Engine Oil is used for vehicles working on Petrol, LPG, and CNG. In Gasoline Engine Oil, ZIC offers a wide series such as ZIC Top, X9, X7, X5, X3 and X1. Among these ZIC TOP, X9, X7 FE and X7 are fully synthetic engine oil and are of premium quality targeting the luxury car market, X5 is synthetic whereas X3 and X1 are classical. All ZIC X 7 ranges has been upgraded to API SP grading this fiscal year. The grading such as ZIC OW30 and 5W40 are done on the bases of their viscosity. SAE is involved in multi grading of oil considering viscosity and temperature resistance. Both of the above mentioned grades provides better Oil Drain Intervals (ODI), thus keeping the engine protected and fuel efficient in all conditions (temperature and heavy load while driving). Fuel Efficiency benefits up to 10% as compared to conventional motor oils and delivers better performance.



TOP-0W-40

(Fully Synthetic)

- Extend your engine life
- Protect from wear
- Prevent corrosion

X9-5W-40

(Fully Synthetic)

Light duty diesel vehicles such as:

- Pickup trucks
- SUVs without after-treatment devices

X7-0W-30

(Fully Synthetic)

Recommended for:

- Gasoline engines of passenger cars
- Diesel engines of passenger cars
- Gas engines of passenger cars

X7-0W-20

(Fully Synthetic)

Recommended for:

- Gasoline/ CNG/ LPG and Ethanol blended fuel

X7-5W-20

(Fully Synthetic)

- Outstanding engine protection
- Maximum fuel efficiency

X7-10W-40

(Fully Synthetic)

- Helps extend engine life
- Protects your engine from wear
- Keeps the engine clean

X5-20W-50

(Synthetic)

Recommended for

- Gasoline engines CNG/LPG

20W-50

(Classic)

- Veteran cars
- Classic cars
- Vintage cars
- Motorcycles
- Commercial vehicles
- Tractors

X1-20W-50

(Economy)

- Prevents corrosion
- Reduces the risk of engine damage

DIESEL **ENGINE OILS**

Diesel Engine oil is used in vehicles having heavy duty engines like trucks, buses, trawlers etc. Under DEO, ZIC is offering X7000, X5000, X3000 and X1000. X7000 and X5000 are high quality fully synthetic engine oils, X3000 is a classical mineral oil while X1000 is prepared in HTBL. The strength lies that ZIC uses YUBASE (Group III base oil with viscosity index of 120 or higher) with blend of different additives. The use of YUBASE (refined base-III) results in maintaining better viscosity than any other engine of low quality base oil.

The enhanced viscosity improver used in ZIC provides ultimate long term protection to diesel engines vehicle. The hydrocarbon grading in DEO such as CI-4, CH-4 and CF-4 is given by American Petroleum Institution which shows the chemical strength of additives. As most of lubricant products in Pakistan are HVI but ZIC has a competitive advantage of offering VHVI technology resulting in engine protection, long oil change intervals and fuel efficiency.

X1000-50 (CF/SF)

(Economy)

- Off-road diesel engines
- Indirect injection diesel engines
- Engines using a broad range of fuel types, including high sulfur fuels

X7000-10W-40 (CI-4)

(Fully Synthetic)

Provides outstanding protection to engines for:

- On-highway applications
- Off-highway applications

X7000-15W-40 (CI-4)

(Fully Synthetic)

Provides outstanding protection to engines for:

- On-highway applications
- Off-highway applications

X7000-20W-50 (CI-4)

(Synthetic)

- On and Off-highway applications with enhanced power.
- Heavy duty diesel engines (including turbocharged)

X5000-15W-40 (CH-4)

(Synthetic)

Heavy duty diesel engines (including turbocharged)

- Suitable for both on-highway and off-highway applications

X3000-15W-40 (CF-4/SG)

(Classic)

Operating environments in:

- Trucking
- Construction
- Agricultural industries

X3000-20W-50 (CF-4/SG)

(Classic)

Heavy-duty applications

Operating environments found in:

- Trucking
- Construction
- Agricultural industries

X3000-SAE-40 (CF/SF)

(Classic)

Engineered to provide good protection to engines for:

- On-highway applications
- Off-highway applications

X3000-SAE-50 (CF/SF)

(Classic)

Applicable for use in heavy-duty diesel equipment, such as:

- Construction machinery

MOTOR **CYCLE OILS (MCO)**

ZIC MCO is offering a wide range of products which includes ZIC M9 and M7 are fully synthetic and M5 is high quality semi synthetic. ZIC Synthetic series provides exceptional lubrication, best performance and protection against piston scuffing and rust. In classic category, the Company provides M3 which is blended with highly refined base oil and selected additives. M1 is multi viscosity motor oil specially designed for 3 wheeler's engine keeping in mind its requirements. ZIC MCO provides complete lubrication for engine, clutch and gear unlike other conventional oils.

M1-20W-50

Recommended for:

- 4-stroke motorcycles.

M3-20W-50

Recommended for:

- Provides good engine protection against high operating temperatures
- Protects against wear at start-up

M9-10W-40

Recommended for:

- Protection for your engine
- Protection for your clutch
- Protection for your gearbox

M5-20W-40

- Provides protection for your engine
- Provides protection for your transmission
- Provides protection for your gears

M7-10W-40

4-stroke engines of:

- Modern sports motorcycles
- Road motorcycles
- Off-road motorcycles
- Scooters
- Quadricycles

INDUSTRIAL **PRODUCTS**

Industrial oil

Compressor P Series

Super Therm 300

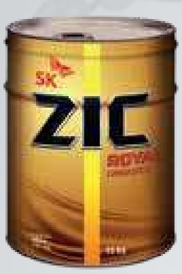
Super Gear 8P

Compressor RS

Super Freeze

Turbine

Grease



ZIC Royal Grease

ZIC Crown Grease

Hydraulic oil

ZIC VEGA

ZIC VEGA LX

- ZIC Coolants have high quality long life for radiators that (ethylene glycol based) provides outstanding performance in all cooling systems. ZIC coolants are pre-diluted for customer's convenience mixed (50:50) with water and ethylene glycol.
- ZIC Vega series is a high quality hydraulic oil providing semi anti-wear performance coupled with excellent oxidation stability. It has great low temperature performance by applying SK's proprietary technology, VHVI Tech and holds its viscosity under high temperature operating conditions.
- ZIC Dexron is fully synthetic ATF engineered with SK's proprietary VHVI Tech and advanced additive technology. It meets all the stringent requirements of all kind of automotive transmission requirements and is fully backward / serviceable.
- ZIC Super Gear EP Series is premium quality extreme pressure gear oils. They contain Sulfur / Phosphorous extreme pressure additive system giving load carrying ability and protection against wear. In addition, these oils provide excellent protection against corrosion of steel and copper containing alloys.
- SK Super Freeze refrigeration oil series is made from high quality naphthenic base stock and high quality additive package which is intended to be used in refrigeration compressors.
- SK Super Compressor oil series is formulated from premium quality, high viscosity index base stock combined with selective additives to satisfy the lubrication requirements of all kind of rotary screw / rotary vane compressors used in industrial applications.
- SK Super Therm 300 is formulated from high quality base stock with advance additive package system which provides high stability when heated for heat transfer applications.
- SK Super Brake Fluid is a high quality brake fluid providing outstanding performance for all hydraulics brake systems.
- ZIC Royal Grease series is multipurpose lithium soap-thickened grease available in NLGI grades 0, 1, 2, and 3, formulated with paraffinic mineral oil base oils, and also containing additives to control oxidation and rust formation. ZIC Greases can be used in a wide range of industrial and automotive applications, where there is no requirement for load-carrying properties.

POWER GENERATION **GEN-SET OILS**

7000 Power

ZIC 7000

SD 5000

SD 3000

Natural Gas

Super Martp

- ZIC is composed of YUBASE (Group III base oil with a viscosity index of 120 or higher). The use of YUBASE guarantees that ZIC will maintain viscosity better than any other Oil of which viscosity index is artificially enhanced by viscosity index-enhancing agents mixed with low-quality base oil.
- ZIC Diesel Generator Engine oils provide excellent wear protection along with advance fuel economy. ZIC 7000 Power and SD 7000 are synthetic Formula lubricants which provide long drain capability, low emission with exhaust treatments for equipment like catalytic converters and DPF.

HI-TECH **BLENDING (PRIVATE) LIMITED**

WHOLLY OWNED SUBSIDIARY COMPANY

BLENDING PLANT

Our capabilities are expanding to meet the growing demand for ZIC Lubricants in the country. As our customer base continues to grow, the consistent and reliable supply of our premium lubricants remains a top priority. To ensure that we can consistently provide ZIC Lubricants to our valued customers, we established Hi-Tech Blending (Private) Limited (HTBL), a wholly owned subsidiary. HTBL is equipped with an independent and state-of-the-art Hi-tech Testing Laboratory, filling lines, and stringent quality control checks.

This facility has been designed to produce cans and caps in-house and locally blend lubricants for our ZIC mid-tier products. Its advanced technology eliminates any risk of contamination during the blending and bottling process. To meet the increasing demand for ZIC Lubricants, the Company has successfully completed its blending facilities expansion project, further enhancing our ability to meet our customers' needs.


packon


packon

HI-TECH **TESTING LABORATORY**

TESTING LABORATORY

The HTBL blending plant is complemented by a cutting-edge Hi-Tech Testing Laboratory, equipped with the latest lubricant testing technology. This state-of-the-art laboratory enhances the accuracy and precision of our quality control operations, ensuring that our lubricant products meet the highest standards.

In addition to supporting our internal quality assurance processes, the laboratory also offers commercial lubricant testing services. This strategic move aims to make quality assurance more accessible to customers and, in doing so, has the potential to reduce the prevalence of substandard lubricant products in the market.

HI-TECH **BOTTLING SECTION**

The HTBL bottling section, housed within the blending plant facility, represents a specialized and comprehensive bottle manufacturing unit. This segment employs approximately 50 highly skilled technicians who adhere to the most stringent international quality standards, ensuring the production of flawless bottles and caps for ZIC lubricants.

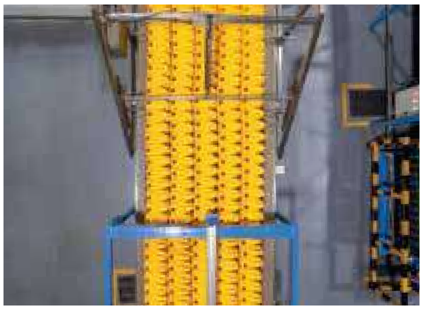
To maintain the highest levels of quality and eliminate any risk of contamination in the final product, HTBL has invested in cutting-edge machinery that stands out in the region for its exceptional output capacity, quality, energy efficiency, and cost-effectiveness. Notably, the bottling section is equipped with an extrusion blow molding machine known as the Innova 130 SE. This state-of-the-art machine, capable of producing bottles ranging from 3 to 10 liters, not only enhances our bottle quality but also significantly reduces production costs due to its low energy consumption.

Additionally, the bottling section boasts an injection molding machine, which underwent an upgrade in 2019. This upgrade effectively doubled our cap production rate without necessitating additional resources, thereby reducing cap manufacturing costs by half. Our commitment to continuous improvement extends to our bottling facility, which continues to advance in terms of sophistication and capacity. This ensures the consistent enhancement of bottle quality and increased bottling output rates, meeting our lubricant business requirements and paving the way for potential business opportunities where high-quality bottle production is needed.

POLYMER **SEGMENT**

During the year, HTL achieved a significant milestone by launching its polymer segment operations through HTBL. This strategic move involved the installation of state-of-the-art machinery, reflecting the company's commitment to staying at the forefront of technological advancements. To complement this advanced infrastructure, the Company effectively leveraged its existing pool of highly skilled professionals and their wealth of experience to drive this cutting-edge venture.

In this newly established polymer segment, the company now engages in the order-based production of plastic products for its external customers. This expansion into polymer manufacturing underscores HTL's dedication to diversifying its product offerings and serving a broader market base. With a focus on quality, innovation, and meeting customer demands, HTL's foray into the polymer segment exemplifies its commitment to growth and excellence in all aspects of its business operations.



HTL FUEL **STATIONS**

HTL Fuel Stations embody our vision of providing a one-stop solution for vehicle users, offering high-quality fuel, complete vehicle maintenance services through HTL Express Centres, and essential consumer goods at HTL Marts. Currently operating 40 dealer-managed stations primarily in Punjab, we are expanding into Khyber Pakhtunkhwa Province with formal approval from OGRA for 35 stations, fifteen of which have commenced operations.

Our goal is to revolutionize road travel by consistently delivering excellence across all products and services, establishing HTL Fuel Stations as a leader in the oil marketing sector. With a focus on customer needs, we aim to set new industry standards and make HTL the brand of choice in fuel and service quality.

Our **DEPOTS**

HTL's OMC Business has two oil depots are mainly located in Sahiwal (Punjab) and Taru Jabba (KPK) which allows HTL to operate in two provinces of Pakistan. We are in expansion phase and will plan strategic investment in increasing the capacities and new geographical presence in other provinces of Pakistan.

HTL EXPRESS **CENTERS** (Franchise Model)

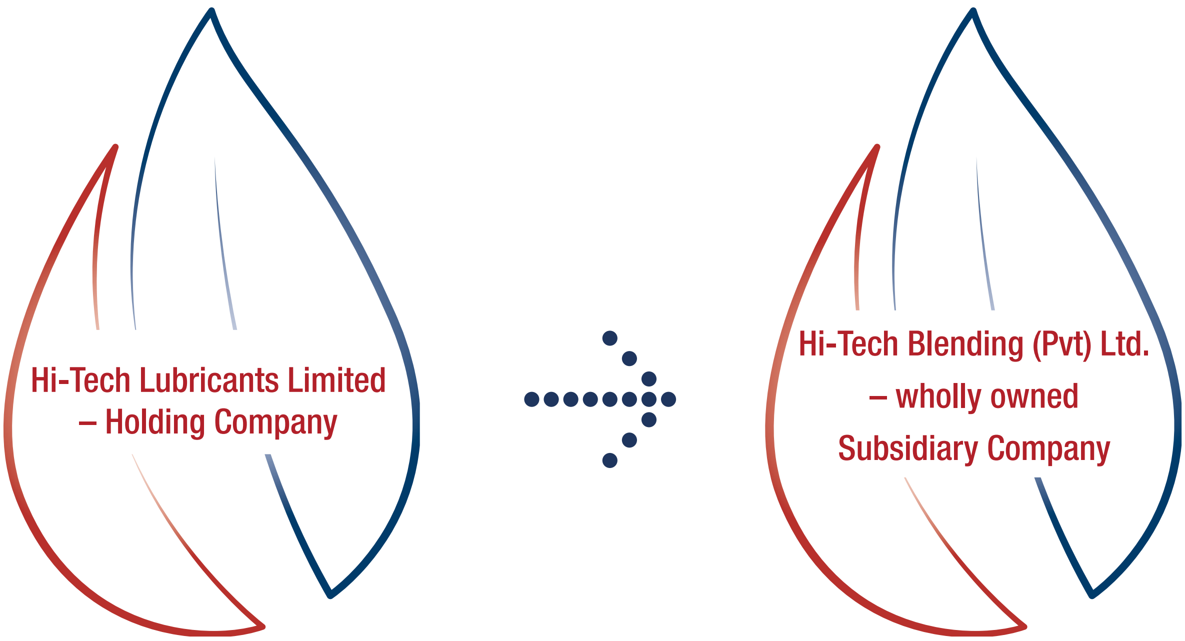
HTL Express Centers offer a comprehensive and customer-centric vehicle maintenance solution, serving as a one-stop destination for all vehicle maintenance needs. Our services encompass a wide range of offerings, including oil changes, wash / service, tire and battery services, air conditioning maintenance, and vehicle accessories.

Our commitment to long-term vehicle health and durability is evident through our use of advanced diagnostic tools at all our facilities, enabling us to predict and prevent potential defects. We uphold stringent quality standards by sourcing only high-quality branded products, ensuring the reliability and performance of every service we provide.

Our unwavering dedication to international quality benchmarks mirrors our overarching commitment to excellence in all aspects of our business. In alignment with our evolving strategy, we have transitioned to a franchise model for HTL Express Centers in 2021. Currently, we have established thirteen franchise locations across different cities of Pakistan.

OWNERSHIP, OPERATING STRUCTURE AND RELATIONSHIP WITH **GROUP COMPANIES AND NATURE OF THOSE RELATIONS**

The Company is a part of Hi-Tech Lubricants Group. The Group comprises of two companies i.e. Hi-Tech Lubricants Limited and Hi-Tech Blending (Private) Limited.



Hi-Tec Lubricants Limited

Hi-Tech Lubricants Limited (HTL) is the holding company of Hi-Tech Blending (Private) Limited. In March 1997, HTL started its business as an Association of Persons (AOP) and in 2011 it was first converted into private limited company and later on converted into a public unlisted company. In 2016, HTL finally got listed on Pakistan Stock Exchange.

Hi-Tech Blending (Private) Limited

Hi-Tech Blending (Private) Limited (HTBL) is a wholly (100%) owned subsidiary of HTL and was incorporated in Pakistan as a private Company limited by shares on 13 March 2014 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The principal activity of the Company is to construct, own and operate oil blending plant.

Foreign Holding / Subsidiary company

HTL does not have any holding or subsidiary companies, including foreign entities, as part of its corporate structure.

SIGNIFICANT **CHANGE FROM PRIOR YEAR**

There is no significant change from prior year in operating and ownership structure

MARKETING **EXCELLENCE**

ENHANCING DIGITAL **PRESENCE WITH AUTOREADY**

In our relentless drive for innovation and customer-centric solutions, Hi-Tech Lubricants Limited is advancing into the digital realm with strategic investments designed to transform the market and anticipate the evolving needs of our customers. Recognizing the growing demand for convenience and automation, our new digital platform, AutoReady, is set to extend our reach while delivering enhanced benefits and seamless experiences for our customers.

At the beginning of the year, we launched a campaign introducing AutoReady, a platform that complements our existing e-commerce channels while further solidifying our digital presence. AutoReady is more than just a robust platform with a digital payment gateway—it is a crucial element in strengthening our brand in an increasingly digital landscape. By offering a streamlined and user-friendly shopping experience, AutoReady empowers us to engage with a broader audience, efficiently manage inventory, orders, and customer service, and ensure consistent, reliable service.

Moreover, AutoReady is integral to our broader strategy of harnessing consumer data, adapting to shifting consumer behaviors, and capitalizing on the rising trend of online shopping. By leveraging advanced data analytics, AutoReady allows us to gain valuable insights into consumer behavior, design targeted promotional campaigns, and offer instant rewards through loyalty points and cashbacks redeemable via Foodpanda and Daraz vouchers. This data-driven approach enables us to execute marketing campaigns more effectively, reducing discrepancies and enhancing overall efficiency.

Additionally, AutoReady empowers our customers to verify both product authenticity and retailer legitimacy through a customized QR code placed at all authorized retailers. This feature instills confidence in our users, ensuring they can trust the products and retailers they engage with. As we continue to expand and refine AutoReady, we believe it will become a key driver of sales and a cornerstone of our digital transformation.

AutoReady also establishes a two-way communication channel with our customers, facilitating instant complaint resolution and elevating the overall consumer experience. This platform not only complements our traditional motor oil sales network but also enables our OMC retail unit to effectively execute consumer promotions and loyalty programs for fuel.

Through these initiatives, Hi-Tech Lubricants Limited is not just enhancing its online capabilities but also reinforcing its position as an industry leader with a forward-thinking vision for the future.

HTL EXPRESS **& HTL STATIONS**

Throughout the year, HTL expanded its network by introducing new HTL Stations and HTL Express centers. To ensure a consistent and impactful brand presence, these new locations were carefully branded according to HTL's established guidelines. This approach not only enhances brand recognition but also fosters customer loyalty and trust.

The strategic launch of these new HTL stations was designed to make a significant market impact and generate positive word-of-mouth. Each site was prominently branded with lights, balloons, danglers, and music, and featured a consumer promotion offering a discount of Rs 4/- per liter for early adopters.

Understanding the importance of connecting with younger generations, HTL Stations also implemented a thoughtful initiative aimed at children. Visitors were given toy erasers, key chains, and flag badges, creating a memorable experience for the younger audience and strengthening long-term loyalty. This gesture was well-received by customers and further solidified the positive relationship between HTL and its clientele.

ACCOLADE TO **OUR VALUED OFFICERS**

During Ramadan, HTL reinforced its commitment to community support by distributing Iftar boxes to the dedicated police officers on duty along Ring Road. This thoughtful initiative was designed to strengthen the connection between HTL and the wider community, particularly those who work tirelessly to uphold law and order. The gesture was warmly received by the police department and provided a meaningful way to recognize and appreciate the hard work of those dedicated to serving the public.

HTL has long recognized and valued the dedicated service of the traffic police, particularly their unwavering commitment in challenging weather conditions. In line with our ongoing dedication to supporting their crucial work, we undertook a significant initiative this year.

We focused on refurbishing and enhancing traffic police cabins throughout Lahore City. Additionally, to support their well-being and operational efficiency, we distributed umbrellas to officers stationed at key locations across the city. This provision helps them perform their duties effectively, regardless of adverse weather.

HTL is deeply committed to fostering positive relationships with public service agencies and contributing to the community's well-being. Our initiatives, including the refurbishment of traffic police cabins, distribution of umbrellas, and provision of water coolers, reflect our enduring dedication to supporting those who tirelessly serve our city.

BTL ACTIVITIES **SHOP BOARDS**

Establishing a prominent point-of-sale presence is a top priority for our brand. HTL ZIC remains steadfast in enhancing brand visibility through strategic partnerships with our retail collaborators. This approach not only boosts our brand's visibility but also acts as a powerful catalyst for increasing brand recognition among potential customers.

Our strategy for achieving this enhanced visibility involves the effective use of shop boards and in-store branding, reflecting a sustained and impactful advertising approach. HTL ZIC has strategically placed these elements in key retail locations nationwide, with the aim of creating a strong and lasting impression on our valued customers. This focused effort also strengthens our relationships with retailers, reinforcing our commitment to enduring partnerships.

RAMADAN **HAMPERS**

Each year, HTL reaffirms its commitment to support and community service during the sacred month of Ramadan. This year was no exception, as HTL continued its tradition of distributing essential Ramadan Ration Hampers at our distribution centers and retail oil change locations across Pakistan. This initiative reflects our core values of caring for our ZIC family and reinforces the spirit of partnership that defines our organization.

PHA **COLLABORATION**

In our ongoing commitment to environmental sustainability, HTL is proud to report the donation of 10,000 trees to the Parks & Horticulture Authority for planting across Lahore. This initiative is part of our broader effort to enhance urban green spaces and improve air quality in the city. In order to leave a more lasting impact in the society, children of Sabra Hamida trust were invited to actively participate in the plantation process which not only offered them a practical learning opportunity but also inculcated a sense of responsibility towards the environment among the young generation.

To highlight our dedication to this important cause, we sponsored a prominent board on a major road, showcasing our involvement in this significant environmental project. This strategic placement not only underscores our commitment to sustainability but also enhances HTL's visibility and reinforces our role as a leader in corporate social responsibility.

Through these efforts, HTL continues to contribute positively to the environment while strengthening our brand's presence and commitment to community well-being.

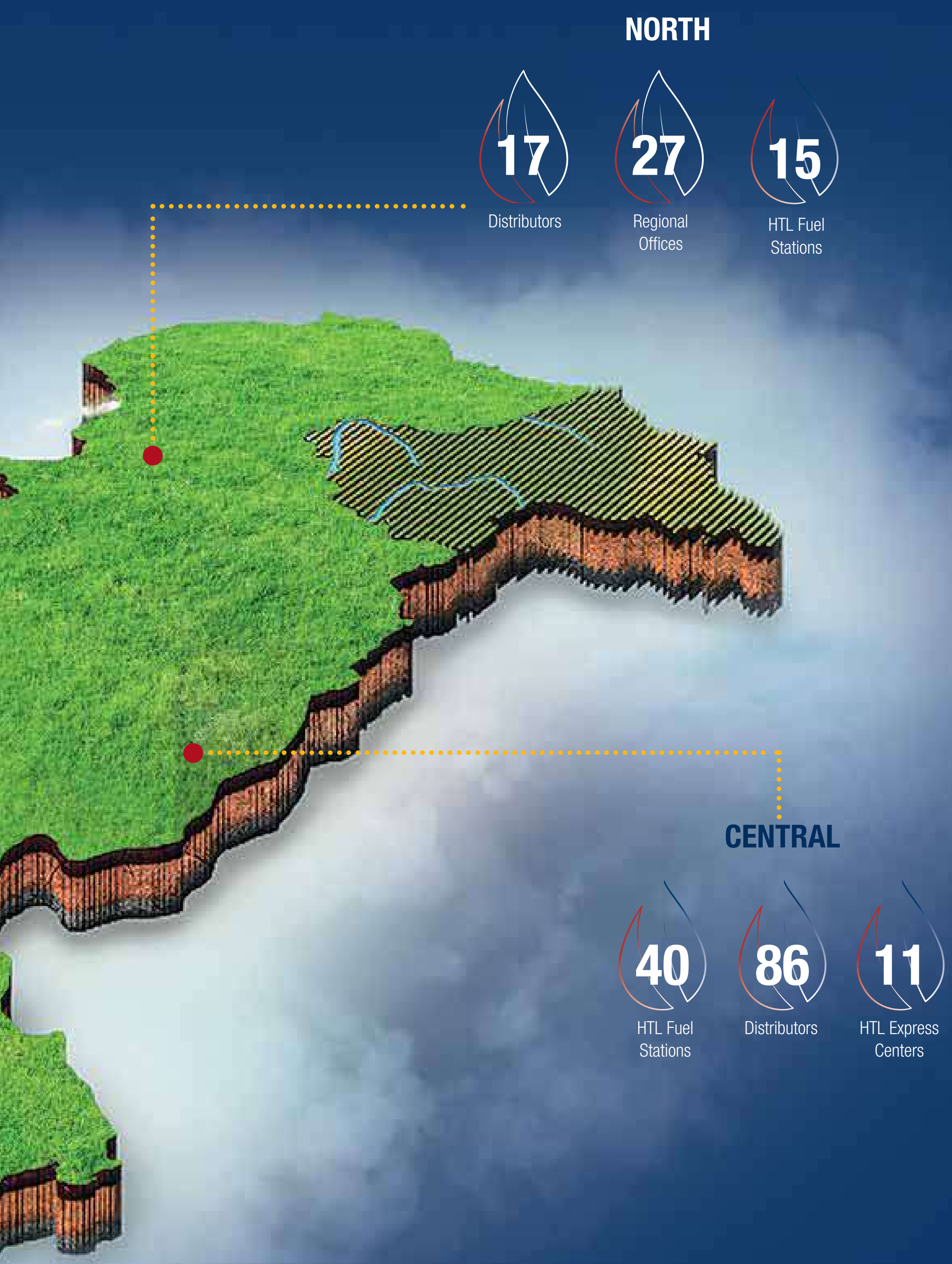
GEOGRAPHICAL **PRESENCE**

HTL boasts a robust geographical presence in Pakistan with 142 distributors, 12,156 retail outlets, 13 Express Centers, 27 regional offices, 55 fuel stations, and 300 distribution vans, ensuring extensive accessibility and customer service nationwide.

SOUTH

39
Distributors

2
HTL Express Centers


NORTH
17
Distributors
27
Regional
Offices
15
HTL Fuel
Stations
CENTRAL
40
HTL Fuel
Stations
86
Distributors
11
HTL Express
Centers

JOURNEY SO FAR

1997 BUSINESS
ESTABLISHED
In March 1997, Hi-Tech Lubricants (HTL) started its journey as an Association of Persons (AOP). The main business was to import the lubricants from YU Kong Ltd. (now known as SK Lubricants Ltd.) and market the same in Pakistan.

2000 EXPANSION
YEAR
After the struggle of three (03) years, HTL succeeded to create its brand name in the lubricants industry, hence expanded its distribution network in other cities of Pakistan.

2006 CUSTOMIZED
ERP IMPLEMENTATION
In the year 2006, HTL purchased customized ERP Software and Online Customer Web Portal. This customized ERP software helped HTL to record and support its business activities.

2007 ESTABLISHMENT OF
SEPARATE PRODUCT SEGMENTS
In order to boost sales revenue, HTL introduced Mid-Tier products. This establishment of new product segment and separate reporting lines helped HTL to focus deeply on both the categories through a dedicated sales force.

2010 ISO
CERTIFICATION
In 2010, HTL got ISO 9001:2008 certifications to ensure excellent quality management system.

2011 CONVERSION OF AOP
INTO PUBLIC UNLISTED COMPANY
In 2011, HTL management decided to go one-step further and got a status of a Pvt Ltd. company by fulfilling the legal requirements. In the same year, HTL got converted into a public unlisted company.

2013 INVESTMENT
IN BLENDING PLANT
In 2013, HTL devised the strategy of diversification and decided to invest in a wholly owned subsidiary, Hi-Tech Blending (Pvt.) Limited (HTBL), a state of the art blending plant in Bhai Kot adjacent to Sunder Industrial Estate, Lahore.

2014 IMPLEMENTATION ORACLE **FINANCIAL AND BUSINESS INTELLIGENCE TOOLS**

In 2014, HTL implemented Oracle software and Business Intelligence Tool for its core business operations. This implementation was completed in a record time of 6 months.

2016 TAKING HTL **TO CAPITAL MARKETS**

In 2016, HTL stepped into capital markets through an Initial public Offering (IPO). HTL issued 29,001,000 ordinary shares of Rs.10 each. Further in the same year, in 2017 to reach out to consumers directly to fulfill their car care needs.

2017 COMMENCEMENT OF HTL **EXPRESS CENTERS (RETAIL SERVICES)**

In 2017, HTL launched a new project named “HTL Express” and established its first retail center at Dharampura, Lahore.

2020 PETROLEUM **SEGMENT OPERATIONS**

- Start of marketing and sale of petroleum products through HTL Fuel Stations in Punjab Province
- Successfully implemented Oracle system for petroleum segment operations

2021 ENTERANCE INTO **PLASTIC PACKAGING INDUSTRY**

- Successful completion of Oil Storage Facility situated at Nowshera, Khyber Pakhtunkhwa Province.
- Started expansion of HTBL’s blending facilities.
- Through HTBL, enterance into plastic packaging industry by venturing into the production of plastic products for external customers.

2023 POLYMER SEGMENT **OPERATIONAL**

- Successfuly started Polymer Segment Operations through Hi-Tech Blending (Private) Limited- wholly owned subsidiary company
- Received formal authorizations from OGRA to commence operations at its storage facility situated in Nowshera, Khyber Pakhtunkhwa Province.
- Received permission from OGRA to initiate the sale and marketing of petroleum products through a network of thirty-five HTL Fuel Stations in Khyber Pakhtunkhwa Province.

CALENDAR OF **MAJOR EVENTS**

22 SEPTEMBER 2023
85th BOD MEETING
Approval of 6 monthly Budgets and Plans for period July 01, 2023 to December 31, 2023

22 SEPTEMBER 2023
85th BOD MEETING
Approval Of Annual Accounts for the year ended 30 June 2023

27 OCTOBER 2023
15TH Annual General Meeting (AGM)
Pysically At Lahore And Online Via Zoom Application. Shareholders Approved All Agenda Items Of Notice Of AGM

27 OCTOBER 2023
86th BOD MEETING
BOD Approved 1st Quarter Accounts for the period ending 30 september2023.

24 NOVEMBER 2023
SHAREHOLDER, INVESTORS AND ANALYSTS MEETING
Corporate Briefing Session

15 FEBRUARY 2024
Material Information as Announced at PSX-PUCARS
Extension in Provisional License by OGRA for Setting up of OMC by HTL

28 FEBRUARY 2024
87th BOD MEETING
BOD Approved Half Yearly Accounts for the period ending 31december23.

25 MARCH 2024
Death of Director of Wholly owned subsidiary company
Misc. Information As Announced At PSX-PUCARS

29 APRIL 2024
88th BOD MEETING
BOD Approved 3rd Quarterly Accounts for the period ending 31 March 2024.

29 APRIL 2024
REPLACEMENT OF DIRECTOR (NOMINEE OF SKEN)
Misc. Information As Announced At PSX-PUCARS

03 MAY 2024
MARKING OF 50TH HTL FUEL STATION UNDER OMC PROJECT
Misc. Information As Announced At PSX-PUCARS

09 JUNE 2024
DEATH OF DIRECTOR MR. TAHIR AZAM
Misc. Information As Announced At PSX-PUCARS

27 JUNE 2024
SIGNING OF THE MOU BY AND BETWEEN HTL AND SK ENMOVE CO. LTD. SOUTH KOREA (SKEN)
Misc. Information As Announced At PSX-PUCARS

22 AUGUST 2024
*APPOINTMENT OF DIRECTOR
Appointment of Director Ms. Mehvish Khan in place of Director Mr. Tahir Azam (Late)

*** Significant event after the reporting period** Appointment of Director Ms. Mehvish Khan in place of Director Mr. Tahir Azam (Late)

COMPANY **INFORMATION**

BOARD OF **DIRECTORS**

Mr. Shaukat Hassan
Chairman of the Board / Non Executive Director

Mr. Hassan Tahir
Chief Executive Officer / Executive Director

Mr. Muhammad Ali Hassan
Executive Director

Miss Mehvish Khan
Non Executive Director

Ms. Mavira Tahir
Non Executive Director

Mr. Faraz Akhtar Zaidi
Non Executive Director

Dr. Safdar Ali Butt
Non Executive Independent Director

Syed Asad Abbas Hussain
Non Executive Independent Director

Mr. Shafiq Ur Rehman
Non Executive Independent Director

Mr. Wojin Yoon (Nominee of SK Enmove Co., Ltd. formerly SK Lubricants Co. Ltd.)
Non Executive Director

CHIEF FINANCIAL **OFFICER**

Mr. Muhammad Imran
Phone: +92-42-111-645-645
Fax: +92- 42-3631-18-14

COMPANY SECRETARY & **CHIEF COMPLIANCE OFFICER**

Mr. Fraz Amjad Khawaja
Phone: +92-42-111-645-645
Fax: +92- 42-3631-18-14

EXTERNAL **AUDITORS**

M/S Riaz Ahmed & Company, Chartered Accountants
10-B, Saint Marry Park,
Main Boulevard Gulberg, Lahore
Phone: +92-42-35718137
Fax: +92-42-35714340

SHARE **REGISTRAR**

M/S CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S. Main Shahra-e-Faisal, Karachi-74400
Phone: +92-21-111-111-500, Fax: +92-21-34326053
Toll Free: 0800 23275 (CDCPL)
Email Address: info@cdcsrsl.com
Website: www.cdcsrsl.com

LEGAL **ADVISOR**

Mr. Ijaz Lashari
Lashari Law Associates, 22-Munawar Chamber, 1-Mozang Road, Lahore
Phone: +92-42-37359287
Fax: 92-42-37321471

STOCK **SYMBOL**

HTL

REGISTERED **/ HEAD OFFICE**

1-A , Danepur Road, GOR - 1, Lahore
Phone: +92-42-111-645-645
Fax: +92- 42-3631-18-14
Email Address: info@masgroup.org

REGIONAL **OFFICES**

KARACHI **OFFICE:**

C-6/1, Street No.3, Bath Island, Clifton Karachi
Phone: +92-21-35290674-5

ISLAMABAD **OFFICE:**

Suite No. 1402, 14th Floor, Green Trust Tower,
Jinnah Avenue, Blue Area Islamabad.
Phone: +92-51-2813054-6

MULTAN **OFFICE:**

House No. 95, Block C, Phase III, Model Town, Multan.
Phone: +92-61-6521101-3

PESHAWAR **OFFICE:**

Office No.280, 3rd Floor, Deans Trade Centre,
Islamia Road, Peshawar Cantt.
Phone: +92-91-5253186-7

OMC **OFFICE:**

2-K, Main Boulevard Road, Lahore
Phone: +92-42-35752213-4

HTBL **LOCATION**

7-Km, Sundar Raiwind Road, Bhaikot, Lahore
Phone: +92-42-38102781-5
Fax: +92-42-36311884

COMPANY **WEBSITE:**

www.hitechlubricants.com
www.zicoil.pk

BANKERS

ISLAMIC **BANKS**

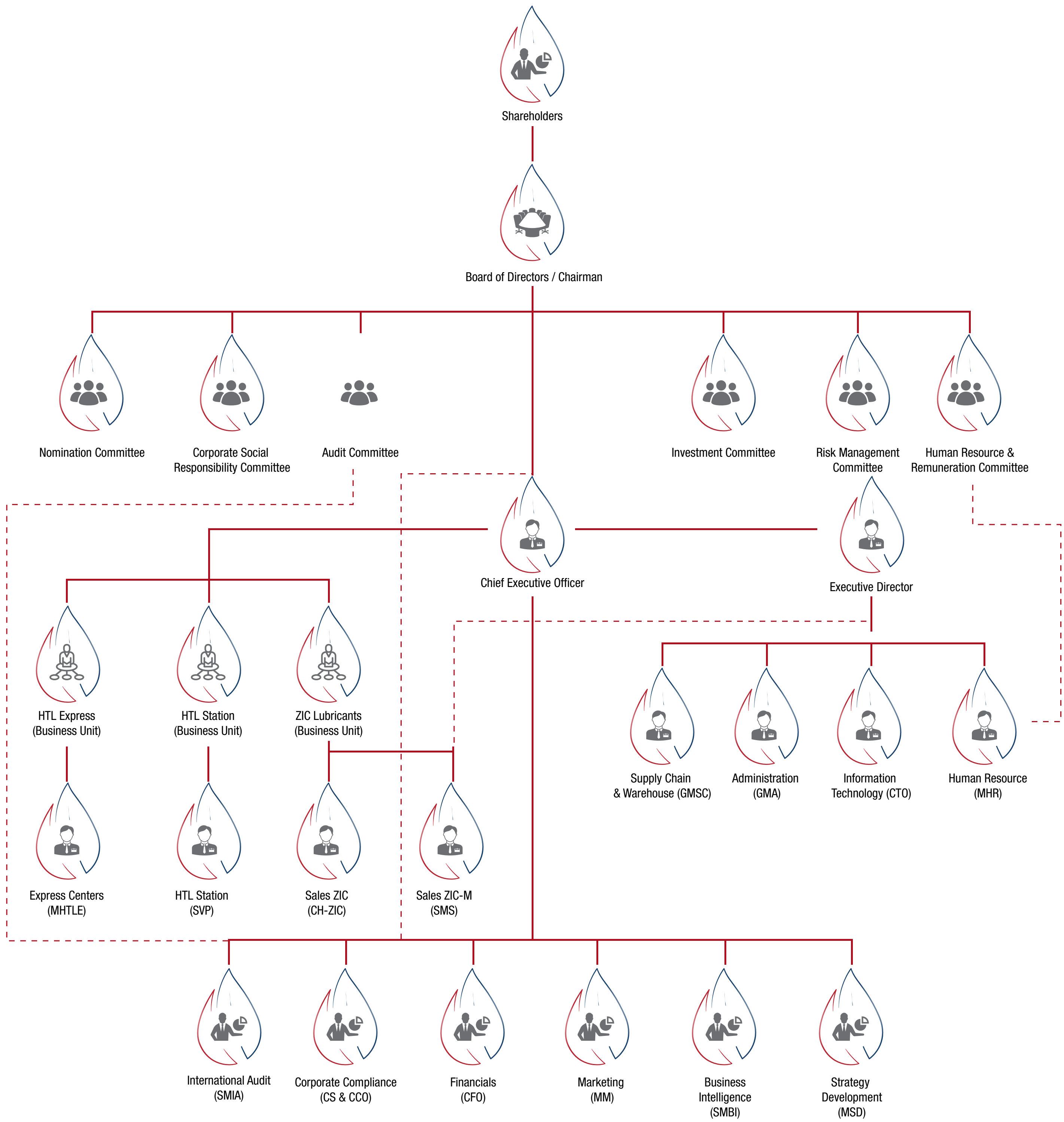
Meezan Bank — The Premier Islamic Bank | alBaraka | بنك دبي الإسلامي Dubai Islamic Bank

CONVENTIONAL **BANKS**

MCB | Standard Chartered | BOP The Bank of Punjab | NBP | askaribank | JS BANK

HBL Habib Bank حبیب بینک | UBL | Summit Bank | سامبا samba | faysalbank | Bank Alfalah | Soneri Bank

ORGANIZATIONAL **STRUCTURE**



LEGEND

CFO:	Chief Financial Officer	**SMIA:**	Senior Manager Internal Audit
CS&CCO:	Company Secretary and Chief Compliance Officer	**MM:**	Manager Marketing
CTO:	Chief Technology Officer	**SMBI:**	Senior Manager Business Intelligence
CH:	Country Head	**MHR:**	Manager Human Resource
SVP:	Senior Vice President	**MHTLE:**	Manager HTL Express
SMS:	Senior Manager Sales	**MSD:**	SManager Strategy Development
GMSC:	General Manager Supply Chain	**GMA:**	General Manager Administration


ZIC
X7000
10W-40
FULLY SYNTHETIC
X5000
15W-40
SYNTHETIC
20W-50
CLASSIC
20 L
SK
VHVI TECH.
API CI-4/SL
ACEA A3/B3/B4, E7
2102

HOW WE **CREATE VALUE**

HTL creates sustainable value by strategically utilizing Natural, Financial, Manufactured, Human, Intellectual, and Social Capital across our Lubricants Marketing, Polymer, Oil Marketing, and HTL Express segments. This approach enables us to achieve commercial excellence, enhance brand equity, and optimize operational performance, while simultaneously advancing economic viability, environmental stewardship, and social responsibility for our stakeholders.


ZIC X7
20

CAPITAL INPUTS

NATURAL CAPITAL
- ENERGY
- RAW MATERIALS
- OILS

MANUFACTURED CAPITAL
- HTBL PLANT
- OIL DEPOTS
- HTL STATIONS
- OFFICES

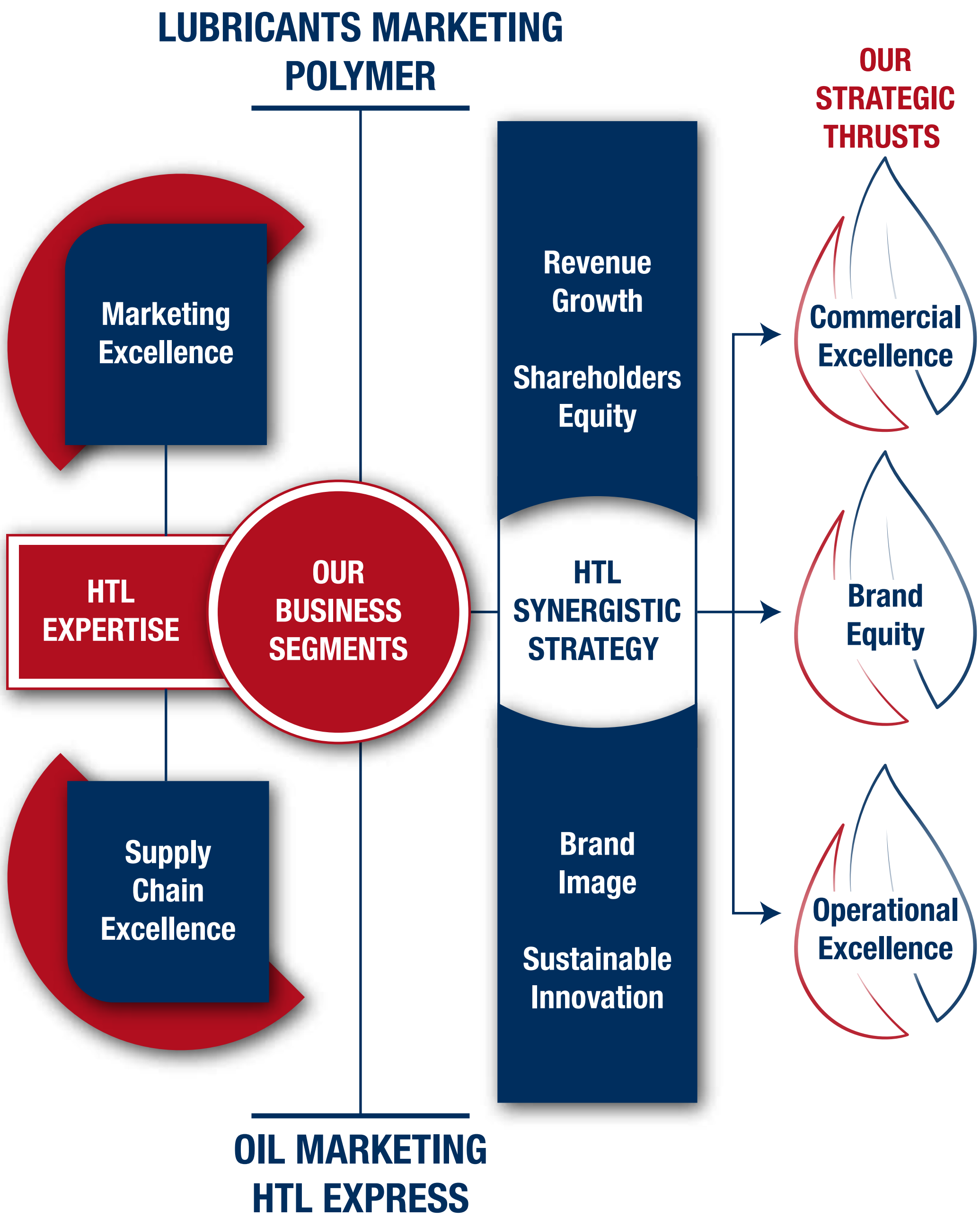
HUMAN CAPITAL
- NO. OF EMPLOYEES
- TRAINING & DEVELOPMENT
- DIVERSITY & INCLUSION

INTELLECTUAL CAPITAL
- SUSTAINABLE INNOVATION
- GREEN TECHNOLOGIES

SOCIAL & RELATIONSHIP CAPITAL
- SUPPLIERS & VENDORS
- RETAILERS & DISTRIBUTORS
- COMMUNITY

FINANCIAL CAPITAL
- SHAREHOLDERS EQUITY
- CASH & CASH RQUIVALENTS
- FREE CASH FLOWS

BUSINESS ACTIVITIES



MATERIAL CHANGES IN THE BUSINESS MODEL

We have integrated sustainability, Environmental, Social, and Governance (ESG), principles into our business model, ensuring that we deliver long-term, sustainable value for all our stakeholders.

TO CREATE VALUE FOR HTL STAKEHOLDERS

SUSTAINABLITY(EESG)

GOVERNANCE		
ECONOMIC	ENVIRONMENTAL	SOCIAL
Business Sustenance & Sustainable Initiatives	Stwerdship & Resources Efficiency	Social Responsibility
Marketing Excellence	Product Stewardship	Talent Management & Well-being
Supply Chain Excellence	Environmental Stewardship	Community Engagement
Financial Resilience	Energy Conservation	Health & Safety

MATERIAL MATTERS		
ECONOMIC	ENVIRONMENTAL	SOCIAL
Business Strategy & Financial Resillience	Climate Change	Human Rights
Supply Chain Management	Environmental Stewardship	Community Engagement
Cyber Security & Digitalization	Innovation & Product Stewardship	Talent Management & Well-Being
		Safety & Health

GOVERNANCE
Corporate Governance

OUTPUT & OUTCOMES

NATURAL CAPITAL

- Reduced Carbon Emissions
- Renewable Energy Adoption
- Biodiversity Protection
- Reduced Waste
- Recycling & Reuse
- Plantation & Forestation

MANUFACTURED CAPITAL

- Blending Plant Capacity Utilization Environment Friendly
- Addition Of Fixed Assets
- Investment Sustainable Infrastructure
- Optimize Use Of Physical Assets
- Continuous Process Innovation

HUMAN CAPITAL

- Enhancing Employee Welbeing
- Safe & Congenial Working Conditions
- Training & Development Of Employees
- Diversity & Inclusion

INTELLECTUAL CAPITAL

- Innovation In Green Technologies
- Knowledge Sharing & Collaboration
- Cutomer Portal
- Product Stewardship
- Softwares & Erp Systems

SOCIAL & RELATIONSHIP CAPITAL

- Strengthening Stakeholders Engagment
- Increase Social Responsibility (CSR)
- Foster Ethical Partnerships
- Community Engagement

FINANCIAL CAPITAL

- Circular Economy
- Reuse Reduce & Recycle (3R) To Economize
- Increased Operating Profits
- Increased Payout
- Maximize Shareholders Equity

LUBRICANTS **SEGMENT VALUE CHAIN**

Finished Product is imported from SK Lubricants in ISO sealed containers for few Products

Bottles and caps are manufactured under controlled environment at HTBL

Local Blending with Imported Additives

The product is then filled in Bottles and packed at HTBL with 99% automation

Up Stream

Mid Stream

Manufacturing

Regions

North

Center

South

Baluchistan

Retail Network

Down Stream

PETROLEUM **SEGMENT VALUE CHAIN**

Refinery

Import

Up Stream

Purchase of HSD

Pipeline System

Tank lorry

Mid Stream

Purchase of PMG

Tank lorry

Reporting at Government dep

Down Stream

Decanting at Sahiwal & Taru Jabba Depots

HTL Fuel Station

The sealed cartons are then distributed nationwide

HTL Fuel Station

HTL Express Centers

Nationwide Distribution Network

Mid Stream

Sales Funnels

100% Imported by HTL from SK Lubricants

Finished product in Packed cartons

Handlers

Oil Changers

Zic Authorised shops

Car Wash/Service Stations

Retail Network

Reporting at Government depot

Mid Stream

Decanting at Sahiwal Depot

HTL Fuel Station

Down Stream

HTL Fuel Station

ot

POLYMER **SEGMENT**

Raw Material

Up Stream

Manufacturing

Mid Stream

Output for External Customers

Down Stream

STRENGTHS

- Top management's consistent vision of growth
- Strong nation-wide distribution network and marketing database
- Economies of scale through blending plant facility available at HiTech Blending
- Strong brand recognition and increasing brand equity
- Started polymer segment operations through HTBL (diversification)
- With HTL Fuel Stations increased market presence & turnover
- Direct access to end consumers through HTL Express Centers
- Premium quality products

S

SW

W

WEAKNESSES

- Decreased turnover due to price war and new entrants into market
- Low industrial sales
- Storage capacity legal constraint and less fuel stations
- Over reliance on promotional schemes

OPPORTUNITIES

- Expansion of marketing and sale of lubricants through HTL Fuel Stations in Punjab and KPK Provinces
- Grasping potential foreign markets by exporting the products to those countries
- Expansion into retail market through franchise model i.e. HTL Express Centers
- Increase local production through HTBL to reduce foreign exchange risks
- Polymer segment customer base enhancement
- Investment into green technologies and products

O

T

THREATS

- Imposition of new / enhanced taxes, duties and other levies
- Threats associated with the prevention of intellectual capital
- International crude oil price fluctuation and other regulatory compliance matters
- Foreign exchange risk and non-availability of exchange cover for POL products
- Stiff competition in the lubricant market and increasing new entrants

IMPACT

PRIORITY	RESPONSE	FACTOR
High	• Adoption of legal avenues, upholding its commitment to both ethical and legal standards.	• Bureaucratic Complexities & Corruption Index
High	• Enhancing Margins Through The Pursuit of Operational Efficiencies & optimize capacity • Diversification of Product Portfolio to Achieve Economies of Scale • Expansion of Local Blending Capabilities	• Heightened Inflationary Pressures • Elevated Interest Rates • Depreciation Of The National Currency, The Rupee • IMF Loan Agreement
Medium	• Increasing product portfolio & capital injection into business to create more jobs & infrastructure for economic development • compliance with security laws & internal polices & procedures for safety of employees	• Economic Development • Safety & Security
Low	• HTL is conducting seminars & awarness sessions among consumers, our distriputors, retailers & fuel stations • Awarness through our annual report & engagment with stakeholders • R & D in ZIC e-flo sustainable product range	• Technological Change & Technological Awareness Among Consumers & Businesses • Green / sustainable technological advancement
High	• Adoption of IFRS S1 & S2 • Sustainability department formation • Governance structure & BOD commitment • Sustainability reporting	• Climate Change • Laws Regulating Environment & Air Pollution
High	• Upholding the highest standards of legal & regulatory compliance • Professional team hiring and retention • Dedicated legal advisor and tax consultant	• Statutory Laws Affecting Business Operations • Taxation Laws Impacting Financial Plans

FACTOR	RESPONSE	PRIORITY
• Stability of The Government • Potential For Regulatory & Tax Policy Adjustments	• Strong governance & diversificaton • zero percent tolerance for tax evasion	High
• Growth in Gross domestic product (GDP)	• Availability of resources, expertise & commercial excellence to sieze the opportunity with growing GDP of Pakistan	High
• Human Resource Well Being • Education, Health • Poverty & Socio	• Development of Ilmgah Schools • Medical camps and blood donations • Charity in terms of cash and rations • Plantation & collaborations with Govt Bodies • ISO certifications • Voluntary association with CSR & UN SDG	High
• IT Efficiency To Enhance Productivity • Implementation of Automation	• Deployment of Oracle ERP Systems Across all Segments • Business Intelligence for inform desicions • Distributor Management, Handler Management & Distributor Claim Management Systems	High
• Environmental Offsets • Shift Towards Sustainable Products	• Extensive tree plantation drives to the promotion of fully synthetic, eco-friendly motor oil variants • Reduced carbon emissions • Lower vehicle maintenance costs	High
• Corporate Regulations • Secretarial Regulations • Health And Safety Laws	• Ensuring CCG, Listing Regulations and Companies Act & other laws compliance • Proper HSE Code of conduct for employees & vendors as well as adhering to the national & international laws	High

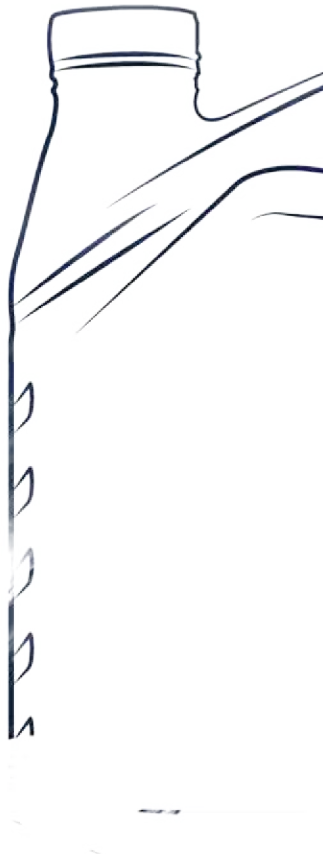
STRATEGIC DIRECTION AND OBJECTIVES

To support value creation for all stakeholders, HTL focuses on delivering four strategic priorities aimed at sustainable growth and cost efficiency via adopting synergistic strategy approach. Everyone at HTL contributes to achieving these priorities. The management carefully establishes strategies and plans to meet these strategic objectives.

REVENUE GROWTH

Hi-Tech Lubricants (HTL) is driving substantial revenue growth through strategic expansion of its fuel stations and HTL Express Centers, and by entering new markets like Khyber Pakhtunkhwa and new business segments i.e Polymer business. By integrating new services/ products and leveraging data-driven strategies, HTL aims to enhance market presence, attract a broader customer base, and significantly boost sales.

Our strategy drives the company towards our vision of becoming the leading lubricant provider by delivering innovative solutions that fuel revenue growth and exceed customer expectations.



First Synergy

Sustain Strength in Lube

Through data-driven strategies and a business intelligence function that guides expansion efforts, such as the recent investment in Hi-Tech Blending's lubricants blending facilities to meet rising demand and strengthen market position.

Long Term

Second Synergy

Diversify into Petroleum & Polymer

HTL's revenue growth strategy includes expanding fuel stations and HTL Express Centers in Punjab and entering the Khyber Pakhtunkhwa Province, with OGRA approval, to broaden market presence and drive sales. Polymer has also started to contribute positively.

Long Term

Synergistic Strategy

Our Strategic Thrusts

- Strategically increasing the number of fuel stations and incorporating Express Centers in Punjab to enhance customer value and market presence Expanding into Khyber Pakhtunkhwa with OGRA approvals to tap into a new market
- Seamlessly integrating new services to attract a larger customer base and drive increased sales Ensuring efficient operations in new and existing locations to optimize revenue potential and maintain service quality HTL enhances its ability to deliver exceptional value to customers
- The expansion of lubricants blending facilities through Hi-Tech Blending (Private) Limited is a crucial investment, increasing our ability to meet rising demand and solidify market presence

Performance Measurement

Strategic Objective	Capital Injection
Revenue Growth	Financial Capital

Performance Monitoring Indicator	Measure
Market share volume growth	Increase in total revenue by increasing volume

BRAND IMAGE

Hi-Tech Lubricants (HTL) strives to enhance its brand image by delivering unparalleled quality in ZIC lubricants, HTL Fuel Stations, and HTL Express Centers. By investing in premium branding initiatives and engaging customer experiences, HTL positions itself as the top choice for automotive enthusiasts and industry professionals.

Our strategy advances our goal of establishing the company as the premier lubricant brand, recognized for delivering innovative solutions and exceptional customer experiences.

First Synergy

Sustain Strength in Lube

HTL aims to solidify its brand image as a provider of top-tier automotive products, focusing on quality and excellence across ZIC lubricants, HTL Fuel Stations, and HTL Express Centers, supported by rigorous marketing efforts to build trust and recognition.

Long Term

Second Synergy

Diversify into Petroleum & Polymer

HTL invests in premium branding and customer engagement initiatives, including high-profile sponsorships and a robust digital presence, to position itself as the top choice for automotive enthusiasts seeking quality and reliability.

Long Term

Synergistic Strategy

Our Strategic Thrusts

- Launch targeted marketing campaigns across multiple channels (Digital, Social and Print Media platforms) to increase brand visibility
  Engage in high-profile sponsorships and partnerships with reputable organizations and events to associate HTL with quality and reliability
- Promote compliance with international quality standards and certifications, highlighting HTL's commitment to excellence
  Maintain rigorous quality control processes for ZIC lubricants, HTL Fuel Stations, and HTL Express Centers
  Conduct regular training sessions for employees to ensure they can effectively communicate HTL's brand values and provide exceptional service

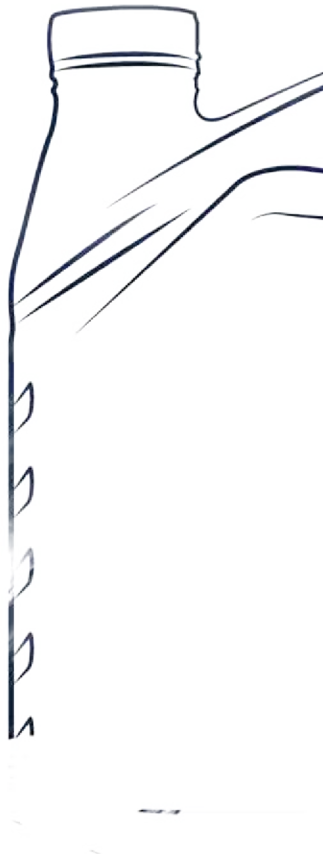
Performance Measurement

Strategic Objective	Capital Injection
Brand Image	Financial Capital / Intellectual Capital
Performance Monitoring Indicator	**Measure**
Brand equity	Brand affinity brand recognition

INNOVATION THROUGH INVESTMENT IN INFORMATION TECHNOLOGY (IT)

Hi-Tech Lubricants (HTL) is dedicated to driving innovation through strategic investments in Information Technology, aiming to enhance operational efficiency, streamline processes, and deliver cutting-edge solutions that support business growth and meet evolving market demands.

Our strategy aims to lead the lubricant industry through advanced technology and innovation, while also enhancing social well-being by adopting sustainable practices and supporting community initiatives.



First Synergy

Sustain Strength in Lube

HTL drives innovation by investing in advanced R&D to enhance product performance and quality, while leveraging cutting-edge IT solutions to optimize operations and accelerate development.

Long Term

Second Synergy

Diversify into Petroleum & Polymer

HTL enhances product quality and efficiency by integrating robotics and AI technology for automation in production processes, ensuring precision and consistency in product development.

Long Term

Synergistic Strategy

Our Strategic Thrusts

- Implement advanced IT systems for data analytics, process optimization, and accelerated development cycles
  Allocate resources to develop and test new technologies and materials to improve product performance and quality
- Continuously monitor technology performance and make data-driven adjustments to optimize outcomes
- Provide specialized training for employees to effectively use and manage new R&D, robotics, and AI technologies
  Integrate devices to gather real-time data for improved decision-making and operational transparency
  Create a dedicated IT innovation team to explore disruptive technologies and pilot new solutions.

Performance Measurement

Strategic Objective	Capital Injection
Innovation through investment in Information Technology (IT)	Financial Capital / Intellectual Capital

Performance Monitoring Indicator	Measure
Upgradation ERP. Digitalization & automation of processes	Reduction in costs due to improved efficiencies.

HTL is committed to exceeding shareholder expectations by implementing rigorous risk management and strategic initiatives aligned with enhancing shareholder equity.

Through prudent financial management and responsible corporate governance, we aim to generate sustainable growth, maximize returns, and deliver consistent value to our shareholders.

Synergistic Strategy

First Synergy

Sustain Strength in Lube

HTL prioritizes prudent financial management and strategic resource allocation to optimize shareholder returns, fostering a culture of transparency, accountability, and responsible corporate governance to enhance equity and deliver consistent value.

Long Term

Second Synergy

Diversify into Petroleum & Polymer

HTL is committed to exceeding shareholder expectations by implementing rigorous risk management and strategic initiatives.

Long Term

Our Strategic Thrusts

- Prudent Financial Management: Prioritizing strategic resource allocation to ensure sustainable growth and optimize returns on investment for shareholders
- Risk Management Framework: Implementing comprehensive checks and balances to meticulously monitor and manage risks across operations, aligning initiatives with the goal of enhancing shareholder equity
- Transparency and Accountability: Fostering a culture of transparency and responsible corporate governance to meet and surpass shareholder expectations, thereby maximizing their returns and enhancing their equity

Performance Measurement

Strategic Objective	Capital Injection
Shareholders’ Equity	Financial capital

Performance Monitoring Indicator	Measure
ROE, EPS, Asset Turnover and free cash flow	Increase in profitability, diversified expansion & brand image

THE LEGITIMATE NEEDS, INTERESTS OF KEY **STAKEHOLDERS AND INDUSTRY TRENDS**

HTL is committed to addressing stakeholder needs by fostering strong relationships and adapting to industry trends. The company prioritizes sustainability and innovation, investing in eco-friendly lubricants to meet evolving customer demands. By enhancing operational efficiency and adopting advanced technologies, HTL maintains its competitive edge and contributes to environmental sustainability and industry excellence.

We are committed to meeting the legitimate needs of our stakeholders by ensuring transparency, fairness, and compliance with all regulatory requirements. Our focus is on delivering value-driven solutions that align with both the operational goals of our business and the expectations of our customers, employees, investors, and partners. We prioritize ethical practices in every aspect of our operations, ensuring that all resources are utilized efficiently to achieve sustainable growth while maintaining trust and accountability across the value chain.

COMPETITIVE LANDSCAPE **AND MARKET POSITIONING**

In response to the competitive landscape, industry standards, and the need to maintain a significant market share, there exists a persistent requirement to introduce trade schemes to stimulate additional sales. The Company has undertaken comprehensive market surveys and rigorous analysis to explore opportunities for reducing the dependency on and cost of these promotional schemes. Our aim is to optimize the effectiveness and efficiency of these initiatives while maintaining our market position.

- **Threat of New Competitors and Substitute Products**
  -Intense competition due to new entrants and substitute products
  -HTL leverages exclusive rights to SK enmove to stay competitive.
  -Continuous innovation and product development keep HTL ahead.

- **Bargaining Power of Customers and Suppliers**
  -Customers have influence due to price sensitivity and multiple alternatives.
  -HTL builds strong, long-term customer relationships through superior service.
  -Strong supplier partnerships ensure favorable terms and consistent product quality.

- **Strengths and Weaknesses of Competitors**
  -Competes with local and international lubricant companies.
  -HTL differentiates itself through exclusive SK enmove rights and focused market expertise.
  -Strong distribution network and investment in technology give HTL a competitive edge

- **Customer Demand and Market Trends**
  -Increasing demand for eco-friendly, sustainable products.
  -We align its offerings with market trends by developing energy-efficient products.
  -Commitment to sustainability positions HTL as a forward-thinking leader.

- **Intensity of Competitive Rivalry**
  -High competition in terms of pricing, product performance, and distribution.
  -HTL's exclusive rights to SK ZIC give it a strong advantage in product quality.
  -Proactive investment in marketing and customer engagement ensures HTL maintains its market leadership. Competitive Landscape and Market positioning

LEGISLATIVE AND REGULATORY ENVIRONMENT **IN WHICH THE COMPANY OPERATES**

HTL operates within a dynamic legislative and regulatory environment, where compliance with evolving laws and industry standards is essential for sustainable growth. The company remains committed to adhering to local and international regulations across all aspects of its operations, including environmental, safety, and quality standards. By proactively monitoring changes in legislation and regulatory requirements, HTL ensures that its processes, products, and practices meet the highest legal and ethical benchmarks. This approach not only mitigates potential legal risks but also reinforces HTL's commitment to responsible corporate governance and long-term sustainability.

SEASONAL **VARIATION**.

The dynamics of Pakistan's economy are closely intertwined with its agriculture sector, which holds a pivotal position. This sector, contributing significantly to the GDP at 24 percent, also serves as the primary employer for 50 percent of the nation's workforce. Consequently, consumer spending patterns are intricately linked to the agricultural harvest seasons and the corresponding crop availability in the market. As a result, the Company experiences a noticeable upsurge in sales during these peak harvesting periods, reflecting the seasonal variations that influence consumer behavior and economic activity

KEY RESOURCES AND CAPABILITIES WHICH PROVIDE **US SUSTAINABLE COMPETITIVE ADVANTAGE**

HTL, with over 27 years of experience, is a leading provider of lubricants to automotive, industrial, and retail sectors. Our substantial market share highlights unwavering commitment to customer satisfaction. We are committed to efficient resource management, a cornerstone of our leadership in sustainable performance. Through strategic initiatives, we have cultivated key resources and capabilities that solidify HTL's competitive advantage:

Extensive Distribution Network: HTL's nationwide network of distributors, offices, HTL Express Centers, and warehouses ensures comprehensive coverage and exceptional service. Strategically placed HTL Fuel Stations enhance accessibility, reinforcing HTL's commitment to convenience, efficiency, and reliability as a market leader.

Strong Marketing and Branding: Our company enhances brand visibility with targeted marketing and a strong reputation, leveraging key brands like ZIC, HTL Fuel Stations, and HTL Express Centers. ZIC's premium lubricants, HTL's top-quality fuel stations, and efficient automotive solutions reinforce HTL's commitment to excellence and innovation, solidifying our market leadership in Pakistan.

Customer Relationship Management: Our company develops and maintains customer relationship through offering value-added services to retain and reward existing customers and also offers consumer schemes. The company provides robust customer support systems to handle inquiries, complaints, and service requests effectively.

Sales and Distribution Efficiency: HTL's sales force is skilled and knowledgeable about the lubricant market, with strong relationships with key distributors and retailers. The company uses multiple sales channels, including primary and secondary sales, online platforms, and retail partnerships, to reach various customer segments.

Market Intelligence and Analysis: Our company utilizes data-driven insights and market research to understand customer preferences, market trends, and competitive dynamics. This information is crucial for strategic planning and decision-making, including market entry and expansion strategies.

State of the Art Blending Plant Facility: Through its subsidiary, HTL operates advanced blending facilities that highlight our dedication to excellence. Equipped with cutting-edge technology and top-tier infrastructure, these facilities enable us to meet market demands with precision, giving us a distinct competitive advantage.

RISK OF SUPPLY CHAIN DISRUPTION DUE TO AN **ENVIRONMENTAL, SOCIAL OR GOVERNANCE INCIDENT**

Throughout 2024, Hi-Tech Lubricants has not encountered any supply chain disruptions due to environmental, social, or governance incidents. We have proactively implemented a robust strategy for monitoring and mitigating potential risks. This approach ensures that we remain vigilant and prepared to address any emerging issues that could impact on our supply chain.

SIGNIFICANT PLANS **AND DECISIONS**

The Board affirms that the Company has no intention of pursuing corporate restructuring or discontinuing any operations. Currently, there are no plans for further expansion or cessation of activities beyond those outlined in the Directors' Report.

STRATEGY TO MANAGE **REPAYMENT OF DEBTS**

Our debt repayment strategy is deeply rooted in responsible financial management principles, reflecting our unwavering dedication to preserving the long-term sustainability of our business.

We operate with a robust capacity to generate cash flows, eliminating any risk of defaulting on any financial obligation. This underscores our financial resilience and unwavering commitment to financial prudence.

BOARD STRATEGY TO OVERCOME LIQUIDITY PROBLEMS **AND PLANS TO MEET OPERATIONAL LOSSES**.

Our treasury section manages the funds proactively and ensures the availability of financial resources as required. We manage working capital, operations and expansions through a mix of equity, long term and short-term financing. To bridge the gap of uncertain requirements, credit lines are being committed with reputable banks having good credit ratings.

The Company has been allotted a credit rating of A and A-2 (positive outlook) for the long-term and short-term financing respectively. This depicts our ability to meet our obligations timely and denotes a stable liquidity position.

STRATEGY & RESOURCE **ALLOCATION PLAN**

RESOURCE / MEAN	STRATEGY	FACTOR EFFECTING TECHNOLOGICAL CHALLENGES
FINANCIAL **CAPITAL**	• Strong expertise in managing cash flow and regulatory compliance. • Well-supported by shareholders' equity and long-term debt. • Focused on improving internal cash flows, reducing costs, and addressing short-term financing needs. • Maintaining strong connections with banks and financial institutions.	• Technological advancements risk making HTL's systems and equipment obsolete. • Keeping up with new technology requires substantial capital investment. • These investments can strain financial resources. MITIGATION **STRATEGIES** • HTL prioritizes essential upgrades to manage technological risks. • Explores cost-effective solutions to minimize investment strain. • Leverages grants or incentives to support technology upgrades. • Conducts regular financial assessments to ensure investments align with long-term goals.
HUMAN **CAPITAL**	• Diverse team with ongoing training and support. • Technical expertise driving sales performance. • IT, HR, Marketing, Finance, Administration, Compliance, Audit, Supply Chain, and Warehouse professionals working together. • Hands-on experience and dedication ensure project success.	• New technologies can create skill gaps among staff. • May lead to reduced productivity if not managed effectively. • Requires proper training to bridge skill gaps and maintain productivity. MITIGATION **STRATEGIES** • Invests in comprehensive training for staff. • Upskills employees to handle new technologies effectively. • Fosters a culture of innovation and adaptability to maintain productivity.
MANUFACTURED **CAPITAL**	• Comprehensive range of physical assets and infrastructure. • State-of-the-art production facilities, specialized equipment, buildings, depots, and warehouses. • Meticulously developed and maintained to enhance performance and competitiveness. • Well-equipped inventory supports effective strategy execution and business growth.	• New technologies can cause compatibility issues with existing systems. • May lead to maintenance challenges and increased costs. • Can disrupt logistics and product handling processes. MITIGATION **STRATEGIES** • Assesses the impact of new technologies on distribution and product management. • Provides staff training to handle new technologies effectively. • Maintains systems to ensure smooth operations. • Ensures improvements in efficiency and product handling.

FACTOR EFFECTING SUSTAINABILITY REPORTING AND CHALLENGES	INITIATIVE TAKEN BY THE COMPANY IN PROMOTING AND ENABLING INNOVATION
• Implementing sustainability initiatives can lead to significant financial expenditures. • Costs may include investments in green technologies. • Compliance with reporting standards incurs additional expenses. • Associated administrative tasks also contribute to overall costs. MITIGATION **STRATEGIES** • Prioritizes sustainability investments with long-term cost savings • Focuses on energy-efficient technologies to reduce future expenses. • Implements waste reduction programs to lower costs and environmental impact.	• Invested in advanced ERP, Oracle, for financial and non-financial business visibility, including cash flows and forecasting. • Implemented digital platforms for seamless financial transactions. • Supporting the innovation through allocating funds for sustainability and technology advancements.
• Employees need to acquire new skills for sustainability reporting and environmental management. • Creates challenges in training and development. • Attracting and retaining skilled employees with sustainability expertise can be difficult. MITIGATION **STRATEGIES** • Implements comprehensive training programs for sustainability practices. • Equips employees with necessary skills and knowledge. • Creates a work environment that values sustainability. • Offers professional development opportunities to attract and retain talent.	• Ongoing training on the latest technological advancements, improving employee skills. • Encourages the culture of innovation by rewarding employees in terms of HIPOs, re-creational trips and Incentives based on their performance • Facilitates cross-department collaboration to foster innovative thinking and skill development.
• Adapting physical assets to sustainability standards can be costly. • May involve significant operational disruptions. • Requires careful planning and investment to manage effectively. • Involves additional costs for upgrades and compliance. • Requires ongoing investment to ensure equipment meets standards. MITIGATION **STRATEGIES** • Plans and implements equipment upgrades in phases. • Spreads out costs over time to manage financial impact. • Minimizes operational disruptions during upgrades. • Investing in energy-efficient technologies reduces long-term maintenance costs. • Sustainable manufacturing technologies help lower operational expenses over time. • Contributes to overall cost savings and improved efficiency.	• Invests in cutting-edge production technologies to streamline processes and reduce waste. • Implements automation and IT-enabled systems for monitoring and improving operational efficiency. • Adopts sustainable technologies to improve equipment lifecycle and product innovation.

RESOURCE / MEAN	STRATEGY	FACTOR EFFECTING TECHNOLOGICAL CHALLENGES
INTELLECTUAL **CAPITAL**	• Includes esteemed brands ("ZIC," "HTL Express Centers," "HTL Fuel Stations") and advanced ERP systems. • Integration of Oracle, Business Intelligence Tools, Handler Management Systems, Distributor Management Systems, and Claim Management System. • Enhances efficiency, decision-making, and growth, strengthening the company's competitive position.	• Rapid technological changes can challenge the maintenance of intellectual property. • May create difficulties in protecting patents and proprietary technologies. • Requires ongoing efforts to safeguard innovations. MITIGATION **STRATEGIES** • Strengthens intellectual property management to safeguard assets. • Monitors technological trends to stay ahead of potential risks. • Invests in legal services to secure patents and protect innovations.
SOCIAL AND RELATIONSHIP **CAPITAL**	• Continual enhancement of measures. • Beyond compliance, with significant contributions to social and charitable initiatives. • Education, healthcare, and environmental protection. • Fostering positive relationships and contributing to community well-being.	• Technological changes can disrupt relationships with stakeholders • May cause integration challenges with customers and suppliers. • Requires effective management to maintain strong stakeholder relationships. MITIGATION **STRATEGIES** • Maintains transparent communication with stakeholders. • Manages expectations to prevent misunderstandings. • Invests in support and collaboration to ensure smooth technological transitions.
NATURAL **CAPITAL**	• Focused on sustainable practices in marketing and distribution. • Committed to resource efficiency, waste reduction, and eco-friendly technologies. • Adoption of green logistics, energy-efficient facilities, and sustainable packaging. • Support environmental conservation, maintain supply chain integrity, and enhance overall sustainability.	• Technological advances can lead to increased energy use. • They may generate higher levels of waste. • Poor management of these advances can exacerbate environmental risks. MITIGATION **STRATEGIES** • Adopts energy-efficient technologies to reduce environmental impact. • Uses sustainable lubricant formulations to minimize waste. • Implements environmentally friendly practices. • Supports efforts with regular audits and compliance checks.

FACTOR EFFECTING SUSTAINABILITY REPORTING AND CHALLENGES	INITIATIVE TAKEN BY THE COMPANY IN PROMOTING AND ENABLING INNOVATION
• Developing new sustainable technologies requires significant expertise. • Involves substantial investment in research and development. • HTL may face challenges in acquiring or retaining necessary intellectual resources. • Innovation can be hindered by these challenges. MITIGATION **STRATEGIES** • Invests in research and development to foster innovation. • Develops new sustainable technologies through R&D. • Partners with research institutions and industry experts. • Enhances intellectual capital and supports innovation efforts.	• Strengthens partnerships with tech companies to stay ahead in product innovation and intellectual property protection. • Creates internal innovation hubs where employees can work on developing new technologies and solutions. • Leverages data analytics and latest technologies to optimize decision-making and growth strategies.
• Managing stakeholder expectations and maintaining transparent reporting can be challenging. • Balancing various interests and regulatory requirements adds complexity. • Failure to report effectively on sustainability initiatives can impact HTL's reputation. • May harm relationships with customers, investors, and the community. MITIGATION **STRATEGIES** • Engages in clear and transparent communication with stakeholders. • Shares information about sustainability efforts and achievements. • Actively involves stakeholders in sustainability initiatives. • Addresses stakeholder concerns to strengthen relationships.	• Development of ILMGAH School Systems, providing educational opportunities for deserving students. • Collaborates with NGOs and PHA to develop innovative environmental and social responsibility programs. • Drives social innovation by supporting sustainable development initiatives in local communities.
• Sustainability reporting requires accurate tracking of natural resources. • HTL may face difficulties in measuring environmental impacts. • Effectively reducing environmental impacts can be challenging. • Meeting environmental regulations can be challenging. • Changes in regulations or increased scrutiny can complicate compliance. • Requires ongoing efforts to stay updated and adhere to standards. MITIGATION **STRATEGIES** • Invests in advanced environmental management systems. • Enhances accuracy in tracking resources and assessing impacts. • Supports better compliance with environmental regulations. • Implements sustainable sourcing practices. • Focuses on reducing waste to manage natural capital effectively. • Enhances compliance with environmental regulations.	• Invests in sustainable energy technologies to minimize environmental impact and optimize resource use. • Implement recycling of plastic waste in the polymer segment to promote sustainability and reduce environmental impact. • Encourage environmental and safety management systems to enhance sustainability in operations.

HTL'S STRATEGY ON MARKET, PRODUCT, **AND SERVICE DEVELOPMENT**

HTL is focused on expanding its market presence both geographically and across different sectors. Our strategy includes:

1. Geographic Expansion: We are extending our reach within Pakistan by expanding the network of HTL Fuel Stations and HTL Express Centers, particularly in Punjab and Khyber Pakhtunkhwa provinces. This geographic diversification helps us tap into new markets and cater to a broader customer base.
2. Strategic Partnerships: We actively seek strategic partnerships and alliances to penetrate new markets and enhance our distribution capabilities. Collaborating with reputable local and international partners enables us to strengthen our market presence and access new customer segments.
3. Customer Segmentation: We continually analyze market data to identify new customer segments and tailor our marketing efforts to meet their specific needs. This targeted approach allows us to optimize our market penetration and grow our customer base effectively.

PRODUCT DEVELOPMENT:

Innovation is at the core of HTL's product development strategy. We are committed to:

1. Research and Development: Our principal company, SK Enmove, recently launched E-Flow, a cutting-edge sustainable product designed to minimize environmental impact while enhancing performance, reflecting a strong commitment to sustainability.
2. Product Diversification: Expanding our product portfolio through diversification in polymer segment, expanding our portfolio to meet the growing demand for eco-friendly, high-quality polymers and delivering innovative solutions across various industries.
3. Quality Assurance: Ensuring the highest standards of quality across our product range and certified with ISO 9001:2015. We employ rigorous testing and quality control measures to guarantee that our products meet or exceed industry standards and customer expectations.

SERVICE DEVELOPMENT:

HTL aims to enhance its service offerings to provide exceptional value to customers. Our service development strategy includes:

1. Customer Support: Strengthening our customer support infrastructure to offer timely and effective assistance. Our dedicated support teams are trained to address customer queries and provide solutions promptly.
2. Value-Added Services: Introducing value-added services such as HTL Express Centers, where customers can benefit from comprehensive automotive services, including oil changes, maintenance checks, and other related services. This not only enhances customer satisfaction but also drives repeat business.
3. Digital Transformation: Leveraging technology to improve service delivery. We have implemented advanced Oracle ERP systems and digital tools to streamline operations, enhance customer interaction, and provide real-time updates and support to our clients.
4. By focusing on market development, product innovation, and enhanced services, HTL is well-positioned to drive sustainable growth and maintain its leadership in the lubricants industry.

RISK **MANAGEMENT**

HTL BOD have set out the detailed mechanism for risk assessment and control evaluation matrix (RACM) and maintained risk register in this regard. Our Risk management framework is based on the blend of COSO framework, ISO 31000 and ERM. It outlines following:

IDENTIFICATION AND ASSESSMENT OF PRINCIPAL RISK:

As per the BOD approved framework, first step in the risk management is the identification and robust assessment of the principal risk faced by the Company, including those that would threaten business model, future performance and solvency or liquidity.

RISK EVALUATION, IMPLEMENTATION OF CONTROL AND RISK REPORTING:

In the next step, evaluation is being carried out to assess its magnitude, impact and likelihood, risk champion and responsible person. Through, reporting process Board is apprised on such risk along with mitigation strategy and implementation of the control.

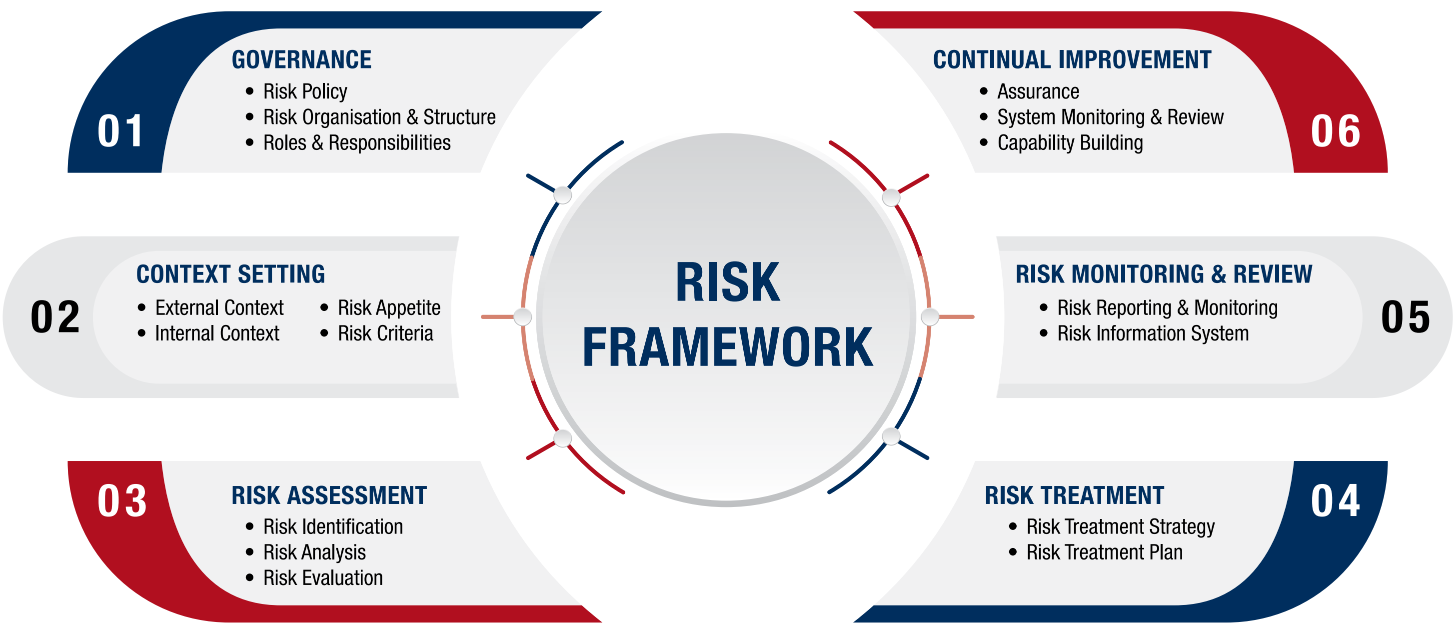
RISK MANAGEMENT POLICY:

BOD have set out and approved the below risk assessment framework in the shape of risk management policy that additionally include risk types i.e strategic risk, commercial risk, operational risk and financial risk.

RISK MANAGEMENT METHODOLOGY

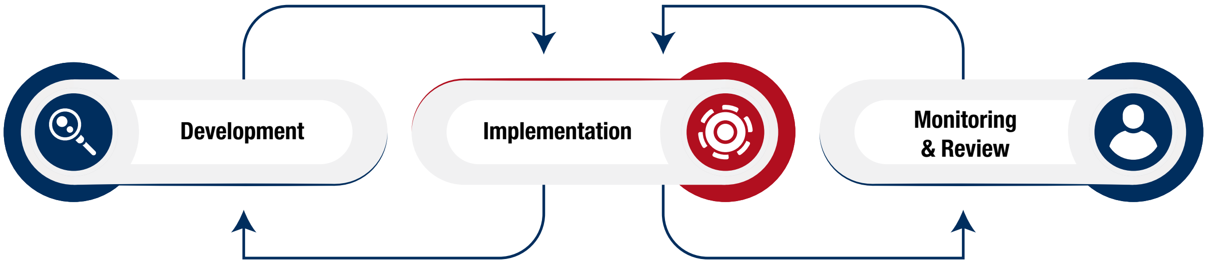
Qualitative and quantitative analysis are used to manage risks. This methodology utilizes tools such as Key Risk Indicators, scenario analysis and Root Cause Analysis to evaluate and prioritize risks. We remain committed to regularly reviewing and updating this methodology to ensure its relevance.

RISK MANAGEMENT FRAMEWORK



RISK APPETITE AND TOLERANCE

BOD has defined risk appetite and risk tolerance levels that outlines the materiality and level of risk we are willing to accept in pursuit of our strategic objectives, while risk tolerance sets specific thresholds for acceptable risk levels. A strong monitoring is conducted to ensure that Company is operating within the risk appetite.



BOARD AND **COMMITTEES**

The Board oversees the risk management process primarily through its committees:

1.THE AUDIT **COMMITTEE**

The Audit Committee diligently upholds the principles of transparency and accountability within the organization. Its primary purview encompasses the meticulous oversight of financial matters, regulatory compliance, and associated risks. To fulfill its responsibilities effectively, the Committee convenes quarterly or on an as-needed basis to address pertinent issues and concerns. This regular engagement underscores the Committee's commitment to upholding the highest standards of corporate governance and risk management.

2.THE HUMAN RESOURCE AND **REMUNERATION COMMITTEE**

The Human Resource and Remuneration Committee maintains a dedicated focus on managing risks within its purview. This encompasses a thorough evaluation of compensation programs, ensuring that they are designed to mitigate rather than amplify corporate risk. Additionally, the Committee places a strong emphasis on succession planning, with the strategic objective of securing a continuous pool of highly skilled human resources across all critical facets of the Company's operations. This diligent approach underscores the Committee's commitment to promoting sound governance and safeguarding the Company's interests.

3.THE RISK MANAGEMENT **COMMITTEE**

The Risk Management Committee assumes responsibility for vigilant oversight of critical control mechanisms, encompassing financial, operational, and compliance aspects. Its core mandate is to rigorously assess and fortify risk mitigation measures, thereby upholding the veracity of financial data and the effectiveness of operational safeguards. This dedicated approach underscores the Committee's commitment to upholding the highest standards of risk management and preserving the integrity of financial information.

4.THE INVESTMENT **COMMITTEE**

The Investment Committee holds a pivotal role in shaping the overarching investment policies, strategies, and risk management procedures. It meticulously guides the decision-making process regarding investments and divestments, ensuring strict alignment with the Company's objectives and investment policy.

INTERNAL AUDIT **FUNCTION**

The Internal Audit Function operates in accordance with the Board-approved plan, conducting independent and objective evaluations. It reports directly to the Audit Committee, delivering assessments of the effectiveness of governance, risk management, and control processes. This structure ensures a rigorous and impartial examination of these critical aspects within the organization.

CONTROL **ACTIVITIES**

Control activities encompass a comprehensive spectrum of preventive, detective, and corrective measures. The senior management diligently evaluates prevailing risks and implements well-considered controls to effectively mitigate and respond to these risks. This strategic approach ensures a robust and proactive stance in managing risk factors across the organization.

POLICIES AND **PROCEDURES**

Policies and procedures have been adopted by the Board and its Committees are integrated into the Company's risk governance framework to ensure the management of financial, operational and compliance risks. These are based on best practices, promoting a culture of ethics and values with authority delegated to senior management for appropriate implementation to senior management for appropriate implementation.

CONTINUOUS **IMPROVEMENT**

The Company's risk management system is in a state of continuous improvement, acknowledging that its level and scope will evolve in tandem with the development and expansion of the Company's operations. This commitment to ongoing enhancement ensures that the risk management system remains effective and responsive to emerging challenges.

KEY SOURCES OF UNCERTAINTY

In order to ensure compliance with the International Financial Reporting Standards (IFRS), every financial statements involves judgments, estimates and assumptions that affect accounting policies and the reported amounts of assets and liabilities, income and expenses. Eventually after the reporting period, actual results may be different. These estimates and underlying assumptions are reviewed on an ongoing basis.

RISKS AND **OPPORTUNITIES**

We have identified risks being faced by HTL that can be a hurdle in achieving associated strategic objective. Related Capial and source of risk also considered in this exercise with careful evaluation and due diligence. In response to these risks we have developed mitigation strategy to eliminate risk and sieze the opportunites that may arise.

RISK: INFORMATION SYSTEM AND CYBER SECURITY RISK

Information technology risks involve system breakdowns, delayed recovery, outdated technology, and inadequate data classification, which can result in data security and privacy issues.

RISK RANK

IMPACT AREA:
FINANCIAL CAPITAL

SOURCE:
INTERNAL / EXTERNAL

ASSOCIATED STRATEGIC OBJECTIVE	Innovation through investment in IT
OPPORTUNITIES	Maintain continuous business operations and ensure seamless functionality.
MITIGATION STRATEGY	The Company maintains an updated Disaster Recovery Plan to ensure business continuity in extraordinary circumstances. • The Company has designed and implemented a comprehensive policy to ensure data security and appropriate classification of organizational data (with preference to sensitive data). • Includes regular archival and system backups for data protection. • The Company has developed BCP and DRP to ensure the availability of IT systems all the time.

RISK: TALENT RISK

The significant turnover of skilled and experienced employees in Pakistan could adversely impact operational efficiency.

RISK RANK

IMPACT AREA:
HUMAN CAPITAL /
INTELLECTUAL CAPITAL /
SOCIAL & RELATIONSHIP CAPITAL

SOURCE:
INTERNAL / EXTERNAL

ASSOCIATED STRATEGIC OBJECTIVE	Revenue Growth/Shareholder's equity
OPPORTUNITIES	Maintain continuous business operations and ensure seamless functionality.
MITIGATION STRATEGY	• HTL has introduced cross-functional mobility and talent development initiatives, targeting specialized fields like Research and Development (R&D), marketing, sustainability, and project management. • Established retention and knowledge transfer programs to keep essential talent and ensure the transfer of crucial expertise throughout HTL. • Carried out succession planning for key roles. • Promoted internal mobility by providing career advancement opportunities within the company.

RISK: MARKET RISK

Intense competition and new market entrants threaten the company's market share, profitability, and viability, potentially leading to lower prices or higher distribution costs, thereby reducing margins.

RISK RANK

IMPACT AREA:
FINANCIAL CAPITAL

SOURCE:
INTERNAL / EXTERNAL

ASSOCIATED STRATEGIC OBJECTIVE	Revenue Growth/Brand Image/ Shareholder's equity
OPPORTUNITIES	Engaged with government authorities to facilitate economic stability for the country by actively participating in discussions and providing real-time data.
MITIGATION STRATEGY	• To tackle pricing and cost challenges, the Company has invested in a fully owned blending plant (HTBL) and polymer segment to lower its cost base. The plant is now operational, and its share of total volume forecasts is growing steadily. • The Company is actively pursuing aggressive marketing strategies and strengthening customer and retailer loyalty to maintain long-term competitiveness.

RISK: STRATEGIC INVESTMENT

Electrification of Vehicles

RISK RANK

IMPACT AREA:
FINANCIAL CAPITAL /
INTELLECTUAL CAPITAL /
NATURAL CAPITAL

SOURCE:
INTERNAL

ASSOCIATED STRATEGIC OBJECTIVE	Revenue Growth
OPPORTUNITIES	Diversify the investment portfolio to reduce exposure to market volatility and enhance long-term stability.
MITIGATION STRATEGY	• Enhance growth by leveraging current partnerships or replicating technologies gained through mergers and acquisitions. • Evaluate business model that provide best integrated value chain. • Executed project implementation in line with project management systems and plans for Business. • Thorough evaluation of venture capital start-ups and alignment with our objectives.

RISK: SUSTAINABILITY RISK

It involves environmental, social, and governance (ESG) challenges that can affect a company's long-term viability. These risks may stem from regulatory changes, resource scarcity, environmental impact, or evolving stakeholder expectations.

RISK RANK

IMPACT AREA:
HUMAN / NATURAL / SOCIAL & RELATIONSHIP & FINANCIAL CAPITAL

SOURCE:
INTERNAL / EXTERNAL

ASSOCIATED STRATEGIC OBJECTIVE	Shareholder’s equity / Brand Image
OPPORTUNITIES	Integrate circular economy principles to reduce waste and create new business opportunities.
MITIGATION STRATEGY	• HTL has implemented de-carbonization measures for existing assets, including operational improvements, and has conducted studies on adopting low-carbon technologies. • Aligned with major sustainability governance framework • Continuous monitoring on potential human rights issues for HTL Operation and supply chain • HTL has developed a comprehensive Crisis Management Plan (CMP) and Business Continuity Management (BCM) strategy, along with other essential response measures. • HTL has develop a strong strategy to prevent Reputational damage and loss of stakeholder trust

RISK: REGULATORY RISK

The company faces risks from changes in taxation and duty structures, and its OMC business is regulated, with margins subject to changes by the regulator.

RISK RANK

IMPACT AREA:
HUMAN CAPITAL / INTELLECTUAL CAPITAL / FINANCIA CAPITAL

SOURCE:
INTERNAL

ASSOCIATED STRATEGIC OBJECTIVE	Brand Image/Revenue Growth
OPPORTUNITIES	Strengthen compliance frameworks to better anticipate and adapt to evolving regulatory requirements.
MITIGATION STRATEGY	• HTL has established guidelines on Adequate Procedures aligned with TRUST principles to ensure corporate accountability. • Conducted regular communication on business activities to ensure constant compliance. • Performed audit and assurance to evaluate the adequacy, effectiveness and compliance.

RISK: OPERATIONAL RISK

Disruption of Supply chain and effect to the business model and strategy

RISK RANK

IMPACT AREA:
INTELLECTUAL CAPITAL / MANUFACTURED CAPITAL / HUMAN CAPITAL

SOURCE:
INTERNAL / EXTERNAL

ASSOCIATED STRATEGIC OBJECTIVE	Brand Image/Revenue Growth
OPPORTUNITIES	Streamline processes and improve efficiency to reduce exposure to operational disruptions.
MITIGATION STRATEGY	• HTL has introduced operational management programs, conducted asset life studies, and addressed equipment issues and plant reliability threats to enhance asset dependability and optimize equipment performance. • HTL has implemented routine maintenance and inspection programs to reduce the risk of equipment failure and prevent unplanned shutdowns. • Complied with all relevant labor laws that protect the right of employees, as well as provide competitive salaries and benefits • HTL has activated its Business Recovery Plan (BRP) and Business Continuity Plan (BCP) to manage extended disruptions effectively.

RISK: FINANCIAL AND MACRO RISK

It includes foreign exchange and non-availability of exchange cover, Credit risk, financial capital and rupee devaluation risk

RISK RANK

IMPACT AREA:
Intellectual Capital / Manufactured Capital / Human Capital / Financial Capital

SOURCE:
INTERNAL

ASSOCIATED STRATEGIC OBJECTIVE	Brand Image/Revenue Growth/Shareholder’s equity
OPPORTUNITIES	Streamline processes and improve efficiency to reduce exposure to operational disruptions.
MITIGATION STRATEGY	• The Company does not extend its credit to distributors and dealers. Only financially sound industrial customers are entertained with the credit facility. • The treasury section proactively manages funds, ensuring financial resources are available. Working capital, operations, and expansions are financed through a mix of equity & long-term and short-term financing, with credit lines secured from reputable banks to cover uncertain needs. • The company holds an A- (long-term) and A-2 (short-term) credit rating with a stable outlook, reflecting its strong ability to meet obligations on time and maintain stable liquidity. • To reduce FCY impact, local blended products are also produced by HTBL- wholly owned subsidiary company.

FUTURE OUTLOOK & **LEADERSHIP MESSAGE**

As the patent holder of SK Enmove in Pakistan, HTL delivers top-quality products, leveraging cutting-edge technology while promoting environmental responsibility and community impact. Our leadership is comitted to maximized value for stakeholders in the long run through sustainable business practices


ZIC

CHAIRMAN'S **REVIEW**

Dear Stakeholders,

We sincerely appreciate your continuous support and trust in Hi-Tech Lubricants Group, including Hi-Tech Lubricants Limited and its wholly owned subsidiary, Hi-Tech Blending (Private) Limited. We are dedicated to fulfilling our commitment to create value for all our stakeholders.

Fiscal Year 2024 presented significant challenges for Hi-Tech Lubricants Limited, as global and domestic instability persisted due to geopolitical conflicts, rising inflation, and ongoing energy and climate crises. These disruptions affected economies worldwide, including our industry. Despite these adversities, our company remained resilient, adapting swiftly to the evolving landscape while maintaining our commitment to sustainable growth and operational excellence.

The Group recorded a consolidated net loss of Rs. 137 million, translating to a loss per share of Rs. 0.99. This result is primarily due to a significant rise in the cost of sales within the lubricants segment, driven by higher input costs. Additionally, the segment's sales volume declined, mainly due to high competition among market players and a sharp 37.4% downturn in Pakistan's automobile sector over the past fiscal year. This decline stems from production and sales slowdowns caused by import restrictions, decreased purchasing power due to high inflation, and a tightened monetary policy, which has led to a contraction in auto financing. The management is proactively addressing these complex challenges and is committed to strengthening the Group's financial stability moving forward.

In positive news, we managed to achieve 96% and 114 % increase in yearly sales revenue of its OMC and polymer segment, respectively. Further growth in these segments is expected. HTL Express centers have sustained sales revenue at the same level as the previous year.

Given the current economic conditions, HTL is streamlining its market operations and improving demand management by aiming to transition the entire range of imported products to local blending and filling at our plant through a contract with SK Enmove Co., Ltd. - our principal supplier and long term partner, for the supply of unblended raw material. This shift is helping us save valuable foreign exchange for the country while lowering HTL's foreign exchange risk and improving our cost competitiveness which has become increasingly important in this economy. This is a significant development for the Company and we are quite encouraged by its long term prospects for our lubricants segment in Pakistan.

Board's Overall Performance

In accordance with the requirements set forth in the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Company has instituted a formal, comprehensive, and effective internal mechanism for the annual evaluation of the performance of the Board, its individual members, and its committees. This framework, which was established following the Board's approval, has been successfully implemented to ensure continuous improvement in governance and strategic oversight.

During the fiscal year 2024, the Board's performance was systematically evaluated against a set of clearly defined metrics, ensuring a rigorous and objective assessment. These key performance indicators (KPIs) reflect the critical areas necessary for the Board to effectively support the Company in achieving its strategic objectives and driving long-term value for shareholders. The criteria used for the evaluation included:

- Composition and Quality of Membership
- Committees' Understanding of the Company's Business and Industry
- Ethics and Compliance
- Conduct of Meetings
- Overall Rating

Based on the consolidated evaluation results for FY 2024, the Board, its individual members, and committees have demonstrated strong performance across all key areas. The average rating achieved reflects that the Board is functioning effectively and continues to operate at a high level, fulfilling its fiduciary duties and supporting the Company's strategic objectives.

The Company remains committed to continually enhancing the effectiveness of the Board through regular evaluations, training programs, and the refinement of governance processes to align with global best practices.

By maintaining a high standard of governance, the Board reinforces its commitment to sustainable growth, effective risk management, and the creation of long-term value for all stakeholders.

Corporate Social Responsibility

HTL is strongly dedicated to nation-building. This commitment drives us to thoughtfully choose areas where our efforts can create the most meaningful and positive influence on society, ensuring that our contributions truly benefit the communities we serve.

HTL's Board of Directors is currently overseeing the Sabra Hamida Trust with the heartfelt intention of making a positive impact on education through our schools "Ilmgah School System" having two campuses. The school system seeks to empower communities by providing high-quality education, with the ultimate goal of transforming ordinary lives into extraordinary ones. We're pleased to have a thriving student body of over 550, all benefiting from our well-rounded curriculum and a committed teaching team of 30. Since the school's founding in 2011, more than 1,500 students have graduated with a 100% pass rate. We look forward to shaping the future of our students as they embark on their educational journey with us.

Ilmgah Schools also offers vocational computer training to underprivileged communities. Courses cover basics of computers, Microsoft Office, internet, C++, and graphic design. Nine batches completed, with 100+ individuals trained, including 77 in 2024, enhancing digital skills for future opportunities.

We also support environmental sustainability through our partnership with the Parks and Horticulture Authority (PHA). We fund PHA's plantation initiatives to enhance green spaces and promote ecological balance. In 2024, we planted 5,000 trees with PHA, fostering a greener environment and supporting long-term sustainability goals.

We are also committed to fostering eco-friendly initiatives by establishing vegetable gardens at both our school and the Hi-Tech Blending facility. These projects provide hands-on learning opportunities that cultivate environmental awareness and promote sustainable practices among students and staff alike.

Sabra Hamida Trust operates in full compliance with regulations, proudly holding recognition under the Income Tax Ordinance, 2001, and accreditation from the Pakistan Centre for Philanthropy. This demonstrates its firm commitment to enhancing Pakistan's educational landscape and creating a brighter future for all.

HTL is deeply committed to giving back to the community in meaningful ways. This commitment is clearly exemplified by the HTL Group's generous donation of Rs. 22.74 million to various charitable organizations, which showcases our unwavering dedication to social responsibility. This significant contribution not only reflects our core values of philanthropy and community support but also emphasizes our goal of creating positive change in society. We believe that by investing in our community, we can help foster a brighter future for everyone involved.

Sustainability, Wellness & Safety

HTL integrates sustainability into its core business practices by addressing various Economic, Environmental, Social, and Governance (EESG) issues. The company's approach is comprehensive, focusing on innovation, operational resilience, and the well-being of its employees, communities, and the planet.

HTL puts a strong focus on keeping the environment clean, and making sure everyone stays healthy and safe. We want to create a workplace and business setting that does well, but also looks after our workers, customers, and the planet. We care about eco-friendly ways of doing things in all parts of our work, making products that don't pollute and give off less harmful gases. We also make the health and safety of our team a top concern. We put in place tough rules and keep training our people to make sure the workplace is secure and good for their health. At HTL, what we believe in matches up with a future that can last. We tried our best to protect nature and take care of everyone involved with us.

Company's Structure, Processes And Internal Control System

At HTL, we focus on establishing a capable and sound Corporate Governance System that has embedded in it proper management of the company and that contributes towards the strategic goals of the company to drive sustainable growth. The Board of Directors plays a central role in overseeing the company's management and ensuring adherence to high standards of governance, ethical practices, and regulatory compliance.

Our organizational structure is built to promote effective decision-making, transparency, and responsibility. The Board consists of a skilled and diverse team of professionals, each contributing their unique expertise to provide comprehensive guidance and leadership for the company's strategic direction.

The Board is supported by the distinct committees, each having specific terms of reference that guide their functions.

HTL's board has established a sound internal control system that addresses the practical operations of the business and its compliance with the related legal provisions. The internal control system of our company integrates key functions which are geared towards the protection of our company's assets as well as the overall management of risks in the provision of accurate and timely financial and operational reports.

For the duration of the fiscal year, the Board and the Audit Committee routinely undertook the evaluation of the various internal control systems of the company. These assessments had sought to measure the efficiency of other preventive measures such as risk management, code compliance and financial reporting controls. Besides, there have been external audits and internal reviews to enhance effectiveness and accountability.

Therefore, from the findings of these evaluations the Board can assert that there is a comprehensive and efficient internal control system in place to facilitate the operations of the company, manage its finances and meet its legal obligations as a going concern Hi-Tech Lubricants Limited. Admittedly, no system is totally proof against risks, yet every effort will be made to enhance and solidify internal control to minimize possible risks and preserve value for stakeholders. These systems have been developed and will be updated by the Board to better address the current business environment in order to sustain the organization in future.

Ethical Values

At HTL, our actions are driven by the core values of Integrity, Respect, Quality, and Responsibility. These principles define who we are and shape the image we strive to uphold. We are committed to ensuring that every decision and action reflects these values, helping us build lasting relationships with our stakeholders, including distributors, institutions, customers, employees, suppliers, and the communities we serve. Through this commitment, we aim to foster long-term success and trust with all those connected to our business.

Risk Management

The Board, with the support of its Risk and Sustainability Committee, is responsible for overseeing the Company's risk management. The Risk and Sustainability Committee assists the Board by monitoring, managing, and mitigating key and emerging risks, while also advising the Board and senior management on the Company's risk appetite, tolerance, and strategy. The Board regularly reviews risk management updates and any significant changes in risk through various operational and financial reports, including risk assessments and internal and external audit reports. Management is tasked with implementing and maintaining effective controls. The Board has conducted a thorough risk assessment to identify and address these risks.

Envisioning The Future

Despite challenges of fiscal consolidation, monetary tightening, geopolitical tensions, and persistently high inflationary pressure, the economy has witnessed a moderate recovery in FY2024 due to government's effective policy measure. Pakistan remains steadfast on path to macroeconomic stabilization, gearing towards a shift to an era of sustainable and inclusive growth. Government has renewed its focus on high potential sectors like IT, SMEs, mines and minerals, tourism, exports and agriculture. Economic activities are showing gradual improvement, inflation rates are on a decline, and external factors have become stable. Moving forward, the economy is expected to have favourable external and domestic economic prospects. The Stand-by Arrangement with the IMF, signed by the Government at the outset of FY2024 was concluded successfully as Pakistan now looks forward to an extended stabilization and home-grown growth program.

Lastly, I take this opportunity to thank our valued customers for the trust they continue to place in us, the management team and employees for their sincere efforts, the Board of Directors for their guidance and all stakeholders for their continuous support.

SHAUKAT HASSAN
CHAIRMAN

CEO'S **MESSAGE**

Fiscal year 2024 commenced under challenging conditions with several factors affecting Pakistan's economy including severe floods, political instability, disruptions in global supply chains, and inflation driven by the commodity super-cycle resulting from the Russia-Ukraine conflict. This period saw record-high inflation rates, a depreciating national currency, and rising import costs. However, the situation began to improve in the latter half of the fiscal year. Effective government policies and administrative measures contributed to a revival in economic activities. Notable improvements were seen in the agricultural sector, along with a reduction in inflation and an improved current account balance. Inflation has been declining since the third quarter of FY 2024, with the Consumer Price Index (CPI) averaging 23.4% in June. In response, the State Bank of Pakistan's Monetary Policy Committee reduced the Policy Rate by 150 basis points, lowering it to 20.50% in June 2024. The GDP grew by 2.4% during the fiscal year. Additionally, rising foreign exchange reserves helped stabilize the PKR/USD exchange rate, supported by a successful $3 billion Stand-By Arrangement with the IMF. Resultantly, HTL reported a net profit of Rs. 312 million in the last two quarters, a significant improvement compared to a net loss of Rs. 201 million in the first two quarters. This turnaround was primarily driven by a substantial increase in revenue and a reduction in import costs during the latter half of the year.

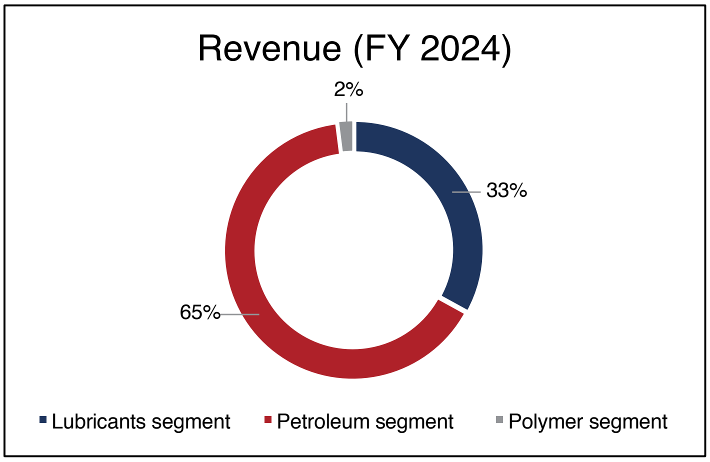
I am pleased to share an overview of the year, highlighting the challenges faced and noteworthy milestones achieved by Hi-Tech Lubricants Limited (HTL). During the year in review, on an unconsolidated basis, HTL incurred a net profit of Rupees 111 million, translating to earnings per share of Rupees 0.80.

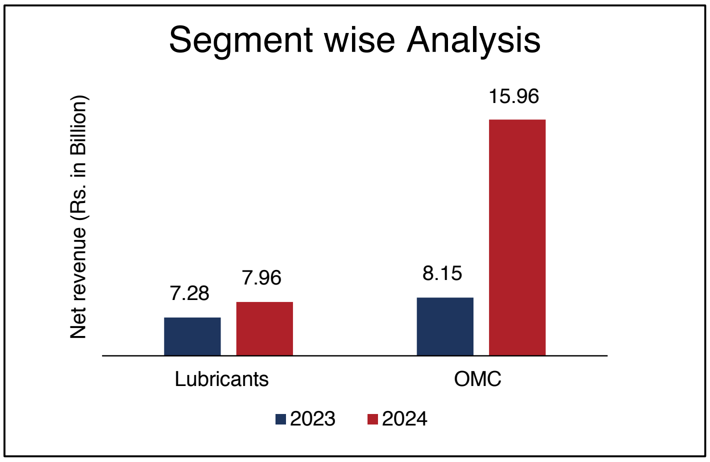
On a consolidated basis, your Group (Hi-Tech Lubricants Limited and its wholly owned subsidiary, Hi-Tech Blending (Private) Limited) unfortunately incurred a net loss of Rupees 137 million, translating to a loss per share (LPS) of Rupees 0.99 down from last year LPS of Rupees 1.77. This loss mainly consists of depreciation of 172 million on account of capital spending in OMC Business through IPO Funds. Our management is actively and diligently formulating strategies to navigate these intricate challenges, with a steadfast commitment to enhancing the Group's financial resilience as we move forward.

In a year characterized by numerous significant challenges, HTL displayed remarkable resilience and unwavering determination. HTL is streamlining its market operations and improving demand management by aiming to transition the entire range of imported products to local blending and filling at our plant through a contract with SK Enmove – our principal supplier and long term partner, for the supply of unblended raw material. This shift is helping us save valuable foreign exchange for the country and protect HTL from foreign exchange losses. This strategic shift is anticipated to increase group's market share through more competitive pricing and it is expected to occur in second quarter of FY 2025.

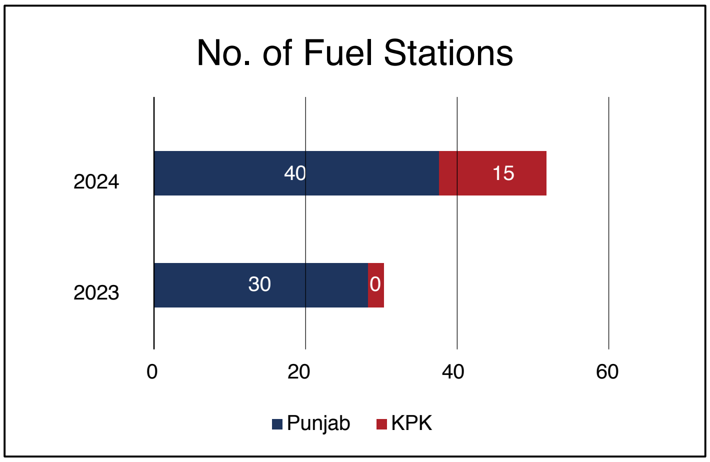
SEGMENTAL REVIEW

The group's revenue from the lubricants sector shown a 9% increase, reaching Rs. 7.96 billion, up from Rs. 7.28 billion in the prior year. While the group's OMC business shown a significant increase of 96%, reaching Rs. 15.96 billion from Rs. 8.15 billion in prior year.





Over the course of the year, the company expanded its network of fuel stations by opening 25 new locations, bringing the total to 55 stations. Approval for a total of 52 OMC sites in Punjab Province and 35 in Khyber Pakhtunkhwa Province was secured from OGRA by the year end. Additionally, the company's OMC Business revenue saw a substantial rise, increasing by Rs. 7.8 billion, which represents a 96% growth compared to the previous year.



In 2023, HTL ventured into the polymer sector through its subsidiary, Hi-Tech Blending (Private) Limited, which features cutting-edge technology. The company started selling polymer products to external customers, effectively expanding its market reach. During FY 2024, HTL reported sales of 3.71 million bottles, 3.75 million caps, and 205,036 injection moulding parts. This strategic expansion not only aims to enhance HTL's profitability but also diversifies its revenue streams, mitigating overall business risk.

The Company has a well-established history and a strong track record of actively contributing to the betterment of society and the communities in which it operates. Our commitment to making a real impact on society and finding solutions to global challenges is deeply ingrained in our business philosophy. To guide our efforts, we have set clear goals that prioritize the adoption of the best environmental, social, and governance practices across all our operations. Our primary focus in our Corporate Social Responsibility initiatives remains on the education sector, healthcare, and environmental sustainability. These areas align with our mission to make a meaningful and positive difference in the world.

I extend heartfelt appreciation to our Chairman and esteemed Board members, particularly our Executive Director, Mr. Ali Hassan. Their guidance and support have been invaluable. Gratitude to our stakeholders for their enduring confidence and to our dedicated team for their unwavering commitment. HTL looks forward to a promising next year with optimism for improved performance and growth.

HASSAN TAHIR

CEO

FUTURE **OUTLOOK**

Given the current economic conditions, Hi-Tech Lubricants Limited (HTL) is streamlining its operations and enhancing demand management by transitioning its entire range of imported products to local blending and filling at our domestic plants. This strategic shift not only conserves valuable foreign exchange for the country but also protects HTL from currency exchange losses. Additionally, we are actively expanding our network of distributions in Lubricant Business by adding high net worth individuals with experience of the business. Our fuel station network and growing valuable customer base in polymer segment, strengthens our positive outlook for the year ahead. With focus on innovation, supply chain initiatives, customer service, and operational efficiency, we anticipate improved financial performance and increased value for our shareholders and all the stakeholders.

Hi-Tech Lubricants Limited (HTL) stands to gain substantial export opportunities through its collaboration with SK Enmove Co. Ltd. Leveraging SK Enmove's broad network, which includes production facilities in Europe and Asia and partnerships worldwide, HTL will access a supply chain that reaches over 50 regions globally. This strategic partnership positions HTL to enhance its market reach outside of Pakistan and meet international demands for high-quality lubricants.

Looking ahead, HTL is also positioned to lead the electric vehicle (EV) lubricant market through our partnership with SK Enmove Co., Limited, a global leader in raw materials and technology. With SK Enmove's goal of becoming a top-tier player in energy-efficient lubricants by 2040 through its ZIC e-FLO product line, we are well-placed to explore new markets and continue collaborating with global vehicle manufacturers and Tier-1 suppliers to deliver advanced, high-performance EV fluids that enhance efficiency, safety, and durability.

Projections About Known Trends And Uncertainties

Pakistan's automotive sector dominates the lubricant market, and it is poised for further growth. This expected increase in auto sales is fueled by gradually reducing inflation and financing rates. Consequently, the demand for lubricants is projected to escalate.

The group forecasts a year-on-year (YoY) net revenue growth of 93% for FY 2025, followed by 8% in FY 2026 and 9% in FY 2027. Additionally, it anticipates turning its loss before taxation into profit, with projected PBT margins of 2% for FY 2025 and FY 2026, and 3% for FY 2027.

Particulars	**2025**	**2026**	**2027**
	Rs. In billion		
Revenue	46.81	50.74	55.16
Net Profit	0.9	1.15	1.48
NP %	1.94%	2.28%	2.69%

We are envisioning a brighter and greener future with increase in the revenue and bottom line in the coming three years. The aforesaid projected group profits indicate substantial profits, enabling the group to offset available business losses, minimum tax and unabsorbed depreciation in accordance with the provision of income tax ordinance, 2001.

HTL's strong position continues to be a key strength as it works toward its vision of improving operational efficiency, making strategic investments, and increasing shareholder value. By carefully investing in local expansion initiatives, the company remains dedicated to capitalizing on opportunities and delivering long-term value to its shareholders.

Explanation As To How The Performance Of The Entity Meets The Forward-Looking Statement In The Previous Year

Matter reported in forward looking statement	Actual performance
Increase in local blending and filling through Hi-Tech Blending (Private) Limited – wholly owned subsidiary company	During the year, company has increased local blending and filling at its own blending plant by shifting almost 90 - 95% of imported product portfolio to the plant.
Expansion of fuel station network	During the year, company has inaugurated 25 new fuel stations which includes 15 of those in KPK province, where company had no fuel station previously. Total no. of fuel stations has reached a no. of 55 as compared to 29 as at prior year end.

Status Of Capital Projects

The Company steadily expanding its petroleum segment operations. During the year, the Company initiated the sale and marketing of petroleum products through a network of 15 HTL Fuel Stations in Khyber Pakhtunkhwa Province. These efforts underscore our commitment to strategic expansion within the petroleum sector. Presently, the HTL manages a network of 40 dealer-operated HTL Fuel Stations within the Punjab Province and 15 dealer-operated HTL Fuel Stations in Khyber Pakhtunkhwa Province. We have approval of 52 and 35 fuel stations in Punjab and KPK from our regulatory body.

The Company successfully signed a contract with SK Enmove Co., Ltd. - principal supplier and long term partner, for the supply of unblended raw material aiming to transition the entire range of imported products to local blending and filling at its own plant. This shift is helping us save valuable foreign exchange for the country and protect HTL from foreign exchange losses.

Sources Of Information And Assumptions Used For Projections / Forecasts

Future projections and forecasts are diligently crafted, underpinned by a comprehensive set of assumptions, which encompass:

- Thorough examination of macroeconomic conditions
- Historical patterns, and
- Potential forthcoming developments.
- Hypothetical assumptions

External data, including macroeconomic indicators and market dynamics, are sourced from reputable publications and authoritative sources such as:

- State Bank of Pakistan
- Government of Pakistan, Finance Division, Economic Advisor's Wing.

Internally, a collaborative approach involving multiple departments within the Company is employed to gather pertinent internal information. The management, through a rigorous corporate planning exercise, extrapolates future revenues and identifies trends, while taking into consideration market dynamics, supply-demand dynamics, seasonal variations, and global oil price fluctuations. To formulate these future projections, the management applies their discernment and expertise.

It is noteworthy that the Board exercises rigorous scrutiny of budgets and forecasts, particularly when contemplating new expansion and diversification projects. Their meticulous analysis and strategic evaluation inform decisions regarding the Company's future trajectory.

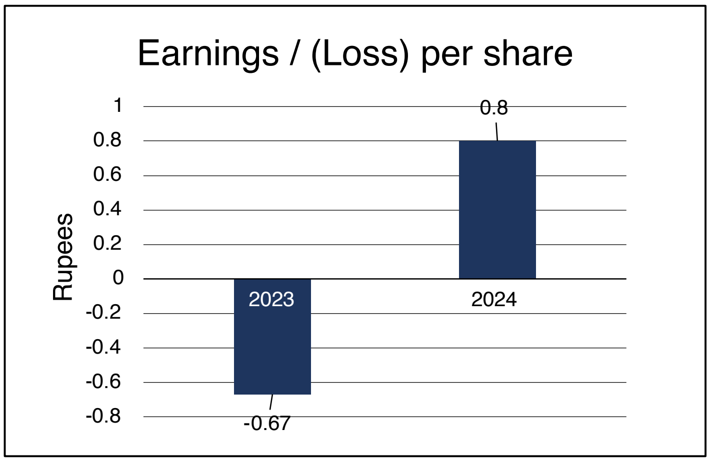
Regards,

Ali Hassan
Executive Director

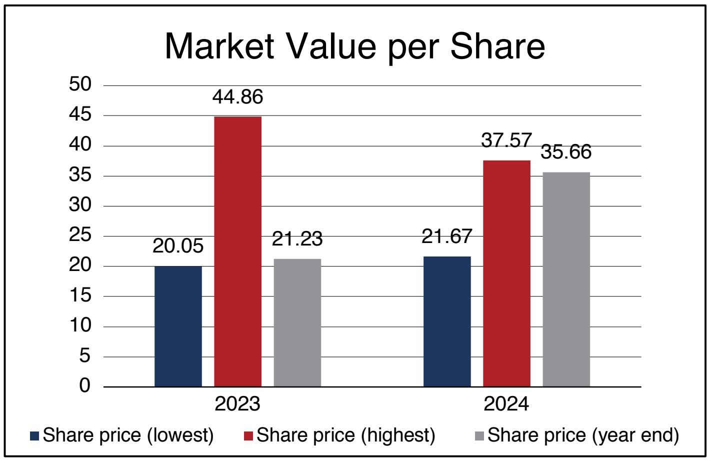
CFO's **REVIEW**

In FY 2024, HTL achieved earnings per share of Rs. 0.80, a substantial improvement from the loss per share of Rs. 0.67 in FY 2023, highlighting a significant enhancement in profitability. The Price Earnings (P/E) ratio also saw a notable increase, moving from a negative 31.64 times in FY 2023 to a positive 44.61 times in FY 2024, reflecting positive earnings growth and potentially boosting investor confidence.

However, despite this improvement, HTL has not declared a dividend for FY 2024, in contrast to the dividend per share of Rs. 2 issued in FY 2023. This decision reflects the challenges faced by the company during the year and underscores the impact on key investor-related metrics.

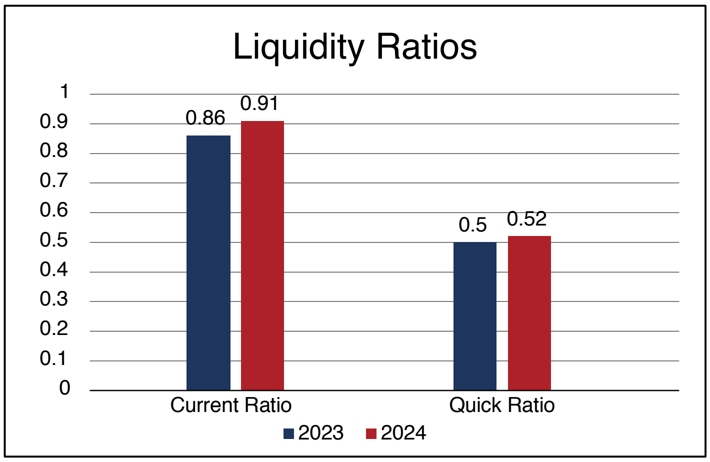


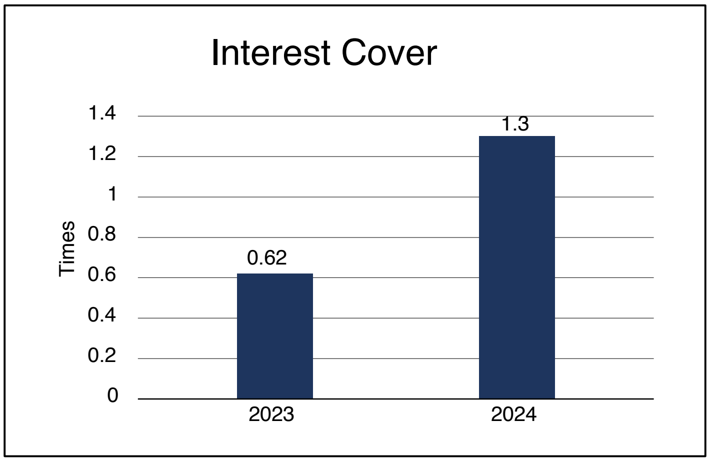
HTL's market capitalization saw a significant rise of 68%, growing from Rs. 2.96 billion at the close of FY 2023 to Rs. 4.96 billion by the end of FY 2024. This increase is attributed to the share price appreciating from Rs. 21.23 at the previous year's close to Rs. 35.66 by the end of FY 2024.



HTL's liquidity position in FY 2024 presented a mixed outlook compared to FY 2023. While there were some improvements in the current ratio and quick ratio, the company faced challenges in other areas, particularly with reduced ratios related to capital expenditures and cash flow coverage. A key concern is the significant rise in net cash used for operating activities, which increased sharply from Rs. 129 million last year to Rs. 704 million this year.

On a positive note, the current ratio saw a modest improvement, increasing from 0.86 to 0.91, reflecting enhanced short-term liquidity. Additionally, it is important to highlight that the company remains free of long-term borrowings. However, the finance cost has risen by 15% compared to the previous year, largely due to higher interest rates, bank charges, and commissions. On the upside, the interest coverage ratio improved from 0.62 in FY 2023 to 1.30 in FY 2024, driven by a 141% increase in operating profits year over year.





On a consolidated basis, the Group (Hi-Tech Lubricants Limited and its wholly-owned subsidiary, Hi-Tech Blending (Private) Limited) recorded a net loss of Rs. 137 million. Despite this, the Group's total assets grew by Rs. 1.24 billion, representing a 10.2% increase and bringing the total assets to Rs. 13.41 billion. Additionally, the Group continues to maintain a robust cash position, with a balance of Rs. 411 million, ensuring a strong financial footing.

In line with our strong commitment to sustainability, we have strategically allocated financial resources to advance key sustainability initiatives. This includes channeling capital into projects that align with our sustainability goals, while implementing clear investment guidelines to ensure the successful execution of these endeavors. Recognizing the importance of managing sustainability-related risks, particularly those related to climate change, we have established a comprehensive strategy and governance framework. This approach not only mitigates potential risks but also identifies opportunities within these challenges, ensuring alignment with our broader organizational objectives.

Navigating an economic environment characterized by uncertainties, the OMC sector is expected to face continued pressure on pricing and profit margins. Despite these challenges, the lubricant market is poised for a favorable outlook, driven by projected growth in automobile sales as a result of lower financing costs and reduced inflationary pressures.

Despite the challenges of the past year, we remain fully committed to creating value for our shareholders. Our resilience and ability to adapt have allowed us to overcome uncertainties and emerge in a stronger position. Looking forward, we are optimistic about the opportunities on the horizon and confident in our capacity to sustain growth and generate long-term value for our shareholders. We sincerely appreciate your continued trust and support as we move forward on this journey together.

MUHAMMAD IMRAN
Chief Financial Officer

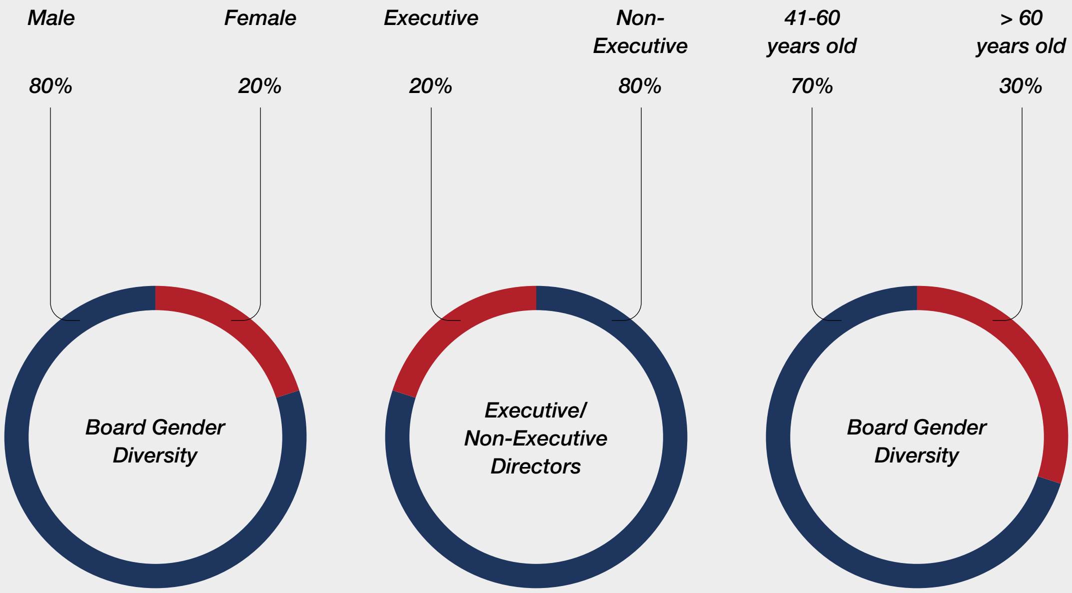
COMMITMENT TO **GOVERNANCE**

HTL upholds the highest standards of governance through a comprehensive framework that emphasizes board oversight, ethical conduct, compliance, stakeholder engagement, sustainability, and transparency, ensuring accountability and integrity in all operations.

BOARD AT A GLANCE

Our Board remains vigilant of the evolving corporate governance landscape and is steadfast in its commitment to delivering effective leadership.

The Board is confident that it possesses the right blend of skills, experience, independence, and knowledge to drive forward its strategic growth agenda.



Industry Background:

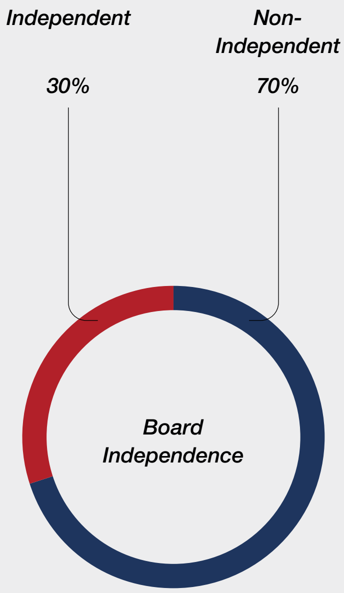
- Oil Marketing (OMC)
- Lubricant Marketing

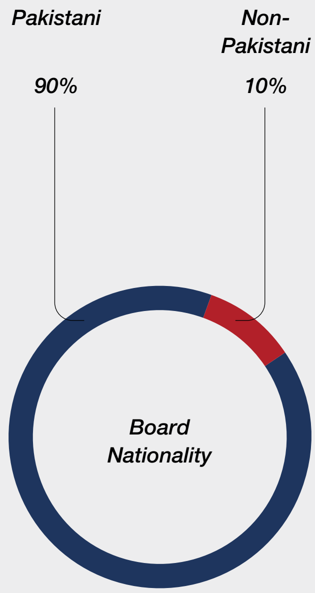
International Experience:

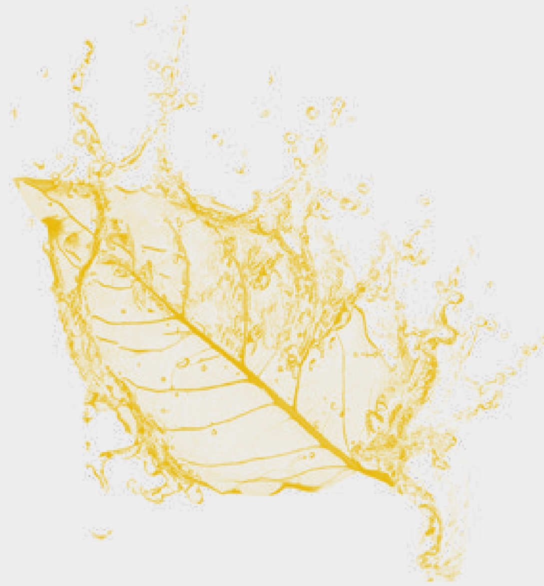
- Global
- Regional

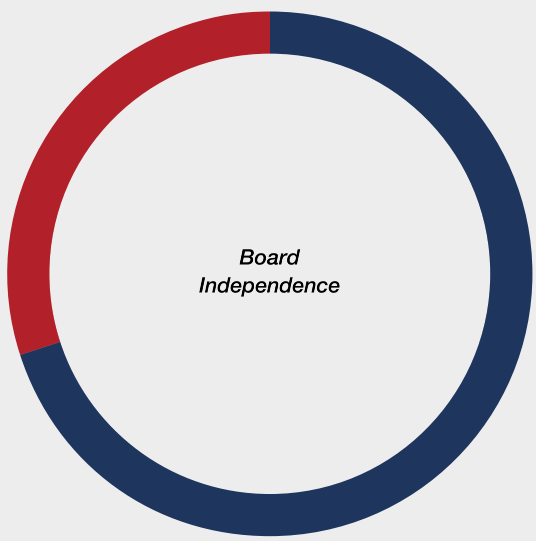
Functional Experience:

- Supply Chain
- Logistics
- Legal/Regulatory
- Operations
- Commercial/Marketing
- Economics
- Finance
- Audit
- Risk Management
- Sustainability
- Corporate Strategy
- Technology
- Human Resource
- Project Management









Independent : **30%**

Non-Independent : **70%**

Non-Executive Directors (NED)	
Shaukat Hassan	16 years
Mehvish Khan	1 months
Wonjin Yoon (Nominee of SKEN)	8 months
Faraz Akhtar Zaidi	7 years
Mavira Tahir	7 years

Non-Executive Independent Directors (NEID)	
Safdar Ali Butt	9 years
Syed Asad Hussain	9 years
Shafiq ur Rehman	3 years

The tenure of an Independent Non-Executive Director is not more than 9 years.

BOARD OF DIRECTORS' PROFILE
AS AT 30 SEPTEMBER 2024

SHAUKAT HASSAN

Chairman Board of Directors
Non-Executive Director

4/4

ATTENDANCE OF BOARD MEETINGS DURING THE FINANCIAL YEAR

Nationality : Pakistani
Gender : Male

INITIAL DATE APPOINTED TO THE BOARD

1 September 2008

LENGTH OF SERVICE AT HTL

16 years

ACADEMIC/PROFESSIONAL QUALIFICATION:

- Master's Degree in Economics from Punjab University Lahore

PRESENT APPOINTMENTS:

- Chairman Board of Directors at Hi Tech lubricant Ltd.
- Director at MAS Associates (Pvt.) Ltd.
- Director at WASL Investment Finance Ltd.
- Director at Gulf Rubber Works (Pvt.) Ltd
- CEO of MAS Infosoft (Pvt.) Ltd.

CHAIRMAN / TRUSTEE AT:

- HTL EPF Trust
- HTBL EPF Trust
- MAS Services EPF Trust
- Sabra Hamida Trust
- President of Alliance Francaise De Lahore (AFL) Foundation

PROFESSIONAL EXPERTISE:

Core Partner since 1976 Contributed significantly to the establishment and growth of the business at HTL.

He possesses special skills in enhancing employee skills, retention, and overall development.

He has experience in collaborating with multinational organizations. Successfully facilitated the sale of equipment to leading Exploration and Production (E&P) companies globally.

He has been actively involved in initiatives aimed at improving education and supporting financially underprivileged communities.

HASSAN TAHIR

Chief Executive Officer and Executive Director

4/4

ATTENDANCE OF BOARD MEETINGS DURING THE FINANCIAL YEAR

Nationality : Pakistani

Gender : Male

INITIAL DATE APPOINTED TO THE BOARD

1 September 2008

LENGTH OF SERVICE AT HTL

16 years

ACADEMIC/PROFESSIONAL QUALIFICATION:

- MBA degree in Banking / Finance from Lahore School of Economics (LSE)

PRESENT APPOINTMENTS:

- CEO of Hi-Tech lubricant Ltd.
- Director at Hi- Tech Blending (Pvt.) Ltd
- Director at Hi-Tech Energy (Pvt.) Ltd.
- Director at MAS Infosoft (Pvt.) Ltd.
- Director at Haut Buys (Pvt.) Ltd.
- Director at Haut Notch (Pvt.) Ltd.
- Partner of MAS Services
- Director at MAS Associates (Pvt.) Ltd.

CHAIRMAN / TRUSTEE AT:

- HTL EPF Trust
- MAS Associates EPF Trust
- Sabra Hamida Trust
- HTBL EPF Trust
- MAS Services EPF

PROFESSIONAL EXPERTISE:

Diversified experience of 25 years plus in the field of oil and lubricant marketing

Launched mid-tier lubricant range in Pakistani Market in partnership with world's two major oil companies.

Launched semi-synthetic lube oil range in Pakistan

IT infrastructure development for major clients in the UK and Europe.

Established IT operations and back-office processing.

MUHAMMAD ALI HASSAN

Executive Director

4/4

ATTENDANCE OF BOARD MEETINGS DURING THE FINANCIAL YEAR

Nationality : Pakistani

Gender : Male

INITIAL DATE APPOINTED TO THE BOARD

1 September 2008

LENGTH OF SERVICE AT HTL

16 years

ACADEMIC/PROFESSIONAL QUALIFICATION:

- Bachelor's Degree in Marketing and Human Resources from Sydney University, Australia

PRESENT APPOINTMENTS:

- Directors at Hi Tech Energy (Pvt.) Ltd.
- Director at MAS Infosoft (Pvt.) Ltd
- Partner in both MAS Services and ANALI
- CEO at Hi-Tech Blending (Pvt.) Ltd.

CHAIRMAN / TRUSTEE AT:

- Sabra Hamida Trust
- HTBL EPF Trust
- MAS Services EPF Trust
- HTL EPF Trust

PROFESSIONAL EXPERTISE:

He has over 16 years of diversified experience in the lubricant marketing and blending business segments.

He plays a pivotal role in critical functions, including Sales, Finance, Supply Chain, Human Resources, and administrative Functions.

Under his guidance, HTBL has embarked on a journey to explore and expand into the dynamic realm of polymer manufacturing.

Commercial/Marketing | Finance | Risk Management | Corporate Strategy | Human Resource
Economics | Audit | Sustainability | Technology | Project Management

MAVIRA TAHIR

Non-Executive Director

3/4 ATTENDANCE OF BOARD MEETINGS DURING THE FINANCIAL YEAR

Nationality : Pakistani
Gender : Female

INITIAL DATE APPOINTED TO THE BOARD

29 September 2017

LENGTH OF SERVICE AT HTL

7 years

ACADEMIC/PROFESSIONAL QUALIFICATION:

- Degree in Health Administration from Canada

PRESENT APPOINTMENTS:

- Non-Executive Director of Hi-Tech Lubricants Ltd.

PROFESSIONAL EXPERTISE:

She is self-motivated and dynamic professional brings on board more than 12 years of diverse professional exposure.

Project management, Budget Development & Monitoring, Fiscal Operations, Trainings are her key areas of execution with precision and cost controls.

She has been instrumental in developing and setting strategy for business and envisioning the future of Hi Tech Lubricants Group.

FARAZ AKHTAR ZAIDI

Non-Executive Director

4/4 ATTENDANCE OF BOARD MEETINGS DURING THE FINANCIAL YEAR

Nationality : Pakistani
Gender : Male

INITIAL DATE APPOINTED TO THE BOARD

26 April 2017

LENGTH OF SERVICE AT HTL

7 years

ACADEMIC/PROFESSIONAL QUALIFICATION:

- Master's in business administration from the Darden School of Business, University of Virginia
- Bachelors from Rhodes College

PRESENT APPOINTMENTS:

- Non-Executive Director of Hi-Tech Lubricants Ltd.
- CEO and Director of WASL Investment Finance Ltd., a Non-Bank Finance Company
- Director at Food Check (Pvt.) Ltd.

PROFESSIONAL EXPERTISE:

He has over 20 years of experience in both investment banking and investment management globally.

Mr. Zaidi started his career with Credit Suisse (New York) in 2002

He has worked in Global companies like Credit Suisse (New York), Polygon Investment Partners (New York and London) and Standard Chartered Principal Finance (Dubai).

MEHVISH KHAN

Non-Executive Director

N/A

ATTENDANCE OF BOARD MEETINGS DURING THE FINANCIAL YEAR

Nationality : Pakistani

Gender : Female

Academics:

Fine arts and Humanities

PRESENT APPOINTMENTS:

- Non-Executive Director
- Hi-Tech Lubricants Limited

PROFESSIONAL EXPERTISE:

She has over 12 years of entrepreneurial and management experience. With a strong background in the retail sector, she has successfully overseen the management and operations of an in-house retail company, developing deep expertise in areas such as product development, supply chain management, marketing, and finance.

For the past decade, Mehvish has focused on building her own brand, managing every aspect of the business from concept to market. Her experience as a successful entrepreneur enables her to provide strategic guidance that aligns with the company's vision for growth and innovation in the competitive lubricants industry.

SHAFIQ UR REHMAN

Non-Executive Independent Director

4/4

ATTENDANCE OF BOARD MEETINGS DURING THE FINANCIAL YEAR

Nationality : Pakistani

Gender : Male

INITIAL DATE APPOINTED TO THE BOARD

26 October 2021

LENGTH OF SERVICE AT HTL

3 years

ACADEMIC/PROFESSIONAL QUALIFICATION:

- Bachelor's in commerce (Honors) from the University of Peshawar
- Fellow Chartered Accountant (FCA)
- Corporate Secretary from the Institute of Corporate Secretaries of Pakistan

PRESENT APPOINTMENTS:

- Non-Executive independent Director of Hi-Tech Lubricants Ltd.
- Independent Director at Nagina Cotton Mills Ltd.
- Independent Director at WASL Investment Finance Ltd. (Associated company of HTL)
- CEO of Chenab Energy (Pvt.) Ltd. (hydroelectric project)
- Managing Partner of JSSR Consulting Pakistan (Financial, Corporate, Capital Market and Management Consultants)

PROFESSIONAL EXPERTISE:

35 years of experience in Industry, Banking, Education and Energy sectors at Management/Board level and in Advisory/consulting.

He is listed in the approved panel on the:

- Experts for Provisional Manager and Official Liquidator with SECP
- Insolvency Experts under the Corporate Rehabilitation Regulations 2019 with SECP
- Certified Independent Director from ICAP
- Former member of Punjab Vocational Training council

Commercial/Marketing | Finance | Risk Management | Corporate Strategy | Human Resource
Economics | Audit | Sustainability | Technology | Project Management

WONJIN YOON

Non-Executive and Nominee Director

N/A

ATTENDANCE OF BOARD MEETINGS DURING THE FINANCIAL YEAR

Nationality : South Korean

Gender : Male

INITIAL DATE APPOINTED TO THE BOARD

28 February 2024

LENGTH OF SERVICE AT HTL

8 months

ACADEMIC/PROFESSIONAL QUALIFICATION:

- Bachelor of Mechanical Engineering from Chung-ang University
- Master of Business Administration from Korea University

PRESENT APPOINTMENTS:

- Non-Executive and Nominee Director of Hi-Tech Lubricants Ltd.
- Global Base Oil Business Team (SKEN)
- Corporate strategy planning team (SKEN)
- Luben Upcycling Project Team (SKEN)
- Global Lubricants Business Team Leader (SKEN)

PROFESSIONAL EXPERTISE:

Mr. Wonjin Yoon has over 19 years of experience in base oil and lubricants business and is currently the team leader of global lubricants business is SK Enmove Co. Ltd.

Starting his career as a chemical research engineer automotive lubricants at Hyundai motors for 7 years.

In 2012, he moved to SK Enmove and worked for base oil marketing and business for 7 years.Also he moved to corporate strategy team in 2020. Then he worked for new business developement team between 2021 and 2022.

He was promoted and has been playing role of the leader in global lubricants business from 2023.

DR. SAFDAR ALI BUTT

Non-Executive Independent Director

4/4

ATTENDANCE OF BOARD MEETINGS DURING THE FINANCIAL YEAR

Nationality : Pakistani

Gender : Male

INITIAL DATE APPOINTED TO THE BOARD

31 October 2015

LENGTH OF SERVICE AT HTL

9 years

ACADEMIC/PROFESSIONAL QUALIFICATION:

- Master's degree from Karachi University
- Doctorate in financial management from Canada.
- Directors' Education program from Pakistan Institute of Corporate Governance.

PRESENT APPOINTMENTS:

- Non-Executive independent Director of Hi-Tech Lubricants Ltd.
- CEO of Pak Agro Packaging Ltd.
- Independent director of Unity Foods Ltd.

PROFESSIONAL EXPERTISE:

Spent 24 years in academics with institutions of higher learning in Pakistan and abroad.

Retired as Professor Emeritus of Finance & Corporate Governance from Capital University of Science & Technology, Islamabad in January 2018.

Authored 38 books on various business-related subjects, 8 were published from UK, 19 from Kenya and 9 from Pakistan

SYED ASAD HUSSAIN

Non-Executive Independent Director

4/4 ATTENDANCE OF BOARD MEETINGS DURING THE FINANCIAL YEAR

Nationality : Pakistani & UK

Gender : Male

INITIAL DATE APPOINTED TO THE BOARD

31 October 2015

LENGTH OF SERVICE AT HTL

9 years

ACADEMIC/PROFESSIONAL QUALIFICATION:

- Educated in the United Kingdom

PRESENT APPOINTMENTS:

- Non-Executive independent Director of Hi-Tech Lubricants Ltd.
- Co-Founder and CEO at Retail Direct Group
- Founder and Trustee of Firdous Academy

PROFESSIONAL EXPERTISE:

An Entrepreneur, Philanthropist and Investor.

He has over 25 years' experience within the Global IT Sector, working with Brands such as Intel, Microsoft, Oppo, Lenovo, Asus and specializing in E-Commerce, Supply Chain and IT Managed Services

He has also worked as Senior Vice President for The UK Pakistan Chamber of Commerce, SVP with JumpStart Pakistan and Lift Pakistan.

TAHIR AZAM

(LATE 1951-2024)

Ex-Non-Executive Director

Tribute to the Late TAHIR AZAM

We are deeply saddened to share the passing of our esteemed Director, Tahir Azam, who left us during the last financial year. As one of the founding members of Hi-Tech Lubricants Limited (HTL), Tahir Azam was a cornerstone of our journey, contributing his vision, dedication, and leadership for over 24 years.

His invaluable guidance and strategic insights were instrumental in shaping HTL's growth and establishing the company's strong foundation in the lubricants industry. Despite his health challenges, Tahir Azam remained committed to HTL's mission, attending the board meetings and actively participating in discussions during the past financial year. His steadfast commitment, wisdom, and experience were a source of inspiration for the entire team.

The legacy of Tahir Azam will continue to be felt across our organization, and his impact on HTL's success will be cherished forever. We extend our heartfelt condolences to his family and express our deepest gratitude for his outstanding service and dedication to HTL.

Commercial/Marketing
Economics
Finance
Audit
Risk Management
Sustainability
Corporate Strategy
Technology
Human Resource
Project Management

ROLE OF **THE CHAIRMAN**

Chairman of the HTL's Board is responsible for providing effective leadership to the Board particularly during Board and shareholders meetings. The Chairman conducts the Board meeting and has the responsibility to lead the Board and ensure its effective functioning and continuous development. He creates the conditions and environment conducive for overall effectiveness of the Board and encourages the contribution of executive, nonexecutive, and independent directors in carrying out the Board's business in line with applicable laws, rules and regulations.

ROLE OF **THE CEO**

The CEO of the Company is responsible for the management of the Company, in accordance with all statutory obligations and subject to the oversight and directions of the Board. He is responsible for management of the Company's core businesses and affairs by ensuring that the executive team implements the policies and strategies approved by the Board. He keeps the Board updated on significant and sensitive issues that might affect the Company. He ensures that operational plans and control systems are in place and regularly monitors actual performance against plans and takes necessary measures.

ELIGIBILITY CRITERIA FOR **INDEPENDENT DIRECTORS:**

(i) Independent Directors have and shall have sufficient knowledge, skills and expertise to play effective roles as independent directors.

(ii) At least two of the Independent Directors are required to chair Board's committees such as Chairman of Board's Audit Committee and Board's Human Resource and Remuneration Committee.

(iii) Independent Directors have and must have attend Directors Training Program from SECP's approved institutions.

(iv) Names of Independent Directors have and must have been registered in the Data Bank maintained by Pakistan Institute of Corporate Governance (PICG) along with their written consents.

(v) Independent Directors are and must be eligible in terms of criteria of independence as mentioned in section 166(2) of the CA-2017, and must be willing to act as Independent Directors on the Board of listed company as required under the provisions of section 166(1) of CA-2017.

(vi) None of circumstances, as mentioned under proviso (b) to subsection 2 of section 166 of CA-2017, shall exist in relation to Independent Directors.

(vii) The directors, sponsors, majority shareholders and their relatives shall not be interested, directly or indirectly, in the selection of Independent Directors except to the extent of shares that are held by them in the Company.

DECISIONS AND MATTERS TAKEN BY THE BOARD AND DELEGATED TO **MANAGEMENT FOR EXECUTION**

The Board of Directors at HTL holds the authority to exercise all powers on behalf of the Company, fulfilling their duties and responsibilities in compliance with relevant laws and regulations. Their primary obligation is to ensure that the senior management effectively pursues the Company's objectives, in a manner that serves the best interests of both the Company and its shareholders.

The management team is entrusted with the execution of strategies as approved by the Board. Their core responsibility involves overseeing the day-to-day business operations, including but not limited to short-term investments, contractual negotiations, policy implementation, treasury functions, taxation, litigation management, and inventory control. These operations are carried out with a commitment to efficiency, ethics, and alignment with the strategic goals outlined by the Board. Management is also tasked with identifying and managing key risks and opportunities that may affect the Company's performance.

Furthermore, management ensures that the Board is kept fully informed of any changes in the operational landscape. Under the Board's supervision and with the support of the Audit Committee, management is also responsible for preparing financial statements that accurately reflect the Company's financial position, adhering to applicable accounting standards and legal requirements.

FORMAL ORIENTATION **AT INDUCTION**

At the time of joining the Board, newly co-opted directors were provided with an orientation pack comprising of Companies Act, 2017, Securities Act, 2015, Rulebook of Pakistan Stock Exchange Ltd., Listed Companies (Code of Corporate Governance) Regulations, 2019, HTL's Policy for Directors Remuneration and Memorandum and Articles of Association through an email from the Chairman of the Board.

DETAILS OF BOARD MEETINGS HELD OUTSIDE **PAKISTAN DURING THE YEAR**

No Board meeting of HTL's Directors was held outside Pakistan during the year ended 30 June 2024.

PRESENCE OF THE CHAIRMAN **OF THE AUDIT COMMITTEE AT AGM**

Our respected Chairman of the audit committee, Dr. Safdar Ali Butt, was present at the 15th Annual General Meeting (AGM) to answer the questions of the shareholders on audit committee's activities and matters within the scope of the audit committee's responsibilities.

STATEMENT ON **MANAGEMENT RESPONSIBILITY**

HTL's management is responsible for the preparation and presentation of the financial statements in accordance with the accounting and reporting standerds as applicable in Pakistan.

BOARD COMMITTEES

The Board has formed the following committees to assist it in various functions. To see the details and composition of these committees please refer to the directors report section of the report.

COMMITTEES OF THE **BOARD**

- Board's Audit Committee (BAC)
- Board's Human Resources and Remuneration Committee (HR&RC)
- Board's Nomination Committee (BNC)
- Board's Risk and Sustainability Committee (RSC)
- Board's Corporate Social Responsibility Committee (Board's CSR Committee)
- Board's Investment Committee (BIC)

SALIENT FEATURES **OF TOR'S**

AUDIT **COMMITTEE OF THE BOARD**

- Reviewing the effectiveness of internal controls
- Identifying, assessing and reporting of various risks to the Board
- Monitoring the integrity of financial information
- Reviewing Internal and external audit reports, and where necessary recommending appropriate action
- Overseeing compliance with applicable laws relating to Company's operations
- Ensuring conformity of management decisions with the Company objectives
- Examining related party transactions to ensure their probity.
- Assessing accounting estimates, going concern assumption, changes in accounting policies and compliance with accounting standards
- Making recommendation on external auditors' appointment based on independence, integrity and satisfactory rating with ICAP.

HUMAN RESOURCES & REMUNERATION **COMMITTEE OF THE BOARD**

- Leading the process for board appointments, identifying and assessing candidates who are qualified for election of directors;
- Recommend to the board for consideration and approval a policy framework for determining remuneration of directors (both executive and non-executive directors) and members of senior management;
- Undertaking annually a formal process of evaluation of performance of the board as a whole and its committees either directly or by engaging external independent consultant;
- Recommending human resource management policies to the board;
- Recommending to the board the selection, evaluation, development, compensation (including retirement benefits) and succession planning of the Chief Executive Officer, Chief Financial Officer, Company Secretary and Head of Internal Audit;
- Ensuring appropriate mechanisms are in place regarding succession planning for the board members and all senior managers including CEO, CFO, Company Secretary, Internal Auditor, executive management;
- Reviewing corporate goals & objectives relevant to the human resources of the company.
- Overseeing the selection of any benchmark group used in determining compensation or any element of compensation and reviewing the same;
- Overseeing the identification and management of risks associated with the corporation's compensation policies and practices;
- Reviewing and making recommendations to the Board for approval relating to the development of new or revised salary structures and incentive plans;
- Forming sub-committees or selecting an independent HR consultant(s) to advise the committee, when appropriate;
- Formulating and reviewing, on a regular basis, the management and staff training plans, and reporting to the board on potential risks or gaps in resources;
- Annually reviewing the employee engagement initiatives;
- Annually reviewing the organizational structure, Health & Safety Procedures, Code of Conduct & Ethics, management succession plan and all other related documents, and apprising the Board there-on.
- To design an Internal Whistle-blowing Policy for approval by the Board of Directors; to draw up procedures related thereto and to oversee the effective implementation of such procedures. The Board shall decide as to who shall be designated for initial receipt of all internal whistle-blowing intimations.

INVESTMENT **COMMITTEE OF THE BOARD**

- Setting investment and risk mitigating policies and guidelines.
- Making decisions regarding investment and divestment in line with the objective of the policy and ensuring consistency with the policy documents and conditions.
- Record and sign its decisions along with rationale and objective for buying or selling each security and highlighting the limits including price, quantity etc. for each investment.
- Maintaining minutes and proper record of Committee meetings and investment/divestment decisions.
- Ensure that investment decisions are implemented with due care, diligence and in an ethical manner.
- Reviewing the performance of the investments on a regular and timely basis.
- Reviewing the financial risk that includes currency risk, other price risk of financial instruments, interest rate risk, credit risk and liquidity risk on a regular and timely basis.

RISK & SUSTAINABILITY **COMMITTEE OF THE BOARD**

- The Chairman/Chairperson of the RSC shall be amongst the members of the Board
- The Chairman/ Chairperson shall oversee the effective functioning of the RSC and to demonstrate leadership and awareness in ensuring the RSC's functions meet the objectives of the RSC
- Develop sustainability framework and ensure conduct of risk assessment of sustainability and climate change.
- Identify and prioritize material matters related to sustainability and climate change
- Consider Risks and Opportunities related to EESG Sustainability (i.e. Economic Sustainability, Environmental Sustainability, Social Sustainability and Governance Sustainability).
- Monitoring and review of all material controls (financial, operational, compliance);
- Risk mitigation measures are robust and integrity of financial information

is ensured;

- Appropriate extent of disclosure of company's risk framework and internal control system in Directors' report.
- Recommend the risk profile and risk appetite for the Company for approval by the Board;
- Recommend the Governance and Risk Management Policy for approval by the Board;
- Recommend to the Board and oversee the process developed by management to identify principal risks, evaluate their potential impact, and implement appropriate systems to manage such risks;
- Make recommendations to the Board as to the exposure limits and risk-taking authority to be delegated by the Board, to the CEO and executive management;
- Receive reports from management concerning the risk implications of new and emerging risks, organizational change and major initiatives, in order to monitor them;
- With respect to specific categories of risk, review, from time to time, principles, policies, limits, standards, guidelines, management committee mandates and other significant procedures established by management;
- Review issues raised by the CEO, Executive Director, Chief Financial Officer, External Auditors, Company Secretary or Internal Auditors that impact the risk management framework or the Group's risk management;
- Review and make recommendations to the Board on draft statutory statements covering governance and risk management issues in accordance with the requirements of regulators; and
- Direct any special investigations deemed necessary, and engage and consult independent experts where considered necessary or desirable to carry out its duties and rely on the advice of such experts.

CORPORATE SOCIAL RESPONSIBILITY **COMMITTEE OF THE BOARD**

- Building sustainable, evolving, dynamic models of social & economic infrastructure through Corporate Social Responsibility (CSR) Programs independently as well as in partnership with government & non-government bodies including other stakeholders at national, regional, district, village or block level.
- Providing services and solutions to address social issues with highest social priority for the poor, marginalized and under privileged in line with the business philosophy of providing affordable medicines for most prevalent disease.
- Planning and executing the programs that would benefit the communities in and around its work-sites e.g. plant locations in order to enhance the quality of life of the community in general and the poor in particular.
- Building, nurturing and reinforcing identity of the Company as a socially and ethically responsible corporate entity through its CSR initiatives for benefit of diverse stakeholders in the society.
- Carrying out activities that would create increased happiness and empowerment of the stakeholders.
- Acting as a catalyst through direct intervention and social investment to address the immediate needs of the poor as well as long term development concern.
- Responding to natural disasters, calamities at global as well as national level in the areas of operations to provide relief, reconstruction and rehabilitation support as and when required.
- Setting up sustainable CSR Programs for the long term welfare of the nation.
- Ensuring that all the relevant provisions of Code of Corporate Governance as well as CCGR are complied with in so far as they relate to CSR and disclosure of CSR activities.
- To advise the Board on all CSR related issues and to prepare a draft of Annual CSR Report for consideration/approval by the Board and inclusion in Company's Annual Report.
- SRC will formulate, review, revise and update HTL's CSR Policy, which will be approved by the Board of the Company. CSRC will suggest strategies and focus areas of intervention and operation to the Board as per requirement.
- CSR Committee initiates internal process to develop an Annual Action Plan in consultation with the implementing bodies to develop CSR plan and modify the same after Board review and approval.

NOMINATION **COMMITTEE OF THE BOARD**

The nomination committee is responsible for:

- Considering and making recommendations to the Board in respect of the Board's committees and the chairmanship of the Board's committees; and
- Keeping the structure, size and composition of the Board under regular review and for making recommendations to the Board with regard to any changes necessary.

ADVANCEMENT IN DIGITAL TRANSFORMATION TO IMPROVE **TRANSPARENCY AND GOVERNANCE**

In the past few decades, a fourth industrial revolution has emerged, known as Industry 4.0. Industry 4.0 takes the emphasis on digital technology from recent decades to a whole new level with the help of interconnectivity through the Internet of Things (IoT), access to real-time data, and the introduction of cyber-physical systems. It connects physical with digital, and allows for better collaboration and access across departments, partners, vendors, product, and people. Industry 4.0 empowers business owners to better control and understands every aspect of their operation, and allows them to leverage instant data to boost productivity, improve processes, and drive growth.There are hundreds of concepts and terms (ERP,IoT,RPA,Block chain,AI,Big data, Cloud Computing etc) that relate to Industry 4.0, but we have to decide in which domain we want to invest in Industry 4.0 solutions as per our business requirement. In Our case we have implemented ORACLE.

EDUCATION AND TRAINING TO MITIGATE **CYBER SECURITY RISKS**

IT team regularly inform and organize training for the Company's end users to follow best standard practises to avoid any cybersecurity threats and risks. IT team regularly conduct information security awareness session. The purpose of security awareness is to focus attention on security, creating sensitivity to the threats and vulnerabilities of Computer systems and recognition of the need to protect data, information and systems. Security awareness training helps to minimize risk, thus preventing the loss of Personal Identification Information (PII), Internet Protocols (IP), and money or brand reputation. An effective awareness training program addresses the cybersecurity mistakes that employees may make when using email, the web and in the physical world such as tailgating or improper document disposal.

DISCLOSURE ON COMPANY'S USE OF **ENTERPRISE RESOURCE PLANNING (ERP) SOFTWARE**

DESIGN AND INTEGRATION OF CORE BUSINESS PROCESSES IN A SINGLE SYSTEM

Oracle stands as the preeminent ERP (Enterprise Resource Planning) software solution globally, offering a comprehensive suite of integrated business modules designed to capture and manage day-to-day operational transactions. At HTL, Oracle serves as the cornerstone for both transactional data storage and financial reporting. This encompassing framework comprises multiple modules, encompassing Sales, Finance, and Inventory Management, among others, which function seamlessly in harmony with one another, thus ensuring data integrity and fortified process controls. The inherent strength of Oracle ERP lies in its close-knit integration and centralized database architecture, obviating the need for redundant data entry. This seamless synergy enables the frictionless flow of information between various Oracle components, thus fostering operational efficiency. For HTL, the Oracle ERP system plays a pivotal role by providing the automation, integration, and intelligent capabilities essential for the smooth orchestration of all daily business operations. Furthermore, HTL relies heavily on Oracle ERP as the primary repository for organizational data, consolidating it into a singular, unassailable source of truth that permeates throughout the entirety of the business operations.

MANAGEMENT'S SUPPORT IN CONTINUOUS UPDATION OF ERP

The management team assumes a pivotal role in orchestrating the organization's technological advancement and ensuring its ongoing currency with the latest technological developments and updates. Its primary responsibility lies in the inception and implementation of novel initiatives within the organization, aimed at optimizing operational processes, enhancing efficiency, and fortifying controls to foster effective business management.

ORACLE USER TRAININGS

Our Information Technology department organizes a diverse range of training programs throughout the calendar year, tailored to meet the unique needs and objectives of various organizational departments.

MANAGEMENT OF CONTROL RISK FACTORS ON ERP PROJECTS

Prior to the initiation of the ERP project, a comprehensive and diligent study is conducted, encompassing all facets of the implementation process. This meticulous preparation involves the creation of a detailed 'to-be' document, which comprehensively outlines the anticipated changes resulting from the project, while also addressing the associated risks. The 'to-be' document serves as a holistic blueprint, encapsulating the entire process map, which garners unanimous support and commitment from all business functions. This inclusive approach ensures a unified vision of the impending transformation.

In the pursuit of excellence, the processes undergo rigorous testing and scrutiny, with meticulous attention to detail, prior to finalization. This rigorous examination is designed to ensure that all requirements are met and that the requisite controls are in place, thus ensuring the achievement of effective and efficient business outcomes.

SYSTEM SECURITY AND ACCESS CONTROLS

The company enforces stringent system security measures, including multi-factor authentication and regular security audits, to safeguard sensitive data and protect against unauthorized access.

Access controls are meticulously maintained, with role-based permissions and continuous monitoring, to ensure that only authorized personnel can access critical systems and information.

CHAIRMAN'S SIGNIFICANT COMMITMENTS **AND ANY CHANGES THERETO**

Mr. Shaukat is serving Hi-Tech Lubricants Limited as the Chairman of the Board. He does not have any significant commitment other than being the Chairman of the Board.

EXTERNAL SEARCH CONSULTANCY FOR **APPOINTMENT OF ANY DIRECTOR**

External Search Consultancy for Appointment of any Director. No external search consultancy was used for appointment of any director on the Board.

REPORT OF THE **BOARD'S AUDIT COMMITTEE**

It is immense pleasure for the Board's Audit Committee (BAC) of Hi-Tech Lubricants Limited ("the Company") to present its report for the year ended 30 June 2024.

The BAC is governed by the mandate given to it vide Listed Companies (Code of Corporate Governance) Regulations, 2019 and by the Terms of Reference (TORs) set by its Board of Directors. The BAC assists the Board to effectively carry out its supervisory & oversight responsibilities on financial reporting and compliance, internal controls and risk management, internal and external audit functions of the Company.

TERMS OF **REFERENCE**

The salient features of TORs are stated below which BAC is pleased to affirm that they were carried out diligently in the year under report:

- Review effectiveness of internal controls.
- Review integrity of financial information.
- Review internal and external audit reports, and where necessary recommend appropriate action.
- Oversee compliance with applicable laws relating to Company's operations and disclosure requirements.
- Assure conformity of management decisions with the Company objectives.
- Review related party transactions to ensure their probity.
- Assess accounting estimates, going concern assumption, changes in accounting policies and compliance with accounting standards.
- Make recommendation(s) on external auditors' appointment, based on independence, integrity and satisfactory rating with ICAP.

COMPOSITION AND **ATTENDANCE:**

The BAC is composed of five members including the Chairman, including two independent and three non-executive directors. All Committee members possess significant economic, financial, and business expertise, and all Directors are financially literate.

During financial year 2023-24, the BAC held four meetings, including one mandatory meeting in every quarter of the financial year with meaningful participation of all the members.

Name	Directorship Type	Status in BAC	No. of meetings attended in the financial year ended 30.6.24
Dr. Safdar Ali Butt	Independent Director	Chairman / Member	4
Mr. Shafiq Ur Rehman	Independent Director	Member	4
Mr. Shaukat Hassan	Non-Executive Director	Member	4
Mr. Faraz Akhtar Zaidi	Non-Executive Director	Member	4
Mr. Tahir Azam	Non-Executive Director	Member till June 9, 2024	3

SUMMARY OF KEY **ACTIVITIES:**

The BAC has concluded its annual review of the Company's conduct and operations for the financial year ended June 30, 2024, and hereby reports the following:

COMPLIANCE WITH **REGULATIONS:**

The Company adhered, without any material departure, to both the mandatory and voluntary provisions of the Listed Companies (Code of Corporate Governance) Regulation, 2019, Companies Act 2017 and Company's own Code of Conduct and Values throughout the year. The BAC separately met the external and internal auditors independently at least once in the year and the Chairman BAC remained present in last Annual General Meeting.

STATEMENT OF **COMPLIANCE:**

The Company has issued a Statement of Compliance with the Regulations, which has been reviewed and certified by the external auditors of the Company.

ACCOUNTING POLICIES AND **DISCLOSURE:**

Appropriate accounting policies were consistently applied and financial statements of the Company have been prepared on a going concern basis, which present fairly the state of affairs, results of operations, cash flows and changes in equity of the Company.

ACCOUNTING ESTIMATES AND **RECORDS:**

The BAC satisfied itself and advised the Board about its opinion that all accounting estimates have been made based on reasonable and prudent judgment. The Company has maintained proper and adequate accounting records in accordance with applicable laws, and its financial reporting is consistent with management processes and sufficient to meet the needs of shareholders.

FINANCIAL **STATEMENTS:**

The financial statements for the year ended June 30, 2024, have been prepared on a going concern basis in accordance with approved accounting standards applicable in Pakistan. The approved accounting standards comprise International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and notified under the Companies Act, 2017 (the Act), and the Act's provisions and directives. In case of any conflicts, the provisions of or directives under the Act take precedence.

REVIEW OF **FINANCIAL STATEMENTS:**

The BAC has reviewed the quarterly, half-yearly, and annual financial statements of the Company and recommended them for approval by the Board of Directors with observations / comments and / or suggestions, where deemed necessary. Additionally, it has reviewed preliminary announcements of results prior to publication.

ATTENDANCE OF **CEO AND CFO:**

The CFO and internal auditors were regularly invited to the meetings for explanation / elaboration on accounts and other relevant issues. The Chief Executive Officer and Executive Director attended BAC meetings by invitation, when deemed necessary.

ENDORSEMENT OF **FINANCIAL STATEMENTS:**

The CEO, Executive Director and CFO have duly endorsed the Company's financial statements, acknowledging their responsibility for a true and fair presentation in accordance with approved accounting standards applicable in Pakistan.

FAIR AND UNDERSTANDABLE **ANNUAL REPORT:**

The BAC has reviewed the Annual Report and confirms that it provides a fair, balanced, and understandable representation of the Company. The Annual Report discloses information necessary for shareholders to assess the Company's position, performance, business model, and strategy and presents fairly the integrated performance during the year, and future prospects to various stakeholders of the Company. Because of meeting the aforesaid objectives, the Company was able to secure the 4th position in the category of 'Oil and Gas Sector' for its Annual Report for the year ended June 30, 2022 in the Best Corporate & Sustainability Report Awards 2022 jointly conducted by Institute of Chartered Accountants of Pakistan and Institute of Cost and Management Accountants of Pakistan.

RELATED PARTY **TRANSACTIONS:**

The BAC has reviewed and, where appropriate, made recommendations for the approval of all significant related party transactions to the Board.

REVIEW OF **ANNUAL BUDGET:**

The BAC reviewed and discussed annual budgets and plans of the Company for the year and, where appropriate, made recommendations to the Board for consideration and approval of the same.

COMPLIANCE MECHANISM OF **REPORTED ISSUES:**

The BAC has also set up a formal mechanism to ensure compliance with the recommendations given by the BAC to the management of the Company. With every meeting, a compliance status of the recommendations is reviewed by the BAC and the management provides appropriate explanation as to any impediment in its compliance in the Internal Audits' compliance reports.

EVALUATION OF **COMMITTEES AND MEMBERS:**

The BAC believes that it has carried out its responsibilities to the full, in accordance with terms of reference approved by the Board. Performance of the BAC is annually reviewed by the Board of Directors and the Board acknowledges the BAC's effective role in an efficient review of the conduct of Company's financial affairs in general, its financial statements and its internal audit function in accordance with its mandate.

INTERNAL AUDIT AND **RISK MANAGEMENT**

ROLE OF INTERNAL **AUDIT:**

The Internal Audit function plays a vital role in enhancing the overall control environment of the Company.

INDEPENDENT**AUDITS:**

The Internal Audit function has carried out independent audits in accordance with audit plan, formulated by the BAC and approved by the Board of Directors. The BAC has reviewed all material internal audit findings, making appropriate recommendations to the relevant operational managers, and/or bringing the matters to the Board's/ other Committees of the Board for their attention/ action, where required.

HEAD OF **INTERNAL AUDITOR (HIA):**

The HIA attended all Audit Committee meetings and also served as the Secretary to the Audit Committee. The Listed Companies (Code of Corporate Governance) Regulations, 2019 defines the mandate of internal audit function as well as the responsibilities of HIA. BAC has ensured the compliance thereto.

ACCESS TO **CHAIRMAN AND STAFFING:**

The HIA has direct access to the Chairman of the Audit Committee, and the Committee has ensured the presence of personnel with sufficient internal audit expertise.

REVIEW OF **INTERNAL AUDIT REPORTS:**

The Audit Committee reviewed the internal audit reports presented by the HIA, which encompass audit findings, opportunities for process improvement, control weaknesses, and recommendations. A risk rating system based on likelihood and impact was utilized, resulting in the assignment of high to low risk ratings. Through the internal audit reports, the BAC and the Board kept a regular watch on safeguarding the assets of the Company and the shareholders' wealth at all levels within the Company. The annual internal audit cycle comprises of risk assessment, audit planning, audit execution, audit reporting, management action plan and monitoring.

INTERNAL CONTROL AND **RISK MANAGEMENT SYSTEMS:**

The Company's internal control systems, including financial and operational controls, accounting systems, and reporting structure, are designed to manage and mitigate the risk of not achieving some of business objectives. However, these systems can only provide reasonable assurance, not absolute certainty, against material misstatement or loss. The BAC has determined that the risk management and internal control systems are adequate and effective. The independent Internal Audit function of the Company regularly monitors the implementation of financial and operational controls, whereas the BAC reviews the effectiveness of the internal control framework.

EXTERNAL **AUDIT**

ACCESS TO **EXTERNAL AUDITORS:**

The External Auditors have been allowed direct access to the BAC, thereby ensuring the effectiveness, independence and objectivity of the Auditors. The External Auditors attended all the BAC meetings where their reports were discussed and the External Auditors also attended General Body Meetings of the Company during the year.

KEY AUDIT MATTERS AND **MANAGEMENT LETTER:**

The BAC has reviewed and discussed the audit process, all the Key Audit Matters and other audit observations identified during the external audit including compliance with applicable regulations and draft Management Letter with the External Auditors. Final Management Letter is required to be submitted within 45 days of the date of the Audit Report on financial statements under the Code of Corporate Governance and shall accordingly be discussed in the next BAC meeting.

RETIRING AND REAPPOINTMENT OF **EXTERNAL AUDITORS:**

The present auditors, M/s Riaz Ahmad & Co. Chartered Accountants will retire at the conclusion of the upcoming Annual General Meeting and, being eligible, offer themselves for reappointment, and have confirmed attendance of the upcoming Annual General Meeting. The BAC discussed the appointment of external auditors and fixing of their audit fee, and recommended to the Board the re-appointment of M/s Riaz Ahmad & Co., Chartered Accountants, as external auditors for the year 2023-24.

TAX **CONSULTANTS:**

The Company has obtained taxation related services from M/s. AF Ferguson and Company, Chartered Accountants as it is among the most reputed firms in provision of said services and has sufficient professional competence to ensure quality of tax advice and compliance of independence.

DR. SAFDAR ALI BUTT

Chairman, Board's Audit Committee

REPORT OF THE HUMAN RESOURCE & **REMUNERATION COMMITTEE**

The Human Resources and Remuneration Committee (HRRC) of Hi-Tech Lubricants Limited (HTL or "the Company") is pleased to present its report for the fiscal year ending June 30, 2024. Governed by the mandate outlined in the Listed Companies (Code of Corporate Governance) Regulations 2019 and overseen by the Board of Directors, the HRRC plays a pivotal role. It advises the Board on Human Resources Management Policy and provides regular updates on the performance, compensation, training, development, and succession planning of the entire workforce, ensuring comprehensive oversight of human resources-related operations.

COMPOSITION **OF HRRC**

The HRRC membership consists of four board members selected by the Board based on their competence and skills relevant to the Committee's objectives. All members are seasoned professionals with extensive expertise and experience in corporate management and human resource management specifically.

Sr. No.	Name	Directorship Type	Status in HRCC
1	Dr. Safdar Ali Butt	Independent Director	Chairman
2	Mr. Shaukat Hassan	Non-Executive Director	Member
3	Ms. Mehvish Khan	Non-Executive Director	Member
4	Ms. Mavira Tahir	Non-Executive Director	Member

The Head of HR Functions serves as a non-voting member and acts as the secretary for the HRRC.

SIGNIFICANT DELIBERATIONS **OF HRRC**

Throughout the year, HRRC accomplished the following:

a. Compliance with all human resources procedures, processes, and frameworks recommended by CCG/SECP, as well as the company's internal policies and protocols.

b. Ongoing assessment of the company's overall organizational structure and job categorizations.

c. Execution of various training programs and workshops tailored for employees at various hierarchical levels.

POLICY DEVELOPMENT

Throughout the fiscal year in review, the company developed, formulated, and assessed the following policies, which were put into effect following approval by the Board.

i. Sales Performance Management Policy

KEY HIGHLIGHTS OF HRM DIVISION'S ACTIVITIES

This report offers a summary of the Human Resources Division's activities and achievements conducted under the HRRC's direction from July 2023 to June 2024. It emphasizes strategic initiatives, employee engagement efforts, talent management strategies, corporate social responsibility initiatives, and the overall performance of the HR Division during this timeframe.

a. Training & Development:

During the reviewed period, 39 training programs were conducted, involving 188 employees and amounting to a total of 3,060 training hours.

i. Effective, Letters, Reports and Presentations
ii. Microsoft Power BI
iii. Oracle Application Framework
iv. Introduction to Digital Marketing
v. Inventory Management & Warehousing
vi. Oracle APEX Day
vii. Leading Diversity
viii. Managing Multiple Projects Effectively
ix. Angular Dot Net Core
x. Team Synergy Fostering Collaboration and Innovation in the Workplace
xi. OCAC Workshop on Oil & Gas Industry of Pakistan
xii. Microsoft Power BI
xiii. Managing the Learning and Development Function from TNA to ROTI
xiv. Skills in Goal Setting and Work Planning
xv. AI Enabled Data Analytics for Accountants & Auditors
xvi. Microsoft Power BI Bootcamp
xvii. ChatGPT for Professionals
xviii. Fundamentals of Data Analytics
xix. The Power of Persuasive Communication
xx. Civil Defense Specialist Instructor Warden Service
xxi. Fundamental of Data Analytics
xxii. Fundamental of Data Analytics (Knowledge Sharing)
xxiii. Emotional Intelligence
xxiv. Negotiation Skills
xxv. Internal Quality Auditing ISO 9001:2015 QMS
xxvi. Fire Safety & First Aid
xxvii. Developing Managerial Competencies
xxviii. Training on Oracle R12 Financial
xxix. ISO 17025:2017 Lab Management System
xxx. Machine Lubricant Analyst (ISO 18436-4, II), MLA II
xxxi. Microsoft Power BI
xxxii. NVQ Health & Safety Level 6 Diploma
xxxiii. CQAP (Certified Quality Assurance Professional)
xxxiv. Managing Learning & Development from TNA to ROTI
xxxv. Mastering Talent Acquisition: Strategies for Success
xxxvi. FSSC 22000 Lead Auditor Course V6.0
xxxvii. ISO 14001:2015 EMS Lead Auditor Training Course
xxxviii. Certificate in Quality Assurance Level-I (CQAL-1)
xxxix. ISO 17025:2017 Lab Management System

b. Management Trainee & Internship Programs

The Management Trainee & Internship Program at Hi-Tech Group is crucial for nurturing the growth and development of recent graduates. It offers valuable real-world experience by rotating participants through various departments within the organization. Besides grooming fresh graduates, a primary goal of the program is to identify talented individuals for potential permanent positions within the company. In the past year, a total of 6 management trainees and 18 interns were recruited across different departments.

c. Career Fairs

Hi-Tech Lubricants Limited actively participated in career fairs organized by prominent universities nationwide. These events facilitate interaction between students and employers, fostering professional connections and exploring job and internship prospects. The company also utilized these occasions to promote its services, enhance its brand visibility in the community, and gather insights into competitors and industry activities. The career fairs resulted in the registration of 739 students and the collection of resumes from 307 individual students.

Hi-Tech Lubricants took part in career fairs organized by the following educational institutions:

- UMT
- LSE
- LUMS
- FCCU
- UET
- FAST
- COMSATS (Islamabad)

d. Key Performance Indicators

i.	Head Count	384
ii.	Employee Turnover (at all levels)	1.7%
iii.	Training Programs Conducted	39
iv.	Number of persons trained	188
v.	No. of Employee satisfaction level surveys conducted:	2
vi.	Employees' Satisfaction Rate attained	over 84%

SUPPORT TO THE BOARD

The HRRC provided essential support to the Company's Board Performance Exercise by offering recommendations and reports on critical issues. Additionally, the HRRC implemented significant interventions within its expertise, receiving positive feedback from the board. With a carefully selected membership, including key individuals, this committee plays a crucial role in enhancing the overall performance of the board. All activities are meticulously planned through a structured calendar of events and major policy initiatives. The HRRC remains committed to advancing contemporary practices that foster employee professional development and ensure a safe working environment across the organization. Future plans include comprehensive reviews of compensation and benefits, alongside ample opportunities for learning and growth for employees. These initiatives are integrated into HR's annual strategy document, closely aligned with HTL's overarching business strategy for sustainable growth and profitability.

MEETINGS OF HRRC

The HRRC convened three times throughout the fiscal year: in September '23 and February '24 with one member absent in both meetings, and in November'23 with full attendance. Apart from the formal presentations delivered during these meetings, the HR Department issues a monthly activity report to all HRRC members, ensuring they are well-informed about ongoing HR matters within the organization. This report is also distributed to department heads and the Board of Directors.

DR. SAFDAR ALI BUTT
Chairman, HRRC

DIRECTORS' **REPORT**

DIRECTORS' REPORT **TO THE SHAREHOLDERS**

IN THE NAME OF ALLAH, THE MOST BENEVOLENT, **THE MOST GRACIOUS**

The Directors of Hi-Tech Lubricants Limited ("HTL" or the "Company") are pleased to present the Annual Report along with standalone and consolidated audited financial statements for the year ended June 30, 2024.

PAKISTAN'S **ECONOMIC REVIEW**

During the start of fiscal year 2024, Pakistan's economy encountered significant challenges, including high inflation rates and a depreciating currency. These adverse economic conditions placed considerable pressure on the petroleum and lubricants sector. The high inflation led to increased operational costs, and the weakened Pakistani Rupee escalated cost of imports. Additionally, regulatory uncertainties and fuel price volatility further strained the industry, affecting pricing, distribution, and overall profitability. The inflation is trending downward steadily since third quarter of FY2024, with the headline Consumer Price Index (CPI) averaging at 23.4% in June 2024, compared to 29.4% during the corresponding period in the previous financial year.

In response to these economic conditions, the Monetary Policy Committee (MPC) of the State Bank of Pakistan (SBP) has reduced its Policy Rate (benchmark rate) by a cumulative 250 basis points, bringing the benchmark rate to 19.50% in June 2024. This stability has been further supported by the successful completion of a $3 billion Stand-By Arrangement (SBA) with the IMF. Despite these positive developments, Pakistan continues to grapple with the challenge of managing high debt servicing costs and external payments. The forecast, therefore, remains highly uncertain, with significant risks posed by both external and internal factors.

FINANCIAL PERFORMANCE ON A **CONSOLIDATED BASIS**

In the consolidated financial performance of your Group (Hi-Tech Lubricants Limited and Hi-Tech Blending (Private) Limited its wholly owned subsidiary), it is imperative to note the significant challenges that impacted group's performance in the fiscal year 2024. A notable increase in net revenue by 55.78%, primarily due to the OMC business volume increase and polymer segment introduction (in the previous year). However, the cost of sales increased by 66.51% due to a mix of factors including significant regulatory uncertainties, fuel price volatility and other price hikes. The Group struggled to pass these higher costs onto the customers, resulting in a 2.60% contraction in gross profit. Additionally, finance costs surged by 10.95% as a response to the elevated policy rate maintained by the State Bank of Pakistan until June 2024. These compounded challenges, along with broader economic pressures, unfortunately led to a financial loss for the company during the year.

Detailed consolidated financial performance of your Group is presented below:

Particulars	Consolidated Year ended 30 June		Variance (+/-)
	2024	2023	
	PKR IN MILLION		% age
Gross Revenue	27,114	17,617	53.91%
Net Revenue	24,317	15,610	55.78%
Gross Profit	2,364	2,427	-2.60%
% of Revenue	9.72%	15.54%	-
Operating Profit	623	399	56.14%
Finance Cost	801	722	10.94%
(Loss) / Profit before tax	(178)	(322)	-44.72%
(Loss)/ Profit after tax	(137)	(247)	-44.53%
(Loss) / Earnings Per Share	(0.99)	(1.77)	-44.24%

OPERATIONAL **PERFORMANCE**

HI-TECH BLENDING (PRIVATE) LIMITED **("HTBL")**

HTBL is a wholly owned subsidiary of your Company. HTBL continuously added new products to its portfolio and has also expanded its blending facilities. We are further planning to shift our imported lubricants to blend at HTBL and to reduce the cost of lubricants for end customers and to create new marketing avenues.

State-of-the-art blending plant, located near Sundar Industrial Estate, Lahore, has a significant production capacity and incorporates advanced technology for blending and filling operations. HTBL also produces HDPE bottles and caps for lubricants at this facility.

POLYMER **SEGMENT EXPANSION**

During the preceding financial year, HTL, through its wholly owned subsidiary, undertook a significant initiative aimed at diversification by entering the polymer segment. FY 2024 marked significant improvements in production for external clients (A key milestone on our strategic growth path). This expansion not only strengthens our product portfolio but also showcases our capability in delivering customized, value-added and sustainable solutions for our customers and partners.

This is because as we strengthen and deepen our presence in this growing sector, we continue to commit ourselves to offering high-quality polymer products. We further welcome new collaborations and opportunities for innovations that shall result in continued industry growth.

HTL **EXPRESS CENTERS**

HTL Express persists in its endeavour to revolutionize the vehicle maintenance industry by providing exceptional services, employing highly skilled professionals, and utilizing cutting-edge technology, thereby steadily broadening its operational presence. With 13 franchised HTL Express centres currently in operation, the company maintains a commitment to enhancing its customer base within the preventive vehicle maintenance sector. Furthermore, HTL is increasing the number of outlets by establishing HTL dealer-operated fuel stations. Up until now, the integration of the franchise model with the fuel station model has resulted in establishment of 68 centers, and with increase in fuel stations this will continue to grow.

HTL FUEL STATIONS **(OIL MARKETING COMPANY)**

Presently, the company is operating 55 HTL Fuel Stations 40 in Punjab and 15 in Khyber Pakhtunkhwa (KPK) province. Setting up of more fuel stations is planned in both the provinces. Revenue of OMC increased by 98% due to this expansion. This carefully planned and meticulously executed expansion is a significant milestone in our growth strategy in OMC sector and a reflection of the company's commitment to offer reliable services to expanded customers through our franchise. This will not only strengthen our greater presence in the OMC market, but will also contribute to the economic development and creation of employment opportunities in both the provinces. We are pleased to mention that customers' confidence in the quality of our products and service in highly satisfactory. Moving forward, we are confident that this sector will contribute profitability for our shareholders.

MANAGEMENT OF **LIQUID RESOURCES**

CASH **MANAGEMENT & STRATEGIC DECISION MAKING**

Cash management and liquidity control are the core focus of the company's strategic decision-making processes With highly skilled financial, technical, marketing and internal audit professionals, HTL has developed efficient financial, quality, marketing and internal audit systems. With periodic budgeting and forecasting controls your management is trying its best to steer the company successfully during prevailing tough economic situation of the country. Working capital needs are carefully forecasted and managed in this very high financial cost era.

CAPITAL **EXPENDITURE**

Capital expenditures is carefully reviewed from profitability and risk management angels. Internal audit department and the audit committee reviews all capital expenditure for timely completion with the approved budget parameters. Capital expenditure for the year ended June 30, 2024, was PKR 371 million as compared to PKR 495 million for the previous year.

The Board is pleased to mention that there are no financial constraints that may impede company's ability to invest in long-term projects.

CONTRIBUTION TO **NATIONAL EXCHEQUER**

HTL Group has contributed Pkr. 3.98 billion to the national exchequer in 2024 through WPPF, Custom duties, petroleum levy and sales and income taxes.

APPROPRIATION OF **PROFITS**

In view of the overall monetary, fiscal and inflationary pressures, that has adversely impacted financial results of the Company for the year 2024, the Board of directors has not proposed any dividend entitlement for the year ended June 30, 2024. As soon as the earning per share on un-consolidated improve, the Board will consider any dividend in future.

IPO **FUNDS**

Note 52 to the unconsolidated financial statements of the Company for the year ended June 30, 2024 provides detailed information on the utilization of IPO proceeds.

Particulars	Rupees
Un-utilized IPO proceeds as at 01 July 2023	395,898,356
Add: Profit on term deposit receipt	29,946,368
Add: Profit on bank deposits	2,258,005
Add: Dividend on investment in mutual funds	41,333,595
Add: Gain on disposal of investment in mutual fund	338,810
Add: Unrealised gain on investment in mutual funds	1,069,581
Less: Payments made relating to OMC Project	(241,564,271)
Less: Withholding tax on profit	(4,830,656)
Less: Withholding tax on dividend from mutual funds	(6,200,039)
Less: Withholding tax on disposal of mutual funds	(127,701)
Less: Bank charges	(6,142)
Un-utilized IPO proceeds as at 30 June 2024	218,115,906

FUTURE **OUTLOOK**

Considering the current economic situation, exchange risks, the company is consolidating its market position with focus on cutting costs and thus has resorted to increased local blending and filling at blending plant, with active support from Korean joint venture partners, 90% of the company's products will be produced at state-of-the-art blending plant. This will also help the company to offer its products at more competitive prices.

At the same time we are increasing our foot prints in OMC segment by systematically increasing more filling stations.

Our polymer segment is now also having more presence in the markets and serving the customers in a highly satisfying manner. Polymer segment's

product line and customer base is steadily expanding.
With cost saving efforts in our lubricants segments, expansion in OMC segment and gradual increase in polymer segment operations, our Board is confident to provide a solid financial base to our valued shareholders.

MATERIAL CHANGES AND **COMMITMENTS**

- There have been no material changes since June 30, 2024 and none of the group companies have entered into any commitment, which would affect financial position of any group company at the date except those included in the unconsolidated and consolidated financial statements of the Company for the year ended June 30, 2024.
- There has been no modification in the Auditor's Report in relation to any group company at any stage.
- There has been no default in payment of any debt by any of the group companies during the year.

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

i. International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
ii. Provisions of and directives issued under the Companies Act, 2017.
iii. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.
iv. There has been no material departure from the Best Practices of Corporate Governance, as detailed in the Listing Regulations and Listed Companies (Code of Corporate Governance) Regulations, 2019.
v. The key operating and financial data from the formation of company (i.e. for the last 6 years) is given elsewhere in this annual report.
vi. The Auditors have expressed unqualified opinions on the financials statements of each of the group companies.

COMPLIANCE WITH THE **CODE OF CORPORATE GOVERNANCE**

The mandatory requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 have been duly complied with and a Statement of Compliance to this effect along with external auditor's review report thereon is annexed in the Annual Report.

AUDITORS

The present auditors M/s Riaz Ahmad & Co., Chartered Accountants, retire and offer themselves for re-appointment. They have confirmed achieving satisfactory rating by the Institute of Chartered Accountants of Pakistan (ICAP) and compliance with the Guidelines on the Code of Ethics of the International Federation of Accountants (IFAC) as adopted by ICAP. As suggested by the Audit Committee, the Board of Directors has recommended their reappointment as Auditors of the Company for the year ending June 30, 2025, at a fee to be mutually agreed.

PATTERN OF **SHAREHOLDING**

A statement of the pattern of shareholding of certain class of shareholders as at June 30, 2024, whose disclosure is required under the reporting framework, is included in the annexed in the Annual Report.

BOARD **COMMITTEES**

The Board oversees the risk management process primarily through its various committees. Audit Committee ensures transparency and accountability by focusing on financial, regulatory and compliance risks. The Committee meets quarterly or more frequently if it is so required. Human Resource and Remuneration Committee focuses on the risks in its area of oversight, including assessment of compensation programs to ensure they do not escalate corporate risk, in addition to an ongoing succession planning exercise with a view to ensure availability of competent human resources in each critical area of Company operations. Risk and Sustainability Committee monitors, reviews all material controls (financial, operational and compliance) and develops robust risk mitigation measures to sustain the integrity of financial information. Investment Committee is responsible for formulating the overall investment policies, strategies and procedures for risk management in investments.

ADEQUACY OF **INTERNAL CONTROLS**

The directors are committed to its values of good governance and adequacy of internal controls. The Company has sound system of internal control in design which is firmly integrated across all functions, effectively implemented and regularly monitored. The Board's Audit Committee reviews the Company's system of internal control to ensure that systems are in place and are adequate to safeguard the Company's assets, prevention & detection of error or fraud, compliance with laws & regulations and ensure the reliability of financial statements. Internal audit department provides its independent evaluation on the effectiveness of corporate governance, risk management and controls while reporting directly to the Board's Audit Committee. HTL keeps on strengthening and rationalizing its system of effective corporate governance, comprising of internally developed code of conduct, policies and procedures, and synchronized with industry's best available governance practices.

RISK **MANAGEMENT**

The Company has a comprehensive Risk Management Policy that has assigned specific responsibilities to directors and senior management. Three main players in the policy are the Board of Directors, Audit Committee and Risk and Sustainability Committee who regularly review the risk matrix in terms of impact and probability of occurrence. The senior management team, led by the Chief Executive Officer, Executive Director and Non-Executive Directors are responsible for risk mitigation measures and developing proposals thereof for consideration by the Board.
The Company's activities expose it to a variety of financial risks; market risks (including currency risk, price fluctuations risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. Risk management is carried out by the Company's finance department under policies approved by the Board of Directors.
The Company's finance department evaluates and hedges financial risks where possible. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk and investment of excess liquidity. All treasury related transactions are carried out within the parameters of these policies.
The major risks to which Company is exposed as explained in Note 46 of the unconsolidated financial statements. Measures adopted for their mitigation are as follows:

• CREDIT **RISK**

Credit risk represents the risk that one party to a financial instrument may cause a financial loss for the other party by failing to discharge an obligation. HTL does not generally extend credit other than to financially sound industrial customers and such exposure is immaterial to total revenues of the Company, as regards financial assets, their carrying amounts represent the maximum credit exposure. The Company believes that it is not exposed to major concentration of credit or market value fluctuation risks. Exposure is managed through application of diversification of its investment portfolio placed with 'A' ranked banks and financial institutions.

• LIQUIDITY **RISK**

Liquidity risk is the risk that the Company may not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by maintaining sufficient cash and bank balances and the availability of funding through an adequate amount of committed credit facilities. The Company's fund management strategy aims at managing liquidity risk through internal cash generation. HTL has been allotted credit rating of A and A-2 for long and short term financing respectively. This depicts our ability to meet our obligations timely, and denotes a stable liquidity position. Low level of receivables balance and availability of sufficient credit lines, due to stable liquidity position, the Company is able to meet all its contractual commitments.

- ### FOREIGN EXCHANGE **RISK**

Foreign currency risk arises mainly where receivables and payables exist due to transaction in foreign currencies. The Company is mainly exposed to short term USD/PKR parity on its import of finished lubricants, raw materials and plant and machinery in the Company and in its wholly owned subsidiary. As POL products are restricted from obtaining any forward cover as per guidelines of State Bank of Pakistan, the Company has to bear these and manage the impact of fluctuations in rupee versus dollar value on an ongoing basis. However, as more of our volumes shift to our blending unit we are able to mitigate this risk to certain extent, by curtailing as our lead times and effectively managing the need for buffer inventories.
Moreover, Board and the Risk and Sustainability Committee also carry out a robust and regular assessment of the principal risks facing the Company, including those that would threaten the business model, future performance, solvency or liquidity on a regular basis.

RISK **GOVERNANCE**

The Company has a well-defined Risk Management Policy that clearly spells out the roles and responsibilities at various levels of our risk management programs and processes as outlined in our risk governance structure.

POLICIES AND **PROCEDURES**

Policies and procedures have been adopted by the Board and its Committees and integrated into the Company's risk governance framework to ensure the smooth management of financial, operational and compliance risks. These are based on best practices, promoting a culture of ethics and values with necessary authorities delegated to senior management for appropriate implementation.

SUSTAINABILITY AND CORPORATE **SOCIAL RESPONSIBILITY (CSR)**

At Hi-Tech Lubricants, sustainability is fueled into the engine of our business strategy, powering our commitment to integrate Economic, Environmental, Social, and Governance (EESG) principles into every facet of our operations.
We acknowledge that sustainable business practices extend beyond mere responsibility; they represent a critical impetus for fostering long-term success for our company, stakeholders, and the environment.
The path to implementing our strategy is a better future in keeping with international guiding principles and standards involving sustainability.

At the core of our principles lies sustainability

Governance		
Economic	**Environmental**	**Social**

Marketing Excellence	Product Stewardship	Community Engagement
Supply Chain Excellence	Environmental Stewardship	Talent management & Well-Being
Commercial Excellence	Energy Conservation	Health and Safety

At HTL, sustainability is enshrined in our core business strategy, as guided by our Sustainability Principles. We look to address emerging trends, risks, and opportunities while continuing to create stakeholder expectations. As a leading oil and lubricant marketing company, we pledge to provide sustainable energy solutions that create long-term value for our stakeholders and the environment. We have pegged our Sustainability Agenda, anchored in Economic, Environmental, Social, and Governance Pillars, on the key areas to have great impact with, and we align these with the United Nations Sustainable Development Goals.
Our commitment to global best practices is realized by the progress we have made towards a better working world. We are also working towards alignment with IFRS S1 and S2 to be more transparent in managing sustainability and climate-related risks.
Metrics and targets for sustainability and climate change has been set out at HTL with careful analysis and due consideration to Global Reporting Initiative (GRI) Topic Standards. These metrics also guide our climate mitigation and management strategies.

IDENTIFIED MATERIAL TOPICS FOR **SUSTAINABILITY**

Business Strategy & Financial Resilience, Supply chain management, Innovation and Product Stewardship, Cybersecurity and Digitalization, Community Engagement, Environment Stewardship, Climate Change, Human Resource, Talent Management and Well-Being, Safety and Health and Governance. Our approach, how it matters to HTL, progress and impact and achievements against such metrics and targets are set out in below chapters.
HTL assumes a pivotal role in promoting sustainability and corporate social responsibility across critical sectors in Pakistan, with a particular focus on education, healthcare, and the environment. Our unwavering commitment to these sectors is deeply rooted in our belief that sustainable progress is intrinsically linked to the well-being of society. We actively align our efforts with the Sustainable Development Goals (SDGs) for 2030, recognizing them as a guiding framework for global progress. At HTL, we are dedicated to driving meaningful change, contributing to a more sustainable, equitable, and prosperous Pakistan in harmony with the SDGs.
In the realm of education, HTL's Board of Directors has taken a pioneering step by establishing the Sabra Hamida Trust. This trust is driven by a primary mission: to make a significant impact on education by empowering communities through the provision of high-quality teaching, with the ultimate vision of transforming ordinary lives into exemplary ones. Committed to its cause, the trust operates in full compliance with relevant regulations and has obtained all the requisite accreditations, including recognition under section 2(36) of the Income Tax Ordinance, 2001. Additionally, the Sabra Hamida Trust proudly holds accreditation from the esteemed Pakistan Centre for Philanthropy (PCP), further underscoring its dedication to excellence and its unwavering commitment to enhancing the educational landscape in Pakistan.
HTL Group has demonstrated its commitment to philanthropy and social responsibility by contributing a significant sum of Rupees 19 million towards various charitable endeavors. It reflects our ongoing dedication to giving back to society and making a meaningful difference in the communities we serve, aligning our corporate values with our commitment to creating a better, more sustainable world. Detailes along with comprehensive information about the specific activities undertaken, can be found in the dedicated Sustainability and Corporate Social Responsibility section of this year's annual report.
Please read sustainability report for detailed initiative and strategies.

ENVIRONMENT, **HEALTH & SAFETY**

HTL places a paramount emphasis on environmental sustainability, health, and safety measures. We are committed to fostering a workplace and business environment that not only thrives but also safeguards the well-being of our employees, customers, and the planet. Our dedication to environmentally responsible practices extends to every facet of our operations, by products that are pollution free with low emissions. Additionally, we prioritize the health and safety of our workforce, implementing robust protocols and continuous training to ensure a secure and healthy workplace. At HTL, our values align with a sustainable future, ensuring that we play our part in preserving the environment and protecting the welfare of all stakeholders. Our detailed activities have been presented in Sustainability and Corporate Social Responsibility section of this annual report.

CONTRACTS WITH **RELATED PARTIES**

During the year, HTL revised related party contracts for Contractual Employment with Mr. Moeen-Ud-Din and Mr. Zalmai Azam (siblings of Non-executive directors, namely, Mr. Shaukat Hassan and Tahir Azam (Late) respectively). In pursuance of the Contractual Employment Agreements with these related parties, both the resources continue to provide professional services for HTL Express and HTL Stations (OMC) projects respectively. While securing commercial and business interests of the Company coupled with due consideration to the requirements of Companies Act, 2017 and guidelines of Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board approved the above mentioned contract revisions.

THRESHOLD FOR **CONSIDERATION AS EXECUTIVES**

The Board has fixed the threshold of employees for consideration as Executives of the Company which includes CEO, CFO, Company Secretary, Head of Internal Audit, all the Heads of Departments and such other employees as may be specified by Human Resource and Remuneration Committee keeping in view their scope of performance affecting the organization's key objectives and drawing monthly salary package of PKR 500,000/- or above.

• NAMES OF ALL DIRECTORS OF THE **COMPANY DURING THE FINANCIAL YEAR**

- Mr. Shaukat Hassan (Chairman BOD & Non-Executive Director);
- Mr. Hassan Tahir (CEO & Executive Director);
- Mr. Muhammad Ali Hassan (Executive Director)
- Mr. Tahir Azam (Non-Executive Director till June 09, 2024 replaced by Ms. Mehvish Khan, Non-Executive Director since August 22, 2024);
- Mr. Faraz Akhtar Zaidi (Non-Executive Director);
- Ms. Mavira Tahir (Non-Executive Director);
- Dr. Safdar Ali Butt (Non-Executive Independent Director);
- Syed Asad Abbas Hussain (Non-Executive Independent Director)
- Mr. Shafiq ur Rehman (Non-Executive Independent Director)
- Mr. Sanghyuk Seo (Nominee SK Enmove Co., Ltd. (SKEN)) (Non-Executive Director till February 28, 2024 replaced by Mr. Wonjin Yoon (Nominee SK Enmove Co., Ltd. (SKEN)) (Non-Executive Director since February 28, 2024)

COMPOSITION OF THE BOARD **AT THE TIME OF DIRECTORS' REPORT**

The Composition of the Board at the time of Directors' Report is as following; The total number of directors are 10 as per the following:

- Male: 08
- Female: 02

The composition of board on basis of type of directorship held, is as follows:

a) Independent Directors: 03
b) Other Non-executive Director: 05 (including 2 female directors)
c) Executive Directors: 02

COMMITTEES OF **THE BOARD**

The Board has formed the following committees to assist it in various functions.

Names of members of Board's Audit Committee (BAC)

Dr. Safdar Ali Butt (Chairman BAC)
Mr. Shaukat Hassan (Member BAC)
Mr. Tahir Azam (Member BAC till June 09, 2024)
Mr. Faraz Akhtar Zaidi (Member BAC)
Mr. Shafiq ur Rehman (Member BAC)

Names of members of Board's Human Resources and Remuneration Committee (HR&RC)

Dr. Safdar Ali Butt (Chairman HR&RC)
Mr. Shaukat Hassan (Member HR&RC)
Mr. Tahir Azam (Member HR&RC till June 09, 2024, replaced by Ms. Mehvish Khan (Member HR&RC) since August 22, 2024)
Ms. Mavira Tahir (Member HR&RC)

Names of members of Board's Nomination Committee (BNC)

Dr. Safdar Ali Butt (Chairman BNC)
Mr. Shaukat Hassan (Member BNC)
Mr. Tahir Azam (Member BNC till June 09, 2024 replaced by Ms. Mehvish Khan (Member BNC) since August 22, 2024)
Ms. Mavira Tahir (Member BNC)

Names of members of Board's Risk and Sustainability Committee (RSC)

Mr. Faraz Akhtar Zaidi (Chairman RSC)
Ms. Mavira Tahir (Member RSC)
Mr. Shafiq ur Rehman (Member RSC)

Names of members of Board's Corporate Social Responsibility Committee (Board's CSR Committee)

Mr. Shaukat Hassan (Chairman of Board's CSR Committee)
Mr. Tahir Azam (Member of Board's CSR Committee till June 09, 2024)
Ms. Mavira Tahir (Member of Board's CSR Committee)
Mr. Hassan Tahir (Member of Board's CSR Committee)
Mr. Muhammad Ali Hassan (Member of Board's CSR Committee)
Mrs. Sana Sabir (Director of HTBL and Member of Board's CSR Committee)

• Names of members of Board's Investment Committee (BIC)

Mr. Shaukat Hassan (Chairman BIC)
Mr. Tahir Azam (Member BIC till June 09, 2024)
Mr. Faraz Akhtar Zaidi (Member BIC)
Mr. Hassan Tahir (Member BIC)
Mr. Muhammad Ali Hassan (Member BIC)
Mr. Muhammad Imran (CFO) (Member BIC)
Mr. Shahzad Sohail (GM Supply Chain) (Member BIC)

DIRECTORS **TRAININGS**

The Company has complied well above the legal requirements in respect of Directors' Trainings and 10 directors have already obtained Directors Training Certificates whereas 02 new appointed directors on 02 casual vacancies will also obtain the required certification within prescribed time frame of one year from their respective appointments.

EVALUATION OF **PERFORMANCES**

The evaluations of performances of the Board, its Members, Committees, the Chairman and CEO for the year ended June 30, 2024 have been conducted internally by Board's Human Resource & Remuneration Committee in coordination with Human Resource Department of the Company.

DIRECTORS' REMUNERATION **POLICY**

An extract of Directors Remuneration Policy is appended below as required under Listed Companies (Code of Corporate Governance) Regulations, 2019. Human Resources and Remuneration Committee of the Board (HR & RC) has been authorized by the Board to design and oversee the implementation of the Company's Directors' Remuneration Policy. Its salient features are enumerated below:

The objectives of the policy are two-fold:

a. to attract, motivate and retain directors of the highest caliber with broad commercial experience, and
b. to comply with all the provisions of all relevant laws, rules and regulations applicable to directors' remunerations.

The Policy has been drawn considering the following:

a. Company's strategic aims and goals.
b. Company's corporate social responsibility.
c. Company's core principle of business integrity.
d. The market conditions for desired talent;
e. A need for maintaining a work atmosphere that is conducive to efficiency, maturity of thought, motivation to progress and attainment of corporate goals; and
f. Remuneration structure for directors in similar businesses in Pakistan as well as other companies of comparable size.

The upper limit of base pay and benefits to be allowed to directors is approved by Board of Directors.

a. However, while setting the remuneration package of any individual director, the following factors are considered:
b. a. The particular qualifications, relevant experience and stature of the director.
c. b. The prevailing market value of his/her particular talent.
d. c. The nature of association of the director with the company, i.e. type of directorship held.
e. d. Remuneration of Independent Directors is restricted to Directors / Meetings Fees only.

SUMMARY OF REMUNERATION **FOR DIFFERENT CLASSES OF DIRECTORS**

Particulars	Executive Directors	Non-Executive Directors	Independent Directors
Upper Limit of Base Pay*	Rs 36 million p.a.	Rs 18 million p.a.	None
Benefits*	Company maintained car, reimbursement of medical, telecommunication, travelling, and leave travel expenses.		None
Performance & Bonus Related Payments	As per clause 3.4 (a) and (b)	None	None
Upper Limit of Meeting / Directors Fees	None	None	Rs 400,000 per completed meeting of the Board or any of its Committees
Re-imbursement of expenses	Actual expenses incurred on company business, or a flat allowance set for the particular expense, e.g. board and accommodation when travelling on company business.		
Professional Indemnity Insurance	Yes	Yes	Yes
Terminal Benefits	None	None	None
Entitlement to Share Options	None	None	None

*Base pay, benefits and performance bonus are set by HR & RC/ Board of Directors for each individual director within the parameters approved by Board.

REVIEW BY THE BOARD

THE DISASTER RECOVERY & BUSINESS CONTINUITY PLANNING

IT and MIS play pivotal role within HTL setup. The IT department ensures the organization's computing systems are up, available and functional. The HTL IT team has implemented strict information security policies and access controls with information security standards compliance and best practices for the use of network and operating systems while assisting business units.

All the systems help to ensure business continuity for the core domains (i.e. financials, supply chain, procurement, sales, HR, marketing, OMC, HTL Express), employees and external customers (i.e. distributors, vendors and business partners).

BUSINESS CONTINUITY **PLANNING (BCP)**

In order to ensure that internal/ external customers receive minimum down time for business transactions, a transparent failover solution has been deployed. We have configured all the key servers as part of clustered environment using state-of the-art cluster services at the main data center area to make it highly available. We have hosted all the servers in a dedicated proper data center. The state-of-the-art data center provides redundancy in connectivity, power, controlled temperature and physical security. Trained, qualified and experienced personnel have been hired to ensure the uninterrupted and professional support as and when needed. Proper system and configuration exist for protection against spyware, viruses, malicious apps, data leakage, botnets & servers from external threat and to establish the VPN connection from head office to Disaster Recovery site.

DISASTER **RECOVERY (DR)**

To ensure the availability of IT services in case of disaster, an alternate disaster recovery site has been established. In case of any disruption/disaster, HTL requirement is zero data loss. Our site ensures the zero data loss setup for all the data, customer portals, HR systems and internal/external customers in real time.

BOARDS' EFFORTS TOWARDS UNDERSTANDING **THE VIEWS OF SHAREHOLDERS**

The Board is cognizant of its responsibilities to all minority shareholders. Both board members and the management team hold conversations with large institutional holders of the stock and brokerage houses to understand areas of focus for shareholders or any concerns. The goal of the Board of Directors is to attract a high caliber of shareholders who are well informed about the Company's prospects and its strategy. Members of the Board have physically as well as virtually interacted with shareholders in Annual General Meeting held on October 27, 2023 to understand the views of shareholders of the Company and will do so again at this year's AGM which is planned to be conducted both physically and online. The Company further plans to hold at least One CBS on the basis of Annual Audited Financial Statements of the Company for the year ended June 30, 2024 within one month of the holding of upcoming AGM as permitted by PSX.

COMPANY'S STAFF **AND CUSTOMERS**

We wish to record our gratitude to all the Company employees' for their sheer hard work and commitment to the Company's objectives and for achieving good results in a challenging year for the country's economy. We are also thankful to Company's stakeholders especially our customers for their continued confidence in our products and services.

WEBSITE OF **THE COMPANY**

All the information as required to be placed on Company's website under statutory/regulatory requirements is appropriately placed at www.hitechlubricants.com

MR. HASSAN TAHIR
(Chief Executive Officer)
Lahore, September 20, 2024

MR. SHAUKAT HASSAN
(Chairman)

STATEMENT OF **COMPLIANCE**

WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 ("THE REGULATIONS")

NAME OF COMPANY: **HI-TECH LUBRICANTS LIMITED**

YEAR ENDED: **JUNE 30, 2024**

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of Directors are ten (10) as per the following:
   a) Male: 08
   b) Female: 02
2. The composition of the Board is as follows:

Category	Names
Independent Directors	Dr. Safdar Ali Butt Syed Asad Abbas Hussain Mr. Shafiq-ur-Rehman
Non-Executive Directors	Mr. Shaukat Hassan Ms. Mehvish Khan [Female Director] (Appointed as Director with effect from 22 August 2024 on casual vacancy arising due to sad demise of Mr. Tahir Azam on 09 June 2024) Mr. Faraz Akhtar Zaidi Ms. Mavira Tahir [Female Director] Mr. Wonjin Yoon (Nominee SK Enmove Co., Ltd.) (Appointed as Director with effect from 28 February 2024 in place of Mr. Sanghyuk Seo [Nominee SK Enmove Co., Ltd.] who ceased to be the Director on 28 February 2024.)
Executive Directors	Mr. Hassan Tahir (Chief Executive Officer) Mr. Muhammad Ali Hassan

3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this company;

4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;

5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and the Regulations;

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and the Regulations;

9. Following Directors have attained the directors training program certification:

Names of Directors
Dr. Safdar Ali Butt
Syed Asad Abbas Hussain
Mr. Shaukat Hassan
Mr. Faraz Akhtar Zaidi
Ms. Mavira Tahir
Mr. Hassan Tahir (Chief Executive Officer)
Mr. Muhammad Ali Hassan
Mr. Shafiq-ur-Rehman

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below:

a) Audit Committee

Names	Designation held
Dr. Safdar Ali Butt	Chairman
Mr. Shafiq-ur-Rehman	Member
Mr. Shaukat Hassan	Member
Mr. Faraz Akhtar Zaidi	Member

b) HR and Remuneration Committee

Names	Designation held
Dr. Safdar Ali Butt	Chairman
Mr. Shaukat Hassan	Member
Ms. Mehvish Khan (Appointed as Director with effect from 22 August 2024 on casual vacancy arising due to sad demise of Mr. Tahir Azam on 09 June 2024)	Member
Ms. Mavira Tahir	Member

c) Nomination Committee

Names	Designation held
Dr. Safdar Ali Butt	Chairman
Mr. Shaukat Hassan	Member
Ms. Mehvish Khan (Appointed as Director with effect from 22 August 2024 on casual vacancy arising due to sad demise of Mr. Tahir Azam on 09 June 2024)	Member
Ms. Mavira Tahir	Member

d) Risk Management Committee

Names	Designation held
Mr. Faraz Akhtar Zaidi	Chairman
Ms. Mavira Tahir	Member
Mr. Shafiq-ur-Rehman	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings (quarterly / half yearly / yearly) of the committee were as per following:

a) Audit Committee

Four meetings were held during the financial year ended 30 June 2024.

b) HR and Remuneration Committee

Three meetings of HR and Remuneration Committee were held during the financial year ended 30 June 2024.

c) Nomination Committee

No meeting of Nomination Committee was held during the financial year ended 30 June 2024.

d) Risk and Sustainability Committee

No meeting of Risk and Sustainability Committee was held during the financial year ended 30 June 2024.

15. The board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with;

19. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr. No.	Requirement	Explanation of Non-Compliance	Regulation Number
1	**Role of the Board and its members to address Sustainability Risks and Opportunities** The board is responsible for governance and oversight of sustainability risks and opportunities within the Company by setting the Company's sustainability strategies, priorities and targets to create long term corporate value.	During the year, SECP introduced new regulation 10A in the Regulations on 12 June 2024. Currently, the management is assessing this amendment and compliance thereof, as applicable, will be performed in due course of time.	10(A)
2	**Directors' Training** It is encouraged that by 30 June 2022, all directors on the Board have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.	Eight directors of the Company have acquired Directors' Training Program certification The Company has planned to arrange Directors' Training Program certification for remaining two directors before 30 June 2025.	19(1)
3	**Directors' Training** Companies are encouraged to arrange training for at least one female executive every year under Directors' Training Program from year July 2020.	The Company is in the process of complying with this non-mandatory provision of the Regulations for arranging Directors' Training Program for its female staff during the year ending on 30 June 2025.	19(3)
4	**Directors' Training** Companies are encouraged to arrange training for at least one head of department every year under the Directors' Training Program from July 2022.	The Company has planned to arrange Directors' Training Program certification for head of department in next few years.	19(3)
5	**Responsibilities of the Board and its members** The Board is responsible for adoption of corporate governance practices by the Company.	Non-mandatory provisions of the Regulations are partially complied. The Company is deliberating on full compliance with all the provisions of the Regulations.	10(1)

20. The three elected independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. As they fulfill the necessary requirements as per applicable laws and regulations, hence, appointment of a fourth independent director is not warranted.

SHAUKAT HASSAN
Chairman

HASSAN TAHIR
Chief Executive Officer

September 20, 2024
Lahore

COMPANY **POLICIES**

CORPORATE SOCIAL **RESPONSIBILITY**

HTL's sustainability and CSR policy shows the commitment of the company towards the well-being of the society. The company's sustainability and CSR policy is in line with SECP's CSR Voluntary Guidelines 2013 and Companies Act 2017. The main purpose of this policy is to give a direction to the company at all levels that how can it contributes in the betterment of the society in which it operates. This policy of the company revolves around the three main areas of the social interest that includes Education, Environment and Healthcare. Overall company's strategies are made by considering all these important factors. HTL is bestowed by various awards in recognition of its extra ordinary efforts towards improving the lives of the people. HTL has adopted the standards introduced by United Nation Global Compact (UNGC) and also got certified from it. On effective compliance of the guidelines, HTL is awarded a second prize from UNGC.

SOCIAL AND ENVIRONMENTAL **RESPONSIBILITY**

The main objective of this policy is to ensure that HTL's business operations and activities will not have adverse effects on the society as well as the environment in which it operates. Having a social and environmental policy in hand makes the HTL responsible to comply with all legislations and other requirements that is associated with its business operations and activities. HTL is committed to sponsor social welfare programs and to work for greener Pakistan initiative to avoid environmental pollution

TRANSACTIONS WITH **RELATED PARTY**

The purpose of this policy is to ensure the proper approval and reporting of transactions between the company and its related parties, subsidiary and associated undertakings by following the guidelines of Companies Act 2017, Code and any other relevant law, if any. The policy enumerates identification and disclosure mechanism. The nature of the transactions that take place between HTL and related parties includes but not limited to sale, purchase or supply of any goods or materials, selling or otherwise disposing of, or buying, property of any kind, leasing of property of any kind, availing or rendering of any services, appointment of any agent for purchase or sale of goods, materials, services or property and such related party's appointment to any office or place of profit in the company, its subsidiary company or associated company. In cases where company has entered in any transaction with related party disclosures are required to be made, that includes but not limited to, in respect of name of company or undertaking, nature and amount of transaction, method used for transaction and arm's length.

SAFETY OF **RECORDS**

HTL has devised an effective policy for the safety of records, which ensures the security of all physical and electronic data / record by including access controls besides 'real-time' on-site and remote backup of all data. The purpose of the policy is to ensure the preservation of Company records of significant or permanent value for periods exceeding the legally stipulated timeframe in an efficient, secure and easy to retrieve manner either physically or in electronic format or both. Our IT department is responsible for back-ups of all the electronic records. Proper SOP's are also in place for complete guidelines.

CONFLICT OF **INTEREST**

Conflict of Interest Policy has been developed to inform members of the Board of their principal legal obligations to HTL and to provide a method for identification, disclosure and resolution of potential conflicts of interest under the guidelines, if any, of Companies Act, 2017, the Article of Association of the Company, other relevant laws and best practices. This policy also aims to provide a framework for all Board Members to disclose actual and perceived conflicts of interest. It provides guidance on what constitutes a Conflict of Interest and how it will be managed and monitored by HTL. The Board encourages directors to resolve any issues or concerns at the earliest opportunity. While some conflicts will be resolved by an informal discussion between the parties, others will need a process for successful resolution.

SECURITY CLEARANCE **OF FOREIGN DIRECTORS**

HTL's Board has defined the complete procedure for the appointment and security clearance of any foreign national as a member of the Board. As per the policy, Company secretory is responsible for all the matters regarding security clearance of foreign director. Company Secretory files all the required forms, declarations, certified undertaking and other particulars to the SECP for clearance from the relevant Govt. Agencies.

INFORMATION TECHNOLOGY (IT) **GOVERNANCE**

Our IT Governance Policy delineates guidelines to ensure the effective input and decision making for achieving the organizational goals. Due to importance of IT in HTL, CEO directly oversees IT governance and input on strategic alignment, value delivery and resource management. Board oversees investment and risk regarding IT through Investment Committee (IC) and Risk Management Committee (RMC) respectively.

IT governance policy includes following key aspects:

- Data security
- Data storage and backup
- Availability of data in a manner to ensure informed decision making
- Ensuring safety of IT assets and resources
- Promoting transparency, accountability and governance
- Alignment of IT objectives with the corporate strategy

WHISTLE **BLOWING**

HTL have a properly documented and implemented whistle blowing policy to ensure doing the business lawfully, ethically and with integrity. The prime objective of the formulation of this Whistle-blowing Policy (WBP) is to encourage employees and professional associates of the Company to formally bring to the notice of an appropriate official their concerns about or knowledge of an actual or suspected wrongdoing noticed by them. No whistle-blower is subjected to any harassment or victimization (including informal pressures). If however, an allegation is made frivolously, maliciously or for personal gain, it will be treated as a breach of discipline and dealt with in accordance with applicable rules.

Due to strong governance and sound ethical practices, no instance of whistle blowing was witnessed at HTL.

DIVERSITY

To ensure the diversity at HTL's Board, a female, Ms. Mavira Tahir, has been appointed as non-executive director. Diversity at Hi-Tech Lubricants Limited is about commitment to equality and the treatment of all individuals with respect. HTL is dedicated to growing a rich culture, diverse workforce and a work environment in which every employee is treated fairly, respected and has the opportunity to contribute to business success, while being given the opportunities to realize their full potential as individuals. HTL further ensures that employment and employee development decisions are purely objective and encourages every individual to feel important part of the organization. Our purpose is to ensure a diverse workplace where all the people are encouraged to perform at a significant level irrespective of the following characteristics:

- age
- disability
- gender
- marital status
- maternity and other medical conditions
- race (includes color,cast, nationality and ethnic origins)
- religion and or belief
- physical appearance

COMMUNICATION

The Board of Directors of HTL has defined and implemented Communication Policy while considering the fact that Clear, Correct, Complete, Concrete, Concise, Considered and Courteous communication (7-Cs of Communication) are essential for positive, and effective internal communication and for a productive and satisfying work environment, which is also one of the extremely critical elements of creating a successful and highly engaged organization.

This Communication Policy of HTL also contains

1. Role of Board of Directors;
2. Policy Scope, Intentions and Objectives
3. Principles of Communication and Communication Systems
4. Procedures and Methods of Communication
5. Roles and Responsibilities of Executive and Senior Managements

DISCLOSURE

The Board of Directors of HTL has defined and implemented Disclosure Policy while considering the fact that public access to information is a key component of effective engagement with all of its stakeholders in the fulfilment of its mandate. The Board believes that its obligation to promptly make disclosure of any Material / Share Price Sensitive Information to the corporate regulatory bodies, stakeholders, shareholders, and the general public should be fulfilled expeditiously and on timely basis.

This Disclosure Policy of HTL also contains

1. Role of Board of Directors;
2. Role of CEO/ ED/ CS
3. Policy Purposes and Objectives
4. Policy Scope and Basis Principles of Disclosures
5. Standards and Methods of Disclosures
6. Framework for Disclosures and Handling of Material Information
7. Quiet and Close Periods
8. Financial Forecasts and Future Predictions
9. Responses to Third Party Financial Forecasts and Market Rumors
10. Avoidance of un-authorized representations on behalf of HTL
11. Confidentiality of Insider Information
12. Responsible Individual Behaviour
13. Compliance to applicable laws and regulations

STAKEHOLDERS **ENGAGEMENT**

Hi-Tech Lubricants Limited ("HTL") is committed at all times to disclose and distribute all the information to the public in full and in a timely and accurate manner, in accordance with the listing rules stipulated by the Pakistan Stock Exchange ("PSX"), as well as the Securities and Exchange Commission of Pakistan ("SECP").

All disclosures and announcements submitted to the PSX via SECP will be made available on the Company's Investors Relations website. In the unlikely event when information previously undisclosed were made known to the public, the Company will promptly announce the related appropriate information to the public through PSX and the corporate website.

Convey all the essential and relevant disclosure and information to shareholders and other prospective investors in a balanced, effective, accurate, timely and plain language.

The Company will only communicate through our officially nominated spokespersons, which will also maintain and conduct regular dialogue sessions with shareholders to seek and understand their views, as well as to answer queries made by the investors or media.

COMMUNICATION **CHANNELS**

- AGM (Annual General Meeting) and EGM (Extraordinary General Meeting) if applicable;
- Financial results presentation slides and financial results on a quarterly basis;
- Presentation to media and analysts' on half-year and full-year financial results,
- Other individual or group meetings, conference calls, investor luncheons, road shows and conferences local/overseas;
- Publications and circulars, such as annual reports, press releases and statements of major developments, or explanatory notes will be available on the corporate website;
- Corporate website address (www.hitechlubricants.com)
- Shareholders and prospective investors can contact the Company's investor relations team at 111-645- 942 or by emailing to info@masgroup.org

DIVIDEND **POLICY**

HTL Management views a dividend policy as an integral part of their corporate strategy. Dividend policy includes consideration such as debt equity structure, availability of profits, cash flows, dividend form and manner and stability of dividend pattern in order to meet investor's expectations.

INVESTOR'S **GRIEVANCE**

The objective of this policy is to ensure that queries, complaints and grievances lodged/notified by public shareholders (the "Investors") are responded promptly, handled efficiently and resolved within reasonable possible time at an appropriate level. Corporate Compliance Department is responsible for supervising all the queries, complaints and grievances of Investors.

POINT OF **CONTACTS**

- All the Investors of HTL are required to contact company's Independent Share Registrar at Central Depository Company of Pakistan Limited, CDC House, 99-B, Block 'B', S.M.C.H.S. Main Shahra-e- Faisal, Karachi-74400 OR at info@cdcpak.com.pk OR at 021 111 111 500;
- Alternatively, Investors of HTL may also contact either calling at HTL's landline at 042 111 645 642 or by emailing at info@masgroup.org
- All the Queries/Complaints/Grievances of Investors of Company's received either by CDC-Share Registrar or at HTL's registered office are responded timely, handled on priority basis and resolved within the timelines specified in the Company's Policy.

HUMAN **RESOURCE**

HIRING

The objective of this policy is aimed at, and committed to, building and maintaining a diverse workforce with high standards and expectations for excellence. The Hi-Tech Lubricants Limited is an equal opportunity employer and seeks to employ individuals based upon their qualifications, experience, and ability to perform the position responsibilities. All applicants can expect a fair and completed evaluation of their application.

EMPLOYEE HEALTH **& MATERNITY**

Hi Tech Lubricants Limited provides health insurance policy to all its employees for medical reimbursement in case of outpatient as well as emergency treatment along with the employee's dependents. The maternity care is also covered by the company as per pre-defined limits for each employee level.

LEARNING & **DEVELOPMENT**

The aim of the Learning and Development policy is to provide the framework for comprehensive training and development opportunities for all employees within the Company. The purpose of this policy is to ensure following;

- High standards of work performance
- Greater understanding and appreciation of factors affecting work performance
- Sharing ideas and dissemination of good practice
- Effective management and implementation of change
- Building strong and effective teams
- Increased motivation and job satisfaction for individuals
- Professional development

JOB **ROTATION**

The purpose of this policy is to emphasize that the Company will exercise its discretion in transferring employees to other department/location or rotate them to other jobs within the organization in order to fulfill some specific operational conditions/requirements while keeping their future career progression in mind.

The policy mainly focuses upon achieving the following:

- To exercise flexibility of employment at inter & intra department and at cross functional level;
- To have additional trained management work force available;
- To facilitate and ensure smooth transition for employees earmarked to assume high level position.

PERFORMANCE **MANAGEMENT**

Performance management system is widely recognised as a bedrock policy upon which rests all other various functional activities and procedures. Hence, a well-designed performance management system helps us to attract, nurture, retain and develop human resource potentials of an organization.

Performance appraisal system is an integral part of the overall performance management system of Company, which creates favorable and enabling circumstances for inculcating fairness, internal & external equity and above all increasing employee motivation and job satisfaction.

SUCCESSION **PLANNING**

Succession planning is the Company strategic, systematic and deliberate activity that will ensure the availability and sustainability of a supply of capable employees that are ready to assume key or critical organizational roles as they become available within the company.

Succession planning entails development of high potential employees to become business leaders in future. HTL firmly believes in the growth of its employees and continuously focuses on the development of its existing talent.

INFORMATION TECHNOLOGY GOVERNANCE **AND CYBER SECURITY**

STATEMENT ON THE EVALUATION AND ENFORCEMENT **OF LEGAL AND REGULATORY IMPLICATIONS OF CYBER RISKS**

As part of its evaluation of all risks facing the business, the Board has also evaluated the cyber risks and enforcement of legal and regulatory implications in case of any breaches. The Company has taken sufficient measures to ensure its network security and has implemented stringent controls to protect its data privacy, the Board has not rated the cyber risks at a high level.

Our IT Governance Policy delineates guidelines to ensure the effective input and decision making for achieving the organizational goals. Due to importance of IT in HTL, CEO directly oversees IT governance and input on strategic alignment, value delivery and resource management. Board oversees investment and risk regarding IT through Investment Committee (IC) and Risk Management Committee (RMC) respectively.

IT governance policy includes following key aspects:

- Data security
- Data storage and backup
- Availability of data in a manner to ensure informed decision making
- Ensuring safety of IT assets and resources
- Promoting transparency, accountability and governance
- Alignment of IT objectives with the corporate strategy

IT GOVERNANCE AND CYBER **SECURITY PROGRAMS**

The Company has developed detailed information security policies, procedures and control framework which are benchmarked with high-level global standard for information security.

CYBERSECURITY AND BOARD'S **RISK OVERSIGHT**

Board oversees investment and risk regarding IT and cybersecurity through Investment Committee (IC) and Risk Management Committee (RMC) respectively. The budgets and capex for Network upgradation and strengthening cyber security are approved by the Board, after detailed presentation by the management. The objective of Information Security is to ensure continuity of business of the Company and minimize business damage by preventing and limiting the impact of security incidents

COMPANY'S CONTROLS ABOUT EARLY **WARNING SYSTEM**

The company has implemented robust controls and procedures, including an early warning system supported by Incident Management policies. IT administrators are promptly alerted to external system attacks through the configuration of Smart Alerts via email, ensuring swift response and mitigation.

POLICY RELATED TO INDEPENDENT SECURITY ASSESSMENT **OF TECHNOLOGY ENVIRONMENT**

In adherence to the Company's policy, comprehensive third-party assessments and reviews of the technology environment and network infrastructure are regularly conducted, complementing internal audits and reviews. These assessments ensure robust control mechanisms are in place to mitigate cybersecurity risks and assess the Company's readiness to respond to potential security incidents. Additionally, regular vulnerability assessments are performed to identify and address potential weaknesses.

Half-yearly external and internal penetration testing is also conducted, utilizing advanced tools such as Nessus, Kali Linux, and NMAP. The latest security assessment, completed recently, reflects the Company's commitment to maintaining a secure and resilient technology infrastructure.

CONTINGENCY AND DISASTER **RECOVERY PLAN**

The Company has an updated Disaster Recovery Plan in place to ensure the continuity of its business and operations during extraordinary circumstances. This comprehensive plan is designed to safeguard the company's operations and assets, including regular archival and system backups. The Disaster Recovery Plan is regularly tested to ensure the readiness of IT systems in case of a disaster. Additionally, an SOP is available and in place to ensure that business-critical applications are operated without interruption, both on-site and off-site.

The key highlights and actions of HTL's Recovery Plan are as follows:

1. Management has implemented robust IT security systems, real-time data backups, identification of primary and secondary sites, and critical personnel for disaster recovery. The development of this plan takes into account ongoing business needs and the operational environment.
2. A company-wide, detailed process documentation activity has been completed, mapping all processes to serve as SOPs and work instructions.
3. Employees receive multi-skill training to ensure the continuity of business activities.
4. Fire alarm systems are installed across all office premises, along with adequate fire extinguishing systems, to protect employees and assets.
5. The company ensures that both physical and virtual assets are backed up. Physical assets are insured, while virtual assets and data are routinely backed up.
6. Regular audits are conducted by the in-house internal audit function and third-party service providers to ensure that data recovery processes operate effectively.

This thorough disaster recovery approach provides HTL with strong resilience against operational disruptions and ensures uninterrupted functioning of business-critical applications which are operated without interruption (off site/ on site).

ADVANCEMENT IN DIGITAL TRANSFORMATION TO IMPROVE **TRANSPARENCY AND GOVERNANCE**

At the start of this year, we introduced AutoReady, a cutting-edge platform designed to enhance our existing e-commerce channels while reinforcing our digital presence. More than just a payment gateway, AutoReady is a pivotal component of our strategy to strengthen brand positioning in today's digital economy. By providing a seamless, user-centric shopping experience, the platform enables us to reach a wider audience, streamline inventory management, orders, and customer service, and ensure consistent, dependable service delivery.

This initiative aligns with the principles of the Fourth Industrial Revolution, or Industry 4.0, which revolutionizes business operations through interconnectivity, the Internet of Things (IoT), real-time data access, and cyber-physical systems. Industry 4.0 bridges the gap between the physical and digital, fostering enhanced collaboration across departments, partners, vendors, products, and teams. It empowers businesses to gain deeper control and insights into every facet of their operations, utilizing instant data to drive productivity, optimize processes, and fuel growth.

In this context, there are numerous technologies, such as ERP, IoT, RPA, Blockchain, AI, Big Data, and Cloud Computing, that underpin Industry 4.0. Companies must selectively invest in the technologies that best serve their strategic goals. In our case, we have implemented ORACLE as the foundation for leveraging Industry 4.0 solutions, enabling us to integrate digital innovation seamlessly into our business operations and ensure sustained growth and operational excellence in this transformative era.

EDUCATION AND TRAINING TO MITIGATE **CYBER SECURITY RISKS**

A comprehensive training session was conducted by an external expert for two of our IT administrators, providing in-depth knowledge and hands-on experience in managing and securing our network infrastructure through NG-Firewall systems. The training also covered advanced practices in Endpoint Security, equipping the administrators with the necessary skills to enhance the company's overall cybersecurity posture.

DISCLOSURE ON COMPANY'S USE OF **ENTERPRISE RESOURCE PLANNING (ERP) SOFTWARE**

DESIGN AND INTEGRATION OF CORE BUSINESS PROCESSES IN A SINGLE SYSTEM

Oracle stands as the preeminent ERP (Enterprise Resource Planning) software solution globally, offering a comprehensive suite of integrated business modules designed to capture and manage day-to-day operational transactions. At HTL, Oracle serves as the cornerstone for both transactional data storage and financial reporting. This encompassing framework comprises multiple modules, encompassing Sales, Finance, and Inventory Management, among others, which function seamlessly in harmony with one another, thus ensuring data integrity and fortified process controls. The inherent strength of Oracle ERP lies in its close-knit integration and centralized database architecture, obviating the need for redundant data entry. This seamless synergy enables the frictionless flow of information between various Oracle components, thus fostering operational efficiency. For HTL, the Oracle ERP system plays a pivotal role by providing the automation, integration, and intelligent capabilities essential for the smooth orchestration of all daily business operations. Furthermore, HTL relies heavily on Oracle ERP as the primary repository for organizational data, consolidating it into a singular, unassailable source of truth that permeates throughout the entirety of the business operations.

MANAGEMENT'S SUPPORT IN CONTINUOUS UPDATION OF ERP

The management team assumes a pivotal role in orchestrating the organization's technological advancement and ensuring its ongoing currency with the latest technological developments and updates. Its primary responsibility lies in the inception and implementation of novel initiatives within the organization, aimed at optimizing operational processes, enhancing efficiency, and fortifying controls to foster effective business management.

ORACLE USER TRAININGS

Our Information Technology department organizes a diverse range of training programs throughout the calendar year, tailored to meet the unique needs and objectives of various organizational departments.

MANAGEMENT OF CONTROL RISK FACTORS ON ERP PROJECTS

Prior to the initiation of the ERP project, a comprehensive and diligent study is conducted, encompassing all facets of the implementation process. This meticulous preparation involves the creation of a detailed 'to-be' document, which comprehensively outlines the anticipated changes resulting from the project, while also addressing the associated risks. The 'to-be' document serves as a holistic blueprint, encapsulating the entire process map, which garners unanimous support and commitment from all business functions. This inclusive approach ensures a unified vision of the impending transformation.

In the pursuit of excellence, the processes undergo rigorous testing and scrutiny, with meticulous attention to detail, prior to finalization. This rigorous examination is designed to ensure that all requirements are met and that the requisite controls are in place, thus ensuring the achievement of effective and efficient business outcomes.

SYSTEM SECURITY AND ACCESS CONTROLS

The company enforces stringent system security measures, including multi-factor authentication and regular security audits, to safeguard sensitive data and protect against unauthorized access.

Access controls are meticulously maintained, with role-based permissions and continuous monitoring, to ensure that only authorized personnel can access critical systems and information.

CHAIRMAN'S SIGNIFICANT COMMITMENTS **AND ANY CHANGES THERETO**

Mr. Shaukat is serving Hi-Tech Lubricants Limited as the Chairman of the Board. He does not have any significant commitment other than being the Chairman of the Board.

EXTERNAL SEARCH CONSULTANCY FOR **APPOINTMENT OF ANY DIRECTOR**

No external search consultancy was used for appointment of any director on the Board.

INDEPENDENT AUDITOR'S **REVIEW REPORT**
TO THE MEMBERS OF HI-TECH LUBRICANTS LIMITED

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE **CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Hi-Tech Lubricants Limited (the Company) for the year ended 30 June 2024 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2024.

RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore
Date: September 23, 2024

ENGAGEMENT WITH **STAKEHOLDERS AND COMMUNITY**

At HTL, we value our Stakeholder, our Engagement Policy serves as the cornerstone of our commitment to building and nurturing robust relationships with our diverse stakeholders.


SK ZIC
HTL STATION
Business that FUEL Your Dreams
OCTANE TOP
SUPER X7

STAKEHOLDERS RELATIONSHIP **AND ENGAGEMENT**

STAKEHOLDERS POLICY

At HTL, our Stakeholder Engagement Policy serves as the cornerstone of our commitment to building and nurturing robust relationships with our diverse stakeholders. We recognize that our stakeholders encompassing:

play integral roles in our business ecosystem. Our policy underscores our unwavering dedication to principles of transparency, accountability, and responsible corporate governance.

Through meticulous assessments, we have identified our stakeholders based on their relevance and influence on our operations. We are committed to fostering open and transparent communication, actively seeking stakeholder input, and promptly addressing inquiries and concerns. Leveraging a multifaceted approach to engagement, including meetings, surveys, digital platforms, and our corporate website, we endeavor to gather valuable insights and foster an environment of collaborative dialogue. Stakeholder feedback drives our continuous improvement efforts, enabling us to enhance our business practices, products, and services while upholding ethical and sustainable standards. Our commitment extends to legal compliance, and we conduct assessments to gauge the effectiveness of our engagement initiatives.

By adhering to these principles, we aim to cultivate enduring, mutually beneficial relationships with our stakeholders, driving shared value and contributing to the long-term success and sustainability of our organization.

STAKEHOLDER **IDENTIFICATION**

Our process of stakeholder identification is a rigorous and ongoing endeavor. It involves a thorough analysis of the relevance and impact of various stakeholder groups on our operations. Our engagement initiatives are focused on those stakeholders who have a genuine interest and influence on our business. This process ensures that our interactions and communication efforts are strategic, meaningful, and aligned with our commitment to responsible corporate citizenship and ethical business practices.

STAKEHOLDERS' ENGAGEMENT PROCESS AND **THE FREQUENCY OF SUCH ENAGEMENTS DURING THE YEAR**

Our stakeholder engagement process is designed to maintain open and constructive dialogue with key stakeholders, recognizing the impact they have on our business. Here's an overview of our engagement process and the frequency of engagements during the year for each stakeholder group

1. SHAREHOLDERS

A major reason why we exist is because our shareholders continue to place trust in our ability to increase the value of their investment. They are the owners of the Company. The Company protects their interest by providing return on their investment in the shape of dividend and by making decisions in line with increasing their wealth.

IDENTIFICATION

We identify shareholders, both institutional and individual, holding shares in our company.

FREQUENCY OF SUCH ENGAGEMENTS

Nature of engagement	Frequency
Annual general meeting	Annually
Reporting	Quarterly, half yearly and annually
Corporate briefing session	Annually
Website	Continuous
Any other material information	Promptly through PSX

IMPACT ON PERFORMANCE AND VALUE OF THE COMPANY

Positive relationships with shareholders can lead to increased confidence on the Company, improved stock performance, and reduced volatility.

MANAGEMENT OF RELATIONSHIP WITH SHAREHOLDERS

The Company manages these relationships and ensures timely and accurate communication.

2. CUSTOMERS

At HTL, we place a high value on engaging with our customers to build strong relationships, gather feedback, and provide excellent service. Our customer engagement process is designed to ensure consistent and meaningful interactions throughout the year. Here's an overview of our customer engagement process and the frequency of engagements:

IDENTIFICATION

We maintain a comprehensive database of our customers, including both current and past clients. This database allows us to identify and categorize customers based on factors such as purchase history, industry, and engagement level.

FREQUENCY OF SUCH ENGAGEMENTS

Employees and society both are very important stakeholder for HTL. Their engagements are stated under Human Resource Highlights and Sustainability and Corporate Social Responsibility sections of the Report.

Nature of engagement	Frequency
Feedback Mechanisms	Customer Satisfaction Surveys: We carries various surveys to gather feedback on our products, services, and customer support.
Functions and Events	Throughout the year, we host a variety of events tailored for our valued handlers' distributors and retailers. These events serve as platforms for networking, product updates, and fostering stronger business relationships.

Customer Support	Ongoing Support: Our customer support team is available year-round to assist customers with any issues or questions they may have.
Regular Communication	Our customer communication strategy relies on the use of two specialized software systems: The Distribution Management System (DMS) and the Handler Management System (HMS). These systems serve as essential tools for our distributors and handlers, allowing them to input orders, sales data, and other critical information. Through the seamless integration of DMS and HMS, we ensure efficient and accurate communication, ultimately strengthening our relationships with customers and partners. Our dedicated sales staff maintains regular communication with retailers, ensuring efficient order processing and addressing their needs.

IMPACT ON PERFORMANCE AND VALUE OF THE COMPANY

Effective customer engagement has a profound impact on our company's performance and value:

ACHIEVEMENT	EXPLANATION
Customer Loyalty	Building strong relationships with customers' fosters loyalty, reducing customer churn and increasing customer lifetime value.
Product Improvement	Customer feedback drives product enhancements and improvements, ensuring that our offerings meet their evolving needs.
Referrals and Recommendations	Satisfied customers are more likely to refer new business to us and recommend our products or services to others.
Brand Reputation	Positive customer experiences contribute to a strong brand reputation, attracting new customers and partners.

MANAGEMENT OF RELATIONSHIP WITH CUSTOMERS

Our Sales teams oversee customers' relationship.

3) SUPPLIERS

At HTL, we value our suppliers as essential stakeholders in our business operations.

IDENTIFICATION

We identify our key suppliers based on their significance to our supply chain and their role in ensuring the quality and reliability of our products.

FREQUENCY OF SUCH ENGAGEMENTS

Nature of engagement	Frequency
Regular Meetings	Regular meetings or calls are held with key suppliers to discuss performance, upcoming projects, and any potential challenges or opportunities.
Ethical and Sustainability Updates	We provide annual updates on our ethical and sustainability initiatives, ensuring our suppliers are aware of our commitments and expectations in these areas.
Issue Resolution	Any issues that arise are addressed promptly and transparently, with open lines of communication between our teams to ensure swift resolution.

IMPACT ON PERFORMANCE AND VALUE OF THE COMPANY

The relationships with our suppliers significantly affect our company's performance and value in several ways as detailed below:

ACHIEVEMENT	EXPLANATION
Operational Efficiency	Strong supplier relationships contribute to smooth supply chain operations, thereby improving overall operational efficiency.
Product Quality	Collaborative relationships with suppliers lead to better product quality and reliability, enhancing customer satisfaction and brand reputation.
Cost Management	Effective supplier partnerships can result in cost savings through negotiated pricing and efficient inventory management.
Innovation	Open communication with supplier's fosters innovation and new product development, helping us stay competitive and responsive to market demands.
Risk Mitigation	Trusted supplier relationships can help identify and mitigate supply chain risks, ensuring a consistent flow of materials and avoiding disruptions.

MANAGEMENT OF RELATIONSHIP WITH SUPPLIERS

Our approach to managing supplier relationships includes:

ACHIEVEMENT	EXPLANATION
Clear Expectations	We establish clear expectations for quality, delivery, and ethical standards with our suppliers from the outset.
Communication	We maintain open and regular communication channels to discuss issues, updates, and performance feedback.
Performance Evaluation	Suppliers are regularly evaluated against key performance indicators, and feedback is provided to drive improvement.
Issue Resolution	When issues arise, we employ a structured approach to resolve them swiftly, fostering trust and minimizing disruption.
Continuous Improvement	We continuously seek opportunities to improve supplier relationships, whether through better communication, new technology adoption, or enhanced training.

4. BANKS

IDENTIFICATION

We work closely with our finance department to identify and maintain relationships with banks.

FREQUENCY OF SUCH ENGAGEMENTS

Nature of engagement	Frequency
Direct relationship	Regular
Meetings	As needed
Financial reporting	Periodic
Website	Continuously available

IMPACT ON PERFORMANCE AND VALUE OF THE COMPANY

Positive relationships with banks lead to favorable financing terms and access to capital when needed.

MANAGEMENT OF RELATIONSHIP WITH BANKS

Our Chief Financial Officer and Finance team manage these relationships and ensure compliance.

5. MEDIA

Media is very important stakeholder for building HTL brand presence and to engage other stakeholders. Its nature of engagements and their frequency are stated below:

IDENTIFICATION

We monitor and engage with relevant media outlets.

FREQUENCY OF SUCH ENGAGEMENTS

Nature of engagement	Frequency
Advertisements	Periodic in accordance with marketing strategy
Press release	Periodic as required by law

IMPACT ON THE PERFORMANCE AND VALUE OF THE COMPANY

Effective media relationships help shape public perception and positively impact brand reputation.

MANAGEMENT OF RELATIONSHIP WITH MEDIA

Our Communications and marketing department handle media interactions and messaging.

6. EMPOLYEES AND SOCIETY

Employees and society both are very important stakeholder for HTL. Their engagements are stated under Human Resource Highlights and Sustainability and Corporate Social Responsibility sections of the Report.

7. REGULATORS

IDENTIFICATION

We maintain ongoing communication with regulatory bodies.

FREQUENCY OF SUCH ENGAGEMENTS

Nature of engagement	Frequency
Reporting	All the statutory returns, Annual & Quarterly Accounts of the Company are filed through SECP e Services within prescribed time limitations, and to SECP-ISD through email at financial.statements@secp.gov.pk.
Financials and other Material & Price Sensitive Information	Financials and other Material & Price Sensitive Information are also circulated to PSX through PUCARS immediately, and to SECP-ISD as and when need arises.

IMPACT ON THE PERFORMANCE AND VALUE OF THE COMPANY

Positive relationships with regulators lead to smoother compliance processes, fewer regulatory hurdles, and reduced risks.

MANAGEMENT OF RELATIONSHIP WITH REGULATORS

Relationship with SECP and PSX are managed through strict compliance to all applicable corporate laws/rules/regulations/notifications, notably the Companies Act, 2017, Securities Act, 2015, Listed Companies (Code of Corporate Governance) Regulations, 2019, PSX Rulebook.

8. ANALYSTS

IDENTIFICATION:

We maintain a list of key analysts.

FREQUENCY OF SUCH ENGAGEMENTS

Annual corporate briefing session organized by the Company.

IMPACT ON THE PERFORMANCE AND VALUE OF THE COMPANY

Strong relationships with analysts lead to favorable coverage, increased investor interest, and a better understanding of our business.

MANAGEMENT OF RELATIONSHIP WITH ANALYSTS

Our Chief Financial Officer handles analyst engagements.

STEPS TAKEN TO ENCOURAGE THE MINORITY **SHAREHOLDERS PARTICIPATION IN THE ANNUAL GENERAL MEETING**

The Company places significant importance on fostering a strong and inclusive relationship with all its shareholders, particularly minority shareholders, who play a vital role in our corporate community. To encourage their active participation in the Annual General Meeting (AGM), we have implemented the following steps:

To encourage our minority shareholders' active participation in the Annual General Meeting (AGM), we have implemented the following steps:

- Notice of AGM is disseminated at least twenty-one days before meeting.
- Notice of AGM is published in one English and one Urdu newspaper having country-wide circulation.
- Notice of AGM is placed on Company's website
- Notice of AGM is placed on PSX website through PUCAR.
- We also enhance accessibility by providing a QR code for the annual report

along with the printed proxy form to all shareholders along with the AGM notice. This QR code simplifies access to the annual report, while the proxy form empowers shareholders to designate a representative for attending and voting on their behalf at the meeting.

In addition to above, all the shareholders are given right to speak and ask questions, as per the legal requirements, to encourage their participation and involvement.

INVESTORS' RELATIONS SECTION ON THE **CORPORATE WEBSITE**

In adherence to our commitment to transparency and strong shareholder relations, HTL maintains a dedicated and regularly updated investor section on its corporate website, accessible at https://www.hitechlubricants.com/investor. This section offers a wealth of comprehensive information that is valuable and informative for both current and potential investors. Included within this section are extensive details encompassing corporate information, annual reports, financial highlights, quarterly and half-yearly reports, and other essential information pertinent to investor interests. The website undergoes frequent updates to ensure that all investors and stakeholders have access to open, accurate, and current information. In full compliance with pertinent laws and regulations, HTL ensures that all relevant details are readily accessible on its official website.

CORPORATE BRIEFING **SESSION (CBS)**

HTL maintains a robust relationship with the investor community through annual corporate and analyst briefings. These sessions facilitate direct interaction between HTL's management and investors, providing a platform to share insights on financial performance, business outlook, the competitive landscape, and the Company's operational perspective. HTL enjoys strong ties with institutional investors and analysts.

Additionally, in compliance with Pakistan Stock Exchange regulations, HTL conducted its formal Corporate Briefing Session for the year ended June 30, 2023, on November 24, 2023, via video link using the Zoom application. This session was open to all shareholders and analysts.

During the session, our management delivered a comprehensive presentation covering operational and financial performance, the competitive business environment, challenges, and our future outlook. The presentation was followed by an engaging question and answer session that effectively addressed the audience's queries.

ISSUES RAISED IN THE LAST **ANNUAL GENERAL MEETING**

During the Fourteenth (15th) Annual General Meeting (AGM) convened on October 27, 2023, shareholders sought clarifications related to the Company's financial performance and published financial statements. It is worth noting that these queries were effectively addressed and resolved to the satisfaction of the shareholders. Beyond these routine inquiries, no substantial issues were raised during the meeting.

REDRESSAL OF **INVESTOR COMPLAINTS**

Throughout the fiscal year, no formal complaint was lodged by any of the Company's shareholder, reflecting our commitment to transparent and effective shareholder relations.

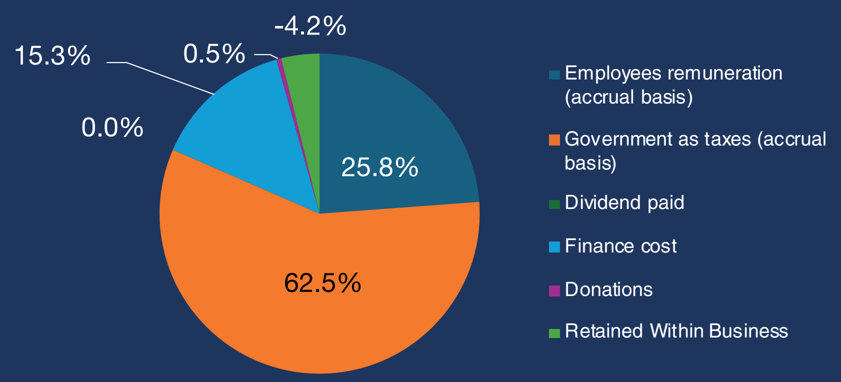
VIDEO **PRESENTATION**

The Chief Executive Officer's video presentation has been uploaded and is now accessible on the Company's official website, which can be visited at www.hitechlubricants.com.

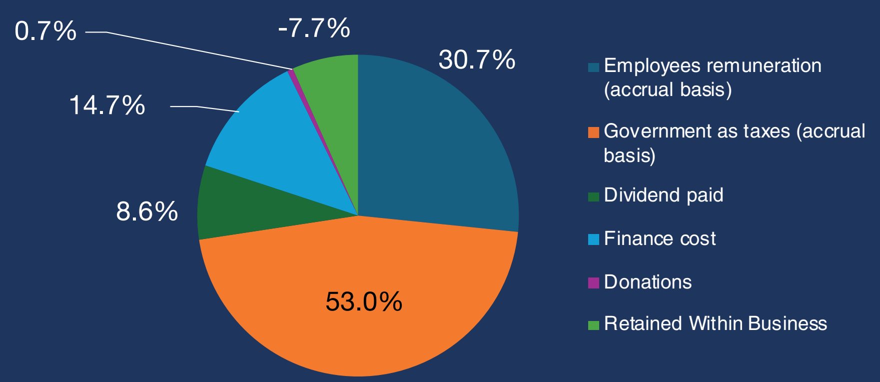
STATEMENT OF VALUE ADDITION AND ITS DISTRIBUTION

Particulars	HTL			
	2024	2024	2023	2023
Revenue	26,130,963,320		17,184,202,017	
Cost of Sales	22,571,816,010		13,944,983,410	
Wealth Generated	3,559,147,310	100%	3,239,218,607	100%
Employees remuneration (accrual basis)	918,958,186	25.8%	994,661,206	30.7%
Government as taxes (accrual basis)	2,226,041,214	62.5%	1,718,215,808	53.0%
Dividend paid	-	0.0%	278,409,600	8.6%
Finance cost	544,046,620	15.3%	474,616,854	14.7%
Donations	19,038,480	0.5%	22,037,093	0.7%
Retained Within Business	(148,937,190)	-4.2%	(248,721,954)	-7.7%

DISTRIBUTION OF WEALTH GENERATED -2024



DISTRIBUTION OF WEALTH GENERATED - 2023



PATTERN OF **SHAREHOLDING**
AS OF **JUNE 30, 2024**

THE COMPANY ACT, 2017 **Form 20**

THE COMPANIES REGULATIONS, 2024

[Section 227(2)(f) & Regulation 30]

PATERN OF SHAREHOLDING

PART-I

1.1 Name of the Company	HI-TECH LUBRICANTS LIMITED
2.1 Pattern of holding of the shares held by the shareholders as at	JUNE 30, 2024

PART-II

2.2 Number of Shareholders	Shareholding Slabs				Total Shares Held
560	Shareholding from	1	to	100	19,453
740	Shareholding from	101	to	500	249,627
1472	Shareholding from	501	to	1000	1,045,217
1752	Shareholding from	1001	to	5000	4,202,039
357	Shareholding from	5001	to	10000	2,716,404
173	Shareholding from	10001	to	15000	2,194,450
87	Shareholding from	15001	to	20000	1,587,614
62	Shareholding from	20001	to	25000	1,444,501
33	Shareholding from	25001	to	30000	929,088
13	Shareholding from	30001	to	35000	424,577
20	Shareholding from	35001	to	40000	776,593
6	Shareholding from	40001	to	45000	254,096
24	Shareholding from	45001	to	50000	1,181,914
3	Shareholding from	50001	to	55000	159,200
9	Shareholding from	55001	to	60000	536,000
4	Shareholding from	60001	to	65000	258,300
6	Shareholding from	65001	to	70000	414,800
2	Shareholding from	70001	to	75000	145,800
1	Shareholding from	75001	to	80000	78,000
6	Shareholding from	80001	to	85000	497,741
1	Shareholding from	90001	to	95000	90,838
11	Shareholding from	95001	to	100000	1,080,714
1	Shareholding from	100001	to	105000	102,500
2	Shareholding from	105001	to	110000	219,306
4	Shareholding from	110001	to	115000	455,900
1	Shareholding from	115001	to	120000	120,000
2	Shareholding from	120001	to	125000	250,000
2	Shareholding from	130001	to	135000	262,607
2	Shareholding from	145001	to	150000	298,800
2	Shareholding from	150001	to	155000	304,335
2	Shareholding from	170001	to	175000	347,500
1	Shareholding from	180001	to	185000	183,500
2	Shareholding from	195001	to	200000	400,000
1	Shareholding from	205001	to	210000	206,496
1	Shareholding from	210001	to	215000	211,000
2	Shareholding from	235001	to	240000	478,000
2	Shareholding from	255001	to	260000	514,100
2	Shareholding from	295001	to	300000	600,000
2	Shareholding from	300001	to	305000	603,221
1	Shareholding from	325001	to	330000	327,560
2	Shareholding from	335001	to	340000	678,600
1	Shareholding from	345001	to	350000	350,000
2	Shareholding from	355001	to	360000	720,000
1	Shareholding from	370001	to	375000	374,000
1	Shareholding from	380001	to	385000	382,987

2.2 Number of Shareholders	Shareholding Slabs				Total Shares Held
1	Shareholding from	395001	to	400000	400,000
1	Shareholding from	445001	to	450000	448,800
1	Shareholding from	515001	to	520000	517,600
1	Shareholding from	550001	to	555000	552,500
1	Shareholding from	805001	to	810000	808,111
1	Shareholding from	830001	to	835000	831,282
1	Shareholding from	955001	to	960000	960,000
1	Shareholding from	990001	to	995000	993,330
1	Shareholding from	1090001	to	1095000	1,094,000
1	Shareholding from	1125001	to	1130000	1,128,045
2	Shareholding from	1500001	to	1505000	3,000,120
1	Shareholding from	1995001	to	2000000	2,000,000
2	Shareholding from	2435001	to	2440000	4,875,194
3	Shareholding from	6000001	to	6005000	18,000,540
2	Shareholding from	9000001	to	9005000	18,000,720
1	Shareholding from	27955001	to	27960000	27,958,500
1	Shareholding from	28955001	to	28960000	28,958,680
5,403					**139,204,800**

Categories of Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer and their spouse(s) (include shareholders holding 10% or more) and minor children	96,195,774	69.10
Associated Companies, undertakings and related parties	10,264,736	7.37
NIT & ICP	-	
Banks Development Financial Institutions, Non Banking Financial Financial Institutions.	-	
Insurance Companies	-	
Modarabas and Mutual Funds	400	-
Share holders holding 10% (public)		
General Public		
a. Local	25,202,334	18.10
b. Foreign	872,348	0.63
Others (to be specified)	6,669,208	4.80
(Instutitional Shareholders/Firms/Companies/Brokers etc.)		
Totals	**139,204,800**	**100.00**


SK ZIC
HTL
STATION

NOTICE OF **16TH ANNUAL GENERAL MEETING**

Notice is hereby given that 16th Annual General Meeting of shareholders of Hi-Tech Lubricants Ltd. (the "Company") will be held on Saturday October 26, 2024 at 11:30 Hours at the Auditorium of Lahore Chamber of Commerce and Industry (LCCI) ,11-Shahrah-e-Aiwan-e-Tijarat, Lahore and via video link / Zoom application to transact following businesses:

ORDINARY **BUSINESS**

1. To confirm minutes of 15th Annual General Meeting held on 27.10.2023, as submitted to PSX.
2. To receive, consider and adopt Annual Audited Financial Statements of the Company for the year ended June 30, 2024 together with Auditor's and Board of Directors' reports thereon.
3. To appoint Auditors of the Company for next financial year 2024-25 and to fix their remuneration. Present auditors M/s Riaz Ahmad & Co. Chartered Accountants, retired and being eligible, offer themselves for reappointment as Auditors of the Company.
4. To elect ten (10) Directors as fixed by the Board of Directors in accordance with the provisions of section 159 of the Companies Act, 2017 for the next term of three years commencing on October 26, 2024. Names of the retiring directors are; (1) Mr. Shaukat Hassan, (2) Mr. Hassan Tahir, (3) Mr. Muhammad Ali Hassan, (4) Ms. Mavira Tahir, (5) Mr. Faraz Akhtar Zaidi, (6) Ms. Mehvish Khan, (7) Mr. Wonjin Yoon, (8) Mr. Shafiq ur Rehman, (9) Dr. Safdar Ali Butt, (10) Syed Asad Abbas Hussain. All the retiring directors are eligible for re-election.

SPECIAL **BUSINESS**

5. To consider, and if thought fit, to pass following resolutions, with or without modifications, as special resolutions, (a) to ratify and approve transactions carried out with associated undertaking Sabra Hamida Trust (SHT) during financial year ended June 30, 2024 and (b) & (c) to authorize Board of Directors to approve all related party transactions carried out and to be carried out with SHT during financial year ending June 30, 2025.

   (a) "**Resolved that** following transactions as carried out by the Company with related party Sabra Hamida Trust (SHT) during financial year ended June 30, 2024 be and are hereby ratified and approved".

Name(s)	Nature of Transactions	Amount (Rupees)
Sabra, Hamida Trust (SHT)	Donations under CSR Policy	18,000,000/-

   (b) "**Further resolved that** Board of Directors of the Company be and is hereby authorized to approve all transactions carried out and to be carried out with SHT up to the amount of PKR 30 Million during financial year ending June 30, 2025."

   (c) "**Further resolved that** all transactions of the Company with SHT during financial year ending June 30, 2025, including as approved by Board of Directors under above authorization, shall be deemed to have been approved by shareholders, and same shall also be placed before shareholders in next annual general meeting for their formal ratification / approval."

6. To consider, and if thought fit, to pass following resolutions, with or without modifications, as special resolutions (a) to ratify and approve transactions carried out with wholly owned subsidiary company Hi-Tech Blending (Private) Limited (HTBL) during financial year ended June 30, 2024 and (b) & (c) to authorize Board of Directors to approve all related party transactions carried out and to be carried out HTBL during financial year ending June 30, 2025;

   (a) "**Resolved that** following transactions as carried out by the Company with related party and wholly owned subsidiary company Hi-Tech Blending (Private) Limited (HTBL) during financial year ended June 30, 2024 be and are hereby ratified and approved"

Name(s)	Nature of Transactions	Amount (PKR)
Hi-Tech Blending (Private) Limited (HTBL) (HTBL is a wholly owned subsidiary company of HTL)	Sale of Lubricants	1,926,474
	Sale of Packing Materials and Parts	105,257,378
	Purchase of Lubricants	6,064,354,523
	Dividend Received	650,000,300
	Lease Rentals Paid	3,000,000
	Short term loan given	391,900,000
	Short term loan repaid	877,400,000
	Interest Received on Short Term loan	115,829,997

   (b) "**Further resolved that** Board of Directors of the Company be and is hereby authorized to approve all transactions carried out and to be carried out with HTBL during financial year ending June 30, 2025."

   (c) "**Further resolved that** all the transactions of the Company with HTBL during financial year ending June 30, 2025, including as approved by Board of Directors under above authorization, shall be deemed to have been approved by shareholders, and same shall also be placed before shareholders in next annual general meeting for their formal ratification / approval."

7. To consider and approve the sale of freehold land of the Company measuring 1 Kanal and 5 Marlas situated at 22 - A, Zafar Ali Road, Lahore by passing following resolution(s) as ordinary resolution(s) with or without any modification, addition or deletion in terms of Section 183(3)(a) of the Companies Act, 2017:

   (a) **"Resolved that** approval of the members of Hi-Tech Lubricants Limited (the **"Company"**) be and is hereby accorded in terms of Section 183(3)(a) of the Companies Act, 2017 to the disposal and sale of Company's freehold land measuring 1 Kanal and 5 Marlas situated at 22 - A, Zafar Ali Road, Lahore (the **"Asset"**)."

(b) **"Further resolved that** as part and parcel of the foregoing consent, the Board of Directors be and is hereby authorized and empowered to sell / dispose of the Asset and delegate any or all of its powers in this regard to the Chief Executive Officer (CEO) or any other person on such terms and conditions as they deem fit, to act on behalf of the Company in carrying out and performing all acts, matters, things and deeds to implement and/or give effect to the Asset sale/disposal and utilization of the proceeds thereof, which shall include, but not be limited to:-"

(i) conducting negotiations, tendering and obtaining quotations etc. with interested parties in such manner and on such terms and conditions as are in the best interests of the Company and its members and which secure the best available market price for the Asset;

(ii) selling the Asset to any individual, firm/partnership, bank or private/public limited company or organization or to any other person and, for that purpose, negotiating with financial institutions for vacating lien/charges against Asset if any, entering into an agreement to sell, executing a sale deed or any other agreement with the buyer(s) or any other person, receiving the sale consideration, executing, preparing and signing any sale deed, conveyance deed and/or transfer documents in favor of the buyer(s) or another person to effect the Asset sale in favor of the buyer(s) or any other person by representing the same before all parties & authorities concerned and admitting execution thereof;

(iii) representing before the Sub-Registrar or any other competent authority and getting any sale deed or other documents registered and collecting the consideration amount in respect of the sale of Asset; and

(iv) generally performing and executing, in respect of the Asset, all lawful deeds, agreements, acts and things as they may think fit and proper in order to implement and complete the sale/disposal of Asset.

(c) "**Further resolved that** the Company be and is hereby authorized to take all actions incidental or ancillary thereto with regard to the Asset sale."

(d) "**Further resolved that** the Board be and is hereby empowered to agree upon modification in these resolutions that may be directed/required by the SECP without the need for passing any fresh resolution by the members of Company."

(e) "**Further resolved that** certified copies of this resolution may be communicated to the concerned parties, organizations or authorities, wherever required, and shall remain in force until notice in writing to the contrary be given."

8. To transact any other business with the permission of the Chair.

BY ORDER OF THE BOARD

Lahore,
October 04, 2024

FRAZ AMJAD KHAWAJA
COMPANY SECRETARY

Note: The Statement of Material Facts U/S 166(3) of the Companies Act, 2017 pertaining to the Election of Directors and the Statements of Material Facts under Section 134(3) of the Companies Act, 2017 pertaining the Special Businesses of Notice concerning information as required to be disclosed under applicable provisions of relevant laws and regulations is attached with this notice of AGM.

NOTES

1. **Book Closure:** The share transfer books of the company will remain closed from 19-10-2024 to 26-10-2024 (both days inclusive). Transfers received in order at the office of the Company's Share Registrar, M/S CDC Share Registrar Services Limited, (CDCSRSL / Share Registrar of the Company) CDC House, 99-B, Block "B", S.M.C.H.S., Main Shahrah-e-Faisal, Karachi. Telephone: +92 21 111-111-500, Fax: +92 21 34326053, Toll Free: 0800 23275 (CDCPL), Email address: info@cdcsrsl.com, Website: https://www.cdcsrsl.com by the close of business (5:00 PM) on **18-10-2024** will be considered in time to be eligible for the purpose of attending and voting at 16th Annual General Meeting of the Company (hereinafter referred to in this notice as the **"AGM"**).
2. **Appointment of Proxy:** A member entitled to attend and vote at the AGM is entitled to appoint another member as a proxy to attend and vote instead of him/her. The instrument appointing a proxy must be received at the Registered Office of the company not less than 48 hours before the time fixed for AGM.
3. **Online Arrangements for AGM:** The Company has made both arrangements while also ensuring compliance with quorum and other legal / regulatory requirements of general meetings. Shareholders of the Company are encouraged to participate in AGM electronically through video link /Zoom Application and further encouraged to consolidate their attendance through proxies.

A. Online Participation In AGM via ZOOM Application:
The shareholders are encouraged to login and participate in the proceedings of AGM through their own smart phones/computers from their own convenient locations after completing all formalities as required for verification and identification of shareholders. To attend the AGM electronically, the Login facility will be opened about half hour before start of AGM.

B. The shareholders of the Company, who wish to attend the AGM electronically through video link, are requested to register their following particulars by sending an e-mail at info@masgroup.org latest by or before the close of business hours (5:00 p.m.) on 25-10-2024. Emails after this date/time may remain un-responded.

Folio/ CDS Account No.	No. of Shares held	Name of Shareholder	Father's/ Husband's name	CNIC No.	Cell Phone No. with Whatsapp	Active email address

The video link and/or login credentials will be shared with the shareholders whose e-mails, containing all the requested particulars, are received at the given e-mail address by or before the date/time specified above. For any query regarding procedure /requirements of online participation in AGM, shareholders may please contact on the above-mentioned e-mail address or at +92 42 111 645 942 during business hours

C. Online Submission of Comments / Suggestions: The shareholders are also encouraged to send their comments / suggestions in writing, related to the proposed agenda items of the AGM by sending an email at info@masgroup.org by the close of business hours (5:00 p.m.) on 25-10-2024.

4. **Verification and Identification of Participants at AGM:** Each online participant shall authenticate his/her identity at AGM by enabling clear camera of his/her computer device / mobile etc. for verification and identification purposes.

A. For Attending the Meeting

(i) In case of Individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by submitting online scan/photo of his/her original CNIC/Passport along with Participant ID & Account number at the time of login to the video link/Zoom application for attending online AGM.

(ii) In case of corporate entity, scan/photo of the Board's resolution / power of attorney with specimen signature of the nominee shall be submitted online (unless it has been provided earlier) at the time of login to the video link/Zoom application for attending online AGM.

B. For Appointing Proxies

(i) In case of individuals, the account holder and/or sub-account holder, whose registration details are uploaded as per the CDC Regulations, shall submit scan/photo of the proxy form as per above requirements.

(ii) The proxy form shall be (i) duly stamped with adhesive revenue tickets of PKR 50/- and (ii) witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the proxy form.

(iii) Attested copies of CNIC or the Passport of beneficial owners and of the proxy shall be furnished with the proxy form.

(iv) The proxy shall submit scan/photo of his original CNIC or Passport at the time of login to the video link/Zoom application for attending online AGM.

(v) In case of corporate entity, scan/photo of the Board's resolution / power of attorney with specimen signature thereon shall be submitted online (unless it has been provided earlier) along with proxy form to the Company at the time of login to the video link/Zoom application for attending online AGM.

5. Correspondence by Shareholders: The shareholders must identify themselves by quoting their respective Folio/ CDS Account numbers in all correspondence with the Company and/or with Share Registrar of the Company for any purpose including but not limited to the Online Participation in AGM, Comments & Suggestions on proposed agenda items in AGM / Transfers & Transmissions of shares, and Changes/Updates in CNIC/NICOP/ Passport # IBAN/ Correspondence Address / Email Address / Mobile Phone # etc.

6. Video Conferencing Facility: If the Company receives consent from shareholders holding aggregate 10% or more shareholding, residing in geographical location to participate in the meeting through video conference at least 7 days prior to the date of AGM, the Company will arrange video conference facility in that city subject to availability of such facility in that city. In this regard, please fill the following and submit to registered address of the company at least 7 days prior to the date of AGM.

"I/We,__________________ of ____________________, being a member of Hi-Tech Lubricants Limited, holder of ________________ ordinary share(s) as per Registered Folio/CDC Account/Sub Account No. ________________ hereby opt for video conference facility at __________.

7. Placement of Notice & Proxy Forms (English & Urdu) and Financial Statements on the Company's Website: The Company has placed the Notice of AGM along with Form of Proxy in English & Urdu languages and the Audited Financial Statements for last completed financial year ended June 30 along with Auditor's and Directors' Reports thereon on the Company's website: www.hitechlubricants.com and at PUCARS website of PSX https://dps.psx.com.pk/company/HTL.

8. Transmission of Audited Financial Statements & Notices of General Meetings: Audited financial statements of the Company are being sent to shareholders through printing of QR Enabled Code and Weblink on the printed notice of AGM which is being sent/dispatched to all shareholders through post/courier. Soft copies of any or all the documents and information of the Company including audited financial statements and notices of general meeting are also being sent electronically through emails to shareholders whose email addresses are available with the Company, however, the Company shall provide hard copies of Audited Financial Statements and notices of general meetings to its shareholders, on their written request, free of cost, within seven days of receipt of such request.

9. For Election of Directors: Any member who seeks to contest election of Directors shall file with the Company at its registered office at 1-A, Danepur Road, GOR-1, Lahore not later than fourteen days before the AGM the Notice of his/her intention to contest election of directors along with other documents and information as detailed in the Statement of Material Facts U/S 166(3) of the Companies Act, 2017 annexed to the printed version of this notice;

1 0. 10. Voting on Election of Director and the Special Businesses: Entitled shareholders of the Company are being allowed to exercise their right to Vote through Electronic Voting and Voting by Post on Election of Directors and the Special Businesses of the notice of AGM, in the manner and subject to the conditions contained in the Companies (Postal Ballot) Regulations, 2018;

A. Procedure for Electronic Voting: M/S CDC Share Registrar Services Ltd. (CDCSRSL/Share Registrar of the Company/E-Voting Service Provider for the Company) has been appointed as e-voting Service Provider of the Company for Election of Directors and the Special Businesses to be conducted in AGM;

(i) (i) Details of electronic voting (including website address, Login and Password) shall be provided to entitled shareholders of the Company through their email addresses as available with the Company, whereas security codes will be communicated to the shareholders through SMS on their mobile phone numbers as available with the Company from the web portal of CDCSRSL;

(ii) Identities of shareholders shall be authenticated through electronic signatures/authentication for login;

(iii) E-voting lines will open at **9:00 hours on October 22, 2024 and close at 17:00 hours on October 25, 2024.** No subsequent change will be allowed once the vote is cast during this period.

B. Procedure for Voting by Post: Procedure for Voting by Post: Shareholders may complete and sign the Ballot Paper and send the same along with the copy of valid and legible copy of Computerized National Identity Card (CNIC) either through scan & email or via courier/post to the address as mentioned on the Ballot Paper till October 25, 2024. The signature on the ballot paper must match with signature on CNIC.

11. Mandatory Conversion of Physical Share Certificates into Book Entry Form: In continuation to Company's efforts to follow up through newspaper advertisements with all shareholders holding shares in physical form as required under SECP's letter number CSD/ED/Misc. /2016-639-640 dated March 26, 2021, the shareholders holding Physical Share Certificates must comply with section 72 of Companies Act 2017 and they should open their respective account(s) with Central Depository Company of Pakistan Limited (CDC) (either Investor Account directly with CDC or sub-account under any eligible broker) and must convert their respective physical shares into book entry forms on priority basis. Shareholders may contact Share Registrar of the Company to understand the process of conversion of physical shares into the book entry form and benefits of holding book entry shares.

STATEMENT OF MATERIAL FACTS U/S 166(3) **OF THE COMPANIES ACT, 2017**

This Statement sets out Material Facts U/S 166(3) of the Companies Act, 2017 pertaining to the **Election of Directors to be conducted** at 16th AGM of Hi-Tech Lubricants Limited which is to be held on **Saturday October 26, 2024 at 11:30 Hours** at the Auditorium of Lahore Chamber of Commerce and Industry (LCCI),11-Shahrah-e-Aiwan-e-Tijarat, Lahore and via video link / Zoom application.

Agenda Item No. 4: Election of Directors:

(i) In terms of section 153(1) of the Companies Act, 2017 ("CA-2017"), the Board of directors, at its meeting held on 20.09.2024 has fixed the number of directors for next election at ten (10) which are to be elected at AGM for a period of three years.

(ii) Independent directors, as required on the Board in terms of Rule 6(1) of the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("CCGR-2019"), shall be elected through the process of election of directors in terms of section 159 of CA-2017.

(iii) Accordingly, in compliance with the provisions of Rule 7A of CCGR-2019, the Election of Directors may be held separately for the following categories:

Sr. No.	Categories	No. of Seats
1.	Female Director	01
2.	Independent Directors	03
3.	Other Directors	06

(iv) In order to safeguard the interest of the minority shareholders, any member can send his/her nomination for contesting the election in any of above-mentioned categories.

(v) Any member who seeks to contest election of Directors shall file with the Company at its registered office at 1-A, Danepur Road, GOR-1, Lahore not later than fourteen days before the AGM the documents and information as detailed below;

- **a.** Duly signed Notice of his / her Intention to offer himself / herself for election of directors in terms of section 159(3) of CA-2017, and in case of Independent and Female categories, with due selection of any one of these categories in which he/she intends to contest for the election of director along with his/her Profile;
- **b.** Duly signed Consent to act as Director under section 167(1) of CA-2017 read with rule 7A(8) of CCGR-2019 on Form 9 as prescribed under CA-2017 and Companies Regulations, 2024 ("CR-2024");
- **c.** Copy of his/her Valid Computerized National Identity Card (CNIC);
- **d.** Duly signed separate declarations in respect of
  - **(a)** being compliant with requirements of CCGR-2019, awareness of duties, powers and responsibilities under CA-2017), CCGR-2019, Rulebook of Pakistan Stock Exchange Ltd., Securities Act, 2015, Memorandum and Articles of Association of the Company and other relevant laws and regulations;
  - **(b)** eligibility criteria as set out in CA-2017, to act as director of a listed company;
  - **(c)** Independent Director category, a duly signed Declaration of Independence in terms of section 166(2) of CA-2017, as required under CCGR-2019;
- **e.** Proof of holding of 500 HTL shares as Qualification Shares, if not already provided and any other important and relevant information.
- **f.** Details of holding of other offices & directorships in other companies including details of Global Beneficial Ownership(s) and details of Ultimate Beneficial Ownership(s);
- **g.** For physical and electronic correspondence, Complete Office & Residential Addresses, Active personal email address and valid cell phone number registered on his/her CNIC.

(vi) Any notices received for the category of Independent and Female Directors, shall be subject to due diligence by the Company as prescribed under Section 166 of CA-2017 and Rule 7A of CCGR-2019;

(vii) Final list of candidates contesting the Election of Directors in all categories will be circulated not later than seven (7) days before the date of the AGM in terms of Section 159(4) of CA-2017 and Rule 7A(10) of CCGR-2019 along with the update of company's website www.hitechlubricants.com accordingly.

(viii) Justifications for choosing Independent Directors;

- **a.** Independent Directors shall have sufficient knowledge, skills and expertise to play effective roles as independent directors.
- **b.** At least two of the Independent Directors shall be required to chair Board's committees such as Chairman of Board's Audit Committee and Board's Human Resource and Remuneration Committee.
- **c.** Independent Directors shall be willing to attend Directors Training Program from SECP's approved institutions within one year from the date of election.
- **d.** Names of Independent Directors must have been registered in the Data Bank maintained by Pakistan Institute of Corporate Governance (PICG) along with their written consents.
- **e.** Independent Directors must be eligible in terms of criteria of independence as mentioned in section 166(2) of the CA-2017, and must be willing to act as Independent Directors on the Board of listed company as required under the provisions of section 166(1) of CA-2017.
- **f.** None of circumstances, as mentioned under proviso (b) to subsection 2 of section 166 of CA-2017, shall exist in relation to Independent Directors.

(ix) The directors, sponsors, majority shareholders and their relatives shall not be interested, directly or indirectly, in the selection of Independent Directors except to the extent of shares that are held by them in the Company.

STATEMENT OF MATERIAL FACTS U/S 134(3) OF THE COMPANIES ACT, 2017

This Statement sets out Material Facts pertaining to the **Special Businesses to be transacted** at 16th AGM of Hi-Tech Lubricants Limited which is to be held on **Saturday October 26, 2024 at 11:30 Hours** at the Auditorium of Lahore Chamber of Commerce and Industry (LCCI) ,11-Shahrah-e-Aiwan-e-Tijarat, Lahore and via video link / Zoom application.

1. Agenda Item No. 5 of Notice of AGM:

(a) Ratification and Approval of Related Party Transactions with SHT

All the transactions with Sabra Hamida Trust (SHT), an associated undertaking of the Company, during the period from July 01, 2023 to June 30, 2024 are entered into by the Company in the ordinary course of business and at Arm's Length Basis under Related Party Transactions Policy of the Company and under approval of the Company's shareholders in Annual General Meeting held on October 27, 2023 to the Board of Directors of the Company regarding authorization to the Board to approve all related party transactions of the Company with SHT during the financial year 2023-2024. Record consisting of details of all the transactions along with all supporting documents is maintained as per legal requirements and available in the registered office of the Company. All Contributions to SHT are Tax Exempted under Clause (C) of Sub Section (36) of Section 2 of Income Tax Ordinance 2001 Vide FBR Letter No.2769/J Dated: Jan.14, 2014.

Nature and amount of Transactions along with applicable Pricing Policy are detailed below;

Name(s)	Nature of Transactions	Amount (PKR)	Pricing Policy
Sabra, Hamida Trust (SHT)	Donations under CSR Policy	18,000,000/-	As per approved CSR Policy of the Company, and approval of the Company's shareholders in AGM dated 27-10-2023 regarding authorization to the Company's Board of Directors to approve all transactions of the Company with SHT during the financial year 2023-24.

The transactions of the Company with SHT have been approved by the Board in the quarterly/annual financial statements during the fiscal year 2023-24 under the authority given by the shareholders in AGM held on October 27, 2023 to the Board of Directors of the Company, however, the Board decided to place above related party transaction concluded during the fiscal year 2023-24 before the shareholders in AGM for ratification and approval due to the interests/concerns of directors named as (i) Mr. Hassan Tahir, (ii) Mr. Muhammad Ali Hassan, (iii) Mr. Tahir Azam (Late) (interest/concern ended on June 09, 2024 due to death), (iv) Mr. Shaukat Hassan, (v) Ms. Mavira Tahir and (vi) Ms. Mehvish Khan (interest / concern arisen since August 22, 2024 after filling casual vacancy by her on the Board of HTL) in the above referred related party transactions due to common directorship/Trusteeships and/or relationships amongst common Directors-Trustees and further in compliance to special resolution passed by the shareholders in last AGM.

(b) & (c) Authorization for the Board of Directors to approve related party transactions during the financial year ending June 30, 2025

The company is and shall be conducting transactions of Donations under CSR Policy of the Company with SHT during the financial year ending June 30, 2025, and subsequently, in the ordinary course of business and at Arm's Length Basis as per the approved policy with respect to transactions with related parties in the normal course of business, and therefore, all the future transactions with SHT shall be approved by the Board of Directors on quarterly basis. Considering the interests/concerns of Directors due to their common directorship/trusteeship and/or relationship with Trustees of SHT, the related parties' transactions of the fiscal year 2024-25 are suggested to be placed before the shareholders.

Accordingly, approval of shareholders is being sought to authorize Board of Directors of the Company to approve all transactions carried out and to be carried out with SHT during the financial year ending June 30, 2025 and upto next AGM, which transactions shall be deemed to be approved by Shareholders upto the extent of mount mentioned above. The nature and scope of such related party transactions is explained above in the statement of relevant agenda item. The related party transactions are and to be conducted during the financial year ending June 30, 2025, shall then be placed before the shareholders in the next AGM for their formal approval/ ratification.

The directors, sponsors, majority shareholders and their relatives are not interested, directly or indirectly, in the above special business except to the extent of their respective shareholdings in the Company and to the extent of their common directorship/Trusteeships and/or relationships amongst common Directors-Trustees.

2. Agenda Item No. 6 of Notice of AGM:

(a) Ratification and Approval of Related Party Transactions with HTBL

All the transactions of the Company with Hi-Tech Blending (Pvt) Ltd. (HTBL), the wholly owned subsidiary of the Company, during the period July 01, 2023 to June 30, 2024 are entered into by the Company in the ordinary course of business and at Arm's Length Basis under Related Party Transactions Policy of the Company and under approval of the Company's shareholders in Annual General Meeting held on October 27, 2023 to the Board of Directors of the Company regarding authorization to the Board to approve all related party transactions of the Company with HTBL during the financial year 2023-2024. Record consisting of details of all the transactions along with all supporting documents is maintained as per legal requirements and available in the registered office of the Company.

HTL is parent company of HTBL and controls it, where as other commercial reasons for entering into RPTs with HTBL are the following.

a. To tap domestic market through localization and to obtain benefits of the market as it has grown appreciably in latest many years and major brand has a vast gap to tap retail segments of the country along with high end industrial and corporate sectors with major volumes.
b. State of the art and elaborated testing facilities at subsidiary company.
c. To ensure smooth supply chain and to avoid shortages.
d. To ensure freight cost saving by building warehouses at the land of subsidiary so as to make cohesion between purchase and dispatch management.

Nature and amount of Transactions along with applicable Pricing Policy are detailed below;

Name(s)	Nature of Transactions	Amounts (PKR)	Pricing Policy
Hi-Tech Blending (Private) Limited (HTBL) HTBL is a wholly owned subsidiary company of HTL	Sale of Lubricants	1,926,474	As per approved contract between the Company & HTBL, related party policy and approval of shareholders in AGM dated 27.10.2023.regarding authorization to the Company's Board of Directors to approve all transactions of the Company with HTBL during the financial year 2023-24.
	Sales of packaging materail and parts	105,257,378	As per Comparable uncontrolled price method and approval of shareholders in AGM dated 27.10.2023 regarding authorization to the Company's Board of Directors to approve all transactions of the Company with HTBL during the financial year 2023-24.
	Purchase of Lubricants	6,064,354,523	As per approved contract between the Company & HTBL, related party policy and approval of shareholders in AGM dated 27.10.2023.regarding authorization to the Company's Board of Directors to approve all transactions of the Company with HTBL during the financial year 2023-24.
	Dividend Received	650,000,300	As per approvals of shareholders in HTL AGM dated 27.10.2023 regarding authorization to the Company's Board of Directors to approve all transactions of the Company with HTBL during the financial year 2023-24.
	Lease Rentals Paid	3,000,000	As per approved lease agreement, Comparable uncontrolled price method and Market Rent Prevalent in the vicinity and approval of the Company's shareholders in AGM dated 27-10-2023 regarding authorization to the Company's Board of Directors to approve all transactions of the Company with HTBL during the financial year 2023-24.
	Short term loan given	391,900,000	As per approved contract between the Company & HTBL, related party policy and approval of shareholders in AGM dated 27.10.2023.regarding authorization to the Company's Board of Directors to approve all transactions of the Company with HTBL during the financial year 2023-24.
	Short term loan repaid	877,400,000	As per approved contracts between the Company & HTBL, related party policy and approval of shareholders in AGM dated 27.10.2023 regarding authorization to the Company's Board of Directors to approve all transactions of the Company with HTBL during the financial year 2023-24.
	Interest Received on Short Term loan	115,829,997	As per approved contracts between the Company & HTBL, related party policy and approval of shareholders in AGM dated 27.10.2023 regarding authorization to the Company's Board of Directors to approve all transactions of the Company with HTBL during the financial year 2023-24.

The transactions of the Company with HTBL have been approved by the Board in the quarterly/annual financial statements during the fiscal year 2023-24 under the authority given by the shareholder in AGM held on October 27, 2023 to the Board of Directors of the Company, however, the Board decided to place above related party transaction concluded during the fiscal year 2023-24 before the shareholders in AGM for ratification and approval due to the interests/concerns of directors named as (i) Mr. Hassan Tahir, (ii) Mr. Muhammad Ali Hassan, (iii) Mr. Tahir Azam (Late) (interest / concern ended on June 09, 2024 due to death), (iv) Mr. Shaukat Hassan, (v) Ms. Mavira

Tahir (vi) Ms. Mehvish Khan (interest / concern arisen since August 22, 2024 after filling of casual vacancy by her on the Board of HTL) and (vii) Mr. Faraz Akhtar Zaidi (interest / concern arisen since August 23, 2024 after filling of casual vacancy by his spouse on the Board of HTBL) in the above referred related party transactions due to common directorship and/or relationships amongst common Directors Trustees and further in compliance to special resolution passed by the shareholders in last AGM.

(b) & (c) Authorization for the Board of Directors to approve related party transactions during the financial year ending June 30, 2025

The company is and shall be conducting transactions with HTBL including sale and purchase of goods, loan disbursements and payment of lease rentals etc. during the financial year ending June 30, 2025 and subsequently, in the ordinary course of business and at Arm's Length Basis as per the approved policy with respect to transactions with related parties in the normal course of business, and therefore, all the future transactions with HTBL shall be approved by the Board of Directors on quarterly basis. Considering the interests/concerns of Directors due to their common directorship and/or relationship with Directors of HTBL, the related parties' transactions of the fiscal year 2023-24 are suggested to be placed before the shareholders.

Accordingly, approval of shareholders is being sought to authorize Board of Directors of the Company to approve all transactions carried out and to be carried out with HTBL during the financial year ending June 30, 2025, which transactions shall be deemed to be approved by Shareholders. The nature and scope of such related party transactions is explained above in the statement of relevant agenda item. The related party transactions are and to be conducted during the financial year ending June 30, 2025, shall then be placed before the shareholders in the next AGM for their formal approval / ratification.

All other statements of related party transactions during financial year were executed at Arm's Length Basis and under Related Party Transactions Policy of the Company, and approved by Board on recommendations of Audit Committee There was no departure from the guidelines mentioned in applicable Corporate Governance Regulations for such transactions.

The directors, sponsors, majority shareholders and their relatives are not interested, directly or indirectly, in the above special business except to the extent of their respective shareholdings in the Company and to the extent of their common directorship and/or relationships amongst common directors.

3. Agenda Item No.7 of Notice of AGM:

Disposal and sale of Company's Asset (freehold land)

The Board of Directors initially approved the sale/disposal of freehold land of the Company measuring 1 Kanal and 5 Marlas situated at 22 - A, Zafar Ali Road, Lahore in its meeting held on September 22, 2023 for presentation before the members of the Company and the members of the company approved the same on October 27, 2023. Aforesaid approval of the members of the Company was valid for one year from the date of approval in terms of relevant provisions of Companies Act, 2017.

Due to certain unavoidable circumstances the transaction has not yet been concluded, and therefore, the Board of Directors has again approved the sale/ disposal of freehold land of the Company measuring 1 Kanal and 5 Marlas situated at 22 - A, Zafar Ali Road, Lahore subject to approval of members of Company in Annual General Meeting. The information required under SRO 423(l)/2018 dated 03 April 2018 is as follows:

Description of Asset	Cost as at 30-06-2024	Book Value as at 30-06-2024 (with surplus on revaluation)	Revalued Amount / Fair Value / Current Market Value	Date of acquisition
		Rupees		
Freehold land				
Location – 22 - A, Zafar Ali Road, Lahore (Commercial Land) 1 Kanal and 5 Marlas	61,833,100	135,000,000	135,000,000	03 June 2016

The above Asset of the Company has been revalued by M/s Anderson Consulting (Pvt.) Ltd. on 30 June 2023.

The proposed manner of disposal

A reputed transaction advisor shall be engaged by the Company for managing the disposal of freehold land of the Company measuring 1 Kanal and 5 Marlas situated at 22-A, Zafar Ali Road, Lahore (the Asset).

Purpose of the disposal of the Asset

Reduced dependence upon bank borrowings for business growth of OMC Project of the Company and to reduce finance cost of the Company as interest rates in the Country at the moment are at highest level. Capital gain on offer by way of disposal of this freehold land is lucrative.

Utilization of the proceeds received from the transaction

For business growth of OMC Project of the Company.

Effect on operational capacity of the Company, if any

Sales of the Company are expected to increase as a result of injection of funds from sale of the Asset in business operations of OMC project of the Company.

Quantitative and qualitative benefits expected to accrue to the members

Reduced finance cost shall contribute ultimately to the profit of the Company. Sale proceeds of the Asset after being utilized in business growth will result in more sales and more profits. Capital gain on sale of the Asset is expect to be Rupees 73,166,900 which shall have positive impact on shareholders' equity.

The disposal of the Asset under reference is expected before next AGM.

None of the Directors have any direct or indirect interest in the sale/disposal of the said Asset except to the extent of their respective shareholdings in the company and to the extent of their common directorship and/or relationships amongst common directors.

Availability of Relevant Documents

The documents pertaining to agenda no. 7 are available for inspection at the Registered Office of the Company on any working day up to 25 October 2024 during business hours and also at the time of the Meeting. The Directors of the Company have certified that they have carried out necessary due diligence for the sale of Asset. A due diligence report duly signed by the directors with recommendations shall be made available for inspection of members in the Meeting.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HTL **SUSTAINABILITY REPORT**

Driving progress with Sustainability, is the theme for our first integrated annual report. We are committed to be sustainable and diliver positive impact in all facets.

INSIDE THIS REPORT

Section 1
Basis of the Report:

Section 2
Sustainability Framework

Section 3
Material Matters

Section 4
Auditors Report On Sustainability

DRIVING PROGRESS **WITH SUSTAINABILITY**

Dear Stakeholders,

In 2024, the global situation continued to be defined by considerable socio-economic uncertainties, exacerbated by geopolitical tensions, a lackluster rebound from recession, and increasing inflationary stress. Amid these difficulties, the pressing need to tackle climate change became more urgent, as the world observed yet another year when temperature highs were smashed, driving home the imperative for swift and coordinated international effort.

This underscores the urgent need for greater efforts to curb the acceleration of global temperature rise as reiterated most recently during the 2024 United Nations Climate Change Conference. The increasing global temperature is accelerating climate change, leading to adverse effects on the economy, livelihoods and communities worldwide.

HTL recognises the urgency of climate change and has continued to step up its actions to mitigate impacts, including resilience against climate risk. At Hi Tech Lubricants Limited, our commitment to sustainability reflects a purpose-driven approach that integrates economic, social, and environmental dimensions. This report highlights how our sustainability focus areas align with our company's mission and the ongoing efforts to uphold our commitments in these areas. We provide an in-depth view of our actions and strategies for growth across our key priorities—environmental stewardship, with a focus on climate action; social responsibility, centered on talent, diversity, and inclusion; and economic development, with a focus on empowering communities. Each focus area is guided by clear objectives aimed at embedding sustainable practices into our business through strong leadership, ultimately driving long-term value creation.

This report follows the framework of the International Integrated Reporting Council (IIRC) and the Global Reporting Initiative (GRI) Standards. We recognize that companies able to proactively address Environmental, Social, and Governance (ESG) risks and opportunities within their broader business strategies are best positioned for success, sustainability, and future growth. Hi Tech Lubricants Limited remains dedicated to continually improving our ESG disclosures and advancing our mission to provide innovative, sustainable solutions that help our customers maximize the value of essential resources.

OUR REPORTING BOUNDARY

This report covers the core operations and corporate functions of Hi Tech Lubricants Limited. The economic and social data encompasses activities at the company's production facilities and head office, while environmental data includes the environmental impacts of energy consumption, such as fuel and electricity at Hi Tech Blending Plant.

OUT REPORTING PERIOD

This report is issued annually, with the 2024 edition covering the period from July 1, 2023, to June 30, 2024. Where relevant, prior-year data is included to provide a comprehensive view of our progress to date. This is the first sustainability report of HTL.

REPORT METHODOLOGY

Data presented in this report is based on scientifically grounded measurement methods and mathematical calculations. Where direct data was unavailable, logical estimation methodologies have been applied. This report has been compiled in accordance with stakeholder engagement results, the IIRC Framework, and GRI Standards, IFRS S-1 and S-2 initial selective disclosures, UN SDG's and CSR Volunatry Guidelines issued by SECP. All material topics, including those reflecting the significant economic, environmental, social and governance impacts of our activities, are comprehensively addressed.

MATERIAL TOPICS BOUNDARIES

Topic boundaries have been defined based on the location of impact for each material topic and the extent of the company's involvement in those impacts.

EXTERNAL ASSURANCE

An independent review of this report has been conducted by Muhammad Salman Naseem & Co., Chartered Accountants. The assurance process was carried out in line with GRI Standards requirements, ensuring principles of inclusivity, materiality, and responsiveness. A statement from the independent external reviewer, which includes the scope of the assurance, key activities, and opinions, is provided at the conclusion of this report.

Best regards,
Faraz Zaidi
Chairman Of Risk and Sustainability Committee

SUSTAINABILITY **STRATEGY**

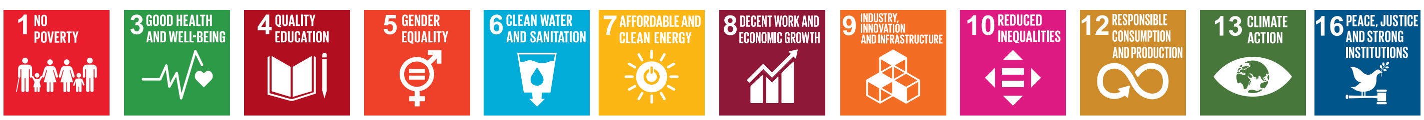
At Hi-Tech Lubricants, sustainability is fueled into the engine of our business strategy, powering our commitment to integrate Economic, Environmental, Social, and Governance (EESG) principles into every facet of our operations.

We acknowledge that sustainable business practices extend beyond mere responsibility; they represent a critical impetus for fostering long-term success for our company, stakeholders, and the environment.

The path to implementing our strategy is a better future in keeping with international guiding principles and standards involving sustainability.

AT THE CORE OF OUR PRINCIPLES LIES SUSTAINABILITY

GOVERNANCE		
ECONOMIC	**ENVIRONMENTAL**	**SOCIAL**
Business Sustenance & Sustainable Initiatives	**Stewardship & Resources Efficiency**	**Social Responsibility**
Marketing Excellence	**Product Stewardship**	**Talent Management & Well-being**
Supply Chain Excellence	**Environmental Stewardship**	**Community Engagement**
Financial Resilience	**Energy Conservation**	**Health & Safety**



At HTL, sustainability is enshrined in our core business strategy, as guided by our Sustainability Principles. We look to address emerging trends, risks, and opportunities while continuing to create stakeholder expectations. As a leading oil and lubricant marketing company, we pledge to provide sustainable energy solutions that create long-term value for our stakeholders and the environment. We have pegged our Sustainability Agenda, anchored in Economic, Environmental, Social, and Governance Pillars, on the key areas to have great impact with, and we align these with the United Nations Sustainable Development Goals.

Our commitment to global best practices is realized by the progress we have made towards a better working world. We are also working towards alignment with IFRS S1 and S2 to be more transparent in managing sustainability and climate-related risks.

RISK AND SUSTAINABILITY COMMITTEE

HTL Board has fomed a committee for sustainability matters, the formation is mentioned below:

NAMES OF DIRECTORS/MEMBERS	POSITION AT COMMITTEE	POSITION AT HTL
Mr. Faraz Akhtar Zaidi	**Chairman / Member**	**Non-Executive Director**
Miss Mavira Tahir	**Member**	**Non-Executive Director**
Mr. Shafiq ur Rehman	**Member**	**Non-Executive Independent Director**

MEMBERSHIP **AND ASSOCIATIONS**

Institute / Association	Description
API API (American Petroleum Institute)	HTL/ SK Enmove has adopted The American Petroleum Institute (API) which is a leading trade association for the oil and natural gas industry in the United States. API develops industry standards, provides data and analysis, and advocates for policies that support energy development while emphasizing safety and environmental stewardship.
ACEA (European Automobile Manufacturers' Association)	HTL/ SK Enmove has adopted European Automobile Manufacturers' Association (ACEA) which is a trade organization that represents the interests of the European automobile industry. ACEA mission is to promote the industry's interests, address key challenges like sustainability and innovation, and advocate for policies that support mobility and transport. ACEA plays a crucial role in discussions on regulations, environmental standards, and technological advancements, working to ensure a competitive and sustainable automotive sector in Europe.
ILSAC (International Lubricant Specification Advisory Committee	HTL/ SK Enmove has adopted International Lubricant Specification Advisory Committee (ILSAC) which is an organization focused on developing and maintaining performance standards for automotive lubricants, particularly engine oils. ILSAC primary goal is to establish specifications that ensure the quality and performance of lubricants, helping to improve engine efficiency, reduce emissions, and enhance vehicle longevity.
ISO (International Organization for Standardization)	HTL/ SK Enmove has adopted International Organization for Standardization (ISO) which is an independent, non-governmental international organization that develops and publishes standards across various industries. ISO aims to ensure quality, safety, efficiency, and interoperability of products, services, and systems globally.
JAMA (Japan automobile Manufacturers Association)	HTL// SK Enmove has adopted Japan Automobile Manufacturers Association (JAMA) which is a trade organization that represents the interests of automobile manufacturers in Japan. The association engages in advocacy, collaborates on industry standards, and addresses issues related to safety, the environment, and technological innovation.
JASO (Japanese Automobile Standard Organization)	HTL/ SK Enmove has adopted Japanese Automobile Standards Organization (JASO) is dedicated to developing and promoting standards that enhance the sustainability of the automotive industry in Japan. JASO focuses on creating guidelines that improve vehicle safety, performance, and environmental impact.
SAE (Society of Automobile Engineers)	HTL/ SK Enmove has adopted Japan Society of Automotive Engineers (SAE) which is a professional organization dedicated to advancing the engineering and technical expertise in the automotive and aerospace industries. Its mission includes promoting innovation, safety, and sustainability in transportation. SAE also hosts events and conferences that facilitate networking and knowledge sharing among engineers, researchers, and industry leaders.
AGMA (American Gear Manufacturers Association)	HTL/ SK Enmove has adopted American Gear Manufacturers Association (AGMA) which is a trade association that represents the gear manufacturing industry in the United States. AGMA also plays a key role in fostering innovation and collaboration within the industry.
Al Khidmat Foundation	HTL works with Alkhidmat Foundation which is a prominent non-profit organization based in Pakistan, dedicated to social welfare and humanitarian services. It focuses on various sectors, including education, healthcare, disaster relief, and community development. Alkhidmat is known for its commitment to transparency and efficiency, working with local and international partners to maximize its impact on society.
UNGC (UNITED NATION GLOBAL COMPACT)	The United Nations Global Compact (UNGC) is a voluntary initiative launched in 2000 to encourage businesses worldwide to adopt sustainable and socially responsible policies. It provides a framework for companies to align their operations and strategies with ten universal principles in areas such as human rights, labor, environment, and anti-corruption. By fostering collaboration between businesses, governments, and civil society, the UNGC aims to promote responsible corporate citizenship and contribute to the achievement of the Sustainable Development Goals (SDGs)
Transparent Hands	Transparent Hands is a non-profit organization based in Pakistan, dedicated to providing medical assistance to underserved communities. It connects patients in need of surgeries and treatments with healthcare providers, enabling donors to directly support specific cases and track the impact of their contributions.
MAP Foundation	MAP Foundation is a non-profit organization based in Pakistan that focuses on supporting marginalized communities, particularly in the areas of education, health, and social development. Established to address issues like poverty, inequality, and lack of access to basic services, MAP Foundation works through various programs that provide educational opportunities, healthcare services, and vocational training.

SUSTAINABILITY **FRAMEWORK**

HTL is committed to implement International Financial Reporting Standards (IFRS) on Sustainability reporting. We have initiated the process of adoption of the new standards issued by SASB i.e. IFRS-S1 (General Requirements for Disclosure of Sustainability related financial information) & IFRS-S2.

IFRS-S1	IFRS-S2
The main objective of IFRS-S1 is to disclose all information about sustainability-related risks and opportunities	The IFRS-S2 focuses on specific climate-related information to be disclosed.

We are focusing on below key aspects emanated from these standards:

- Governance
- Strategy
- Risk Management
- Metrics and Targets

GOVERNANCE

HTL's Board is fully committed to lead the sustainability agenda at its core and its unmatched dedication and unwavering commitment for addressing the challenges of sustainability and climate changes can be reflected from the Governance structure and composition of the Board.

Board's Role in Shaping the Sustainability Policy

The Board at HTL assumes a crucial role in defining and directing the company's sustainability policy, thereby ensuring its alignment with long-term success and stakeholder value. It establishes the strategic direction concerning the company's values, ethics, and business practices, approving significant plans related to the sustainability agenda, budgets, and investments while providing guidance for sustainability initiatives that aim to maximize positive impacts and minimize negative effects on the economy, environment, and society.

Our sustainability governance structure

Comprises of the Board, Risk and Sustainability Committee, and dedicated sustainability department to ensure transparent and effective execution of our sustainability agenda. The clear roles and responsibilities enable to meet the sustainability requirements and its implementation.

Our Board of directors sit at the top who provides leadership, guidance and Committees and department assist to the Board for execution of sustainability agenda approved by the Board.

Board
Governance, Strategic Direction, Approval and Oversight

Risk and Sustainability Committee
Assistance to BOD for sustainability
Monitoring and devising progress and policies

Sustainability Department (proposed)
Ensuring implementation of Board Sustainability agenda
Execution of sustainability activities and engagement with departments

Plant, Depots and Stations Sustainability Wing | **Corporate Office Wing**

Management teams implement the Board's directives, and the Board ensures that performance, risk management, and compliance are accordingly monitored. The Chairman, assisted by the Company Secretary and senior management, ensures that Board members receive all relevant information necessary to fulfill their roles.

We have defined ambitious and measurable sustainability goals that aim to reduce our impact on the environment, enhance social responsibility, and strengthen governance.

The key priorities include:
- Economic Goals: Marketing, Operational, supply chain and growth delivery is cornerstone for maintaining the sustainable growth and financial resilience. It acts as safeguard against the challenging economic conditions of Pakistan and its geopolitical instabilities and climate change impacts.
- Environmental Objectives: To achieve a significant reduction in carbon emissions, ensure energy efficiency in all operations, and establish effective waste management practices.
- Social Goals: Promoting diversity and inclusion at all organizational levels, ensuring the health and safety of our workforce, and contributing positively to the communities in which we operate.
- Governance Goals: Upholding transparency, ethical decision-making, and accountability throughout the company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POLICIES, STANDARDS & **GUIDELINES**

Material Matters	Policies, Standards & Guidelines	Aim of Policies Standards & Guidelines
Climate Change	International Financial Reporting Standards-S2 (Climate Change) Emissions Guidelines/standards of Govt. regulatory bodies	To provide guidance on climate risks management To provide guidance on GHG accounting methodology and standards
Environmental Stewardship	HTL ESG Policy Social And Environmental Responsibility ISO 14001: 2015	To iterate HTL's aspiration and commitments to attain and sustain excellence in environmental matters To strengthen our governance of responsible environmental management To ensure that HTL's business operations and activities will not have adverse effects on the society as well as the environment in which it operates.
Innovation & Product Stewardship	ISO 9001: 2015 Customer Relationship Management (CRM)	Quality Management Customer Portal to pilot customers for trial implementation
Safety & Health	HTL's HSE policy HSE management committee ISO 45001:2018	Setting high standards for Hygiene, Safety & General working conditions To make resources available to achieve the set standards
Supply Chain Management	Code of Conduct HTL's Procurement Standards & Policies Compliance Clauses Ethics and Anti-Bribery, Anti-Money Laundering	To strengthen the implementation of HTL's Human Rights Commitment and practices across the business value chain To secure the best value in the procurement of goods and services while upholding good procurement governance To mitigate legal, financial and reputational risks to HTL, which extend to our supply chain
Community Engagement	Compliance with SDG's requirements Code of Conduct	Setting up of Schools for Underprivileged Setting of Skill Development Learning Initiatives To define the standard procedures and guidelines for donation management To provide guidance for the planning, implementing and executing strategic communications activities.
Talent Management & Well-Being	Hiring Policy Workplace Diversity Policy Professional development programs Whistle blowing HR Benefits Policy	Building and maintaining a diverse workforce with high standards and expectations for excellence. To provide the framework for comprehensive training and development opportunities for all employees within the Company. To create a ready pool of talents that are agile and well-equipped with the necessary skills and experience to thrive in the long term through the right exposure from the early stages of their career.
Corporate Governance	HTL's Anti-Bribery and Corruption Policy & Guidelines Code of Conduct Whistleblowing Policy (WBP) Risk management policy Procurement Standard Board's Conflict of Interest Management Policy	Providing guidance for improper solicitation, bribery and corruption activities and issues that may arise in the course of business. WBP is to encourage employees and professional associates of the Company to formally bring to the notice of any actual or suspected wrongdoing To be a risk resilient organization in achieving business objectives with Risk Management Policy. To inform members of the Board of their principal legal obligations and guidance on what constitutes a Conflict of Interest and how it will be managed and monitored by HTL.
Business Strategy & Financial Resilience	Business strategy Management System	To provide the minimum requirements to manage plant operations safely and efficiently To ensure the effective management of product quality throughout the supply chain
Human Rights	HTL's Human Rights Commitment CoCHR UNGP on Business and Human Rights Standard Labor Laws with Fundamental Principles & Rights at Work	To strengthen the implementation of HTL's Human Rights Commitment and practices across the business value chain To guide business in managing human rights across the value chain
Cybersecurity & digitalization	Information Technology (IT) Governance and Cybersecurity SAFETY OF RECORDS	To ensure the effective input and decision making for achieving the organizational goals Setting out the purpose, commitment, and governance and records management To provide a single consolidated view of the frameworks, standards and guidelines required to govern and manage cybersecurity across the organization, with clear lines of accountability

RISK **MANAGEMENT**

Sustainability Risk Management

We have initiated Sustainability risk managment process which will be integrated into our overall risk management, which includes identification, assessment, prioritization and monitoring mechanisms:

1. Identification of risks
2. Assessment of likelihood and impact
3. Prioritization of material matters
4. Monitoring and continuous validation
5. Risk reporting

Our risk assessment will be supported by our risk appetite and determines our risk response. This includes risk management controls and procedures to ensure that our risk is eliminated either through direct controls or mitigating controls. **Sustainability risk is considered high risk due to its impact, criticality and our Board's commitment.**

Climate Risk Management

As climate change is international agenda and it is universal, we have adopted an all-inclusive approach to manage climate-related risks and their interrelations with our strategy. IFRS S-2, categorize it into physical and transition risks, which will be proactively and regularly assessed starting from the FY 2025, by setting out the below mentioned approach:

1. Define Climate Scenarios as required by IFRS S-2
2. Define risk and Opportunity
3. Evaluation of likelihood & Impact
4. Qualitative scenario assessment
5. International and National Benchmarking
6. Risk and Rating Based on impacts and external factors
7. Strategic respond to mitigate risk and seize opportunity
8. Monitoring of risks and continuous validation

STRATEGY

Our sustainability and climate change strategy are determined by the guidelines set out by SASB IFRS S1 and S2 standards, where we assess industry trends, operating challenges and stakeholder expectations. Further, we have started to effectively identify sustainability-related risks and opportunities that could reasonably impact our business model, value chain, strategy, and decision-making processes. Materiality assessments are integral to our sustainability journey, as they enable us to identify and prioritize sustainability trends and topics that are significant to our business and stakeholders. The material matters were aligned against national and global reporting frameworks such as the Global Reporting Initiative (GRI) Standards and the SASB Standards.

Identifying of Sustainability and Climate Risks and Opportunities:

Our business is exposed to sustainability and physical and transitional climate-related risks. Sustainability risk is principal risk and if not managed can affect our business model, supply chain and continuity. Physical risks include changes in weather patterns, such as extreme weather events, which could disrupt our operations and supply chains. Transitional risks, such as regulatory changes and shifts in consumer preferences towards sustainable products, also affect our business. To mitigate these risks, we have committed to halving the greenhouse gas emissions of our products in short to medium time horizons and achieving low and then net zero emissions across our operations in the long run.

Resource Allocation and Financial Impact:

As part of our sustainability strategy, We are commited to allocate budget and other capitals. Our principal supplier and long-term partner, SK Enmove, is increasing capital investments in low-carbon innovations. In FY 2021 SK Enmove changed its name from SK lubricants, with the aim of becoming known as an energy-saving company and allocated significant amount in Clean Future programs, which focuses on reducing the carbon footprint of products. This includes sourcing more focus on renewable or recycled materials in the medium to long term.

Please see below our step-by-step approach for setting out the strategy:

1.Materiality Review

We have started to review the trends, risks and opportunities that affected our strategic direction, which enabled us to identify our most pertinent business issues.

2.Prioritisation

We plotted the identified topics onto a matrix to prioritize the top material matters that impacted business growth and stakeholder decisions.

3.Stakeholder Engagement

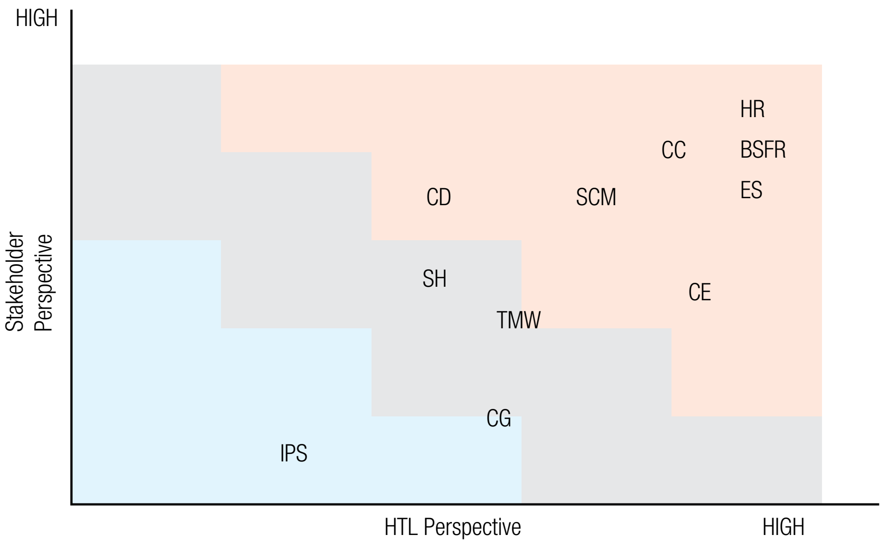
We analyzed feedback received from selective initial internal and external stakeholders via interview and surveys to determine the top stakeholder concerns.

4.Validation

We submitted the identified material matters to our Board Committee and Board for deliberation, validation and approval to manage the sustainability-related risks and opportunities identified. Moving forward, we aim to assess the resilience of our strategy and business model in relation to these risks.

5.Material matter prioritization

Material matters plotted on chart considering the perspective of HTL and Stakeholders Perspective



Sr. No.	Legends	Material Matter
1	IPS	Innovation & Product Stewardship
2	SCM	Supply Chain Management
3	CD	Cybersecurity & Digitalization
4	BSFR	Business Strategy & Financial Resilience
5	CC	Climate Change
6	ES	Environmental Stewardship
7	HR	Human Rights
8	SH	Safety & Health
9	TMW	Talent Management & Well-Being
10	CE	Community Engagement
11	CG	Corporate Governance

SUSTAINABILITY & CLIMATE **RISKS AND OPPORTUNITIES**

Our risks are categorized into principal and emerging risks. Sustainability risk is a principal risk in FY 2025 and moving forward we will be conducting regular assessment to determine its risk rating. We are aware of the need to proactively manage and alleviate sustainability risk to ensure the resilience and longevity of our business. It may impact our business and operations and business model if not managed properly.

Cliamte risk include two types of risk, namely, Physical risk and Transition risk. IFRS S-2 require scenario anlysis exercise for risk assessment of cliamte related risk. We are in process of initiating the exercise through our committee and external consultant support. Sustainability department development is also in process of approval from Board. We will initiate by determining the time horizons (Short upto 3 years, medium upto 10 years and long upto 20 years) and scenarios to be used for the scenario analysis will be guided by the standards, data and rules set out by the International Organizations. Physical and transition risks will be identified by this process to review the impact to HTL.

RISK AND **OPPORTUNITIES**

Material Matters	Risk and Opportunity	Time Horizon
Climate Change	Risk: Regulatory changes could impose stricter emissions standards, affecting product formulation and transportation logistics. Opportunity: Develop and market eco-friendly lubricants to cater to environmentally conscious customers, gaining a competitive edge.	Medium to Long Term
Environmental Stewardship	Risk: Increasing pressure from consumers and stakeholders to adopt sustainable practices could lead to higher operational costs and compliance requirements Opportunity: Implement sustainable sourcing and production processes to enhance brand reputation and attract environmentally conscious investors.	Short Term Long Term
Innovation & Product Stewardship	Risk: Rapid technological advancements may render current products or marketing strategies obsolete, potentially losing market share. Opportunity: Innovate and develop new products with enhanced performance and lower environmental impact, allowing differentiation in the market.	Medium Term Long Term
Safety & Health	Risk: Non-compliance with safety standards can lead to accidents, legal liabilities, and damage to company reputation, affecting operations and profitability Opportunity: Promote a culture of safety and health, reducing accidents and building loyalty among employees, while also appealing to customers who value safety	Short Term
Supply Chain Management	Risk: Disruptions due to geopolitical issues, natural disasters, or supplier instability could lead to product shortages or delays, impacting sales and customer satisfaction. Opportunity: Implement resilient and diversified supply chain strategies, ensuring consistent product availability and reducing dependency on single suppliers	Short Term Medium Term
Community Engagement	Risk: Inadequate engagement with local communities may lead to opposition or resistance, affecting the company's social license to operate. Opportunity: Build strong relationships and partnerships with communities through sustainability initiatives, enhancing brand loyalty and support.	Short Term Long Term
Talent Management & Well-Being	Risk: Difficulty attracting and retaining skilled talent could reduce competitiveness, while poor employee well-being may lead to high turnover and productivity losses. Opportunity: Create employee development and well-being programs to attract top talent, improve retention, and enhance overall productivity.	Medium Term Long Term
Corporate Governance	Risk: Lack of transparency, accountability, or ethical practices can lead to regulatory penalties, legal challenges, and loss of investor and stakeholder confidence. Opportunity: Adopt transparent governance practices and ethical standards, building investor trust and establishing a positive reputation in the industry	Long Term
Business Strategy & Financial Resilience	Risk: Fluctuations in oil prices, rupee depreciation, market demand, or economic downturns can significantly impact profitability and financial stability. Opportunity: Venturing into new diversified sustainable business with the use of cutting edge ecological technologies. Change in the business model including the capital injection to maximise shareholders equity through sustainable means.	Short Term Medium Term Long Term
Human Rights	Risk: Non-compliance with human rights standards could lead to legal challenges, negative publicity, and harm to the company's reputation. Opportunity: Position the company as a leader in ethical practices by ensuring human rights compliance, attracting socially conscious customers, partners, and investors.	Short Term Medium Term Long Term
Cybersecurity & digitalization	Risk: Cyber threats, data breaches, or system failures could disrupt operations, compromise sensitive data, and result in financial losses or reputational damage. Opportunity: Invest in advanced cybersecurity measures and digital technologies to protect assets, optimize marketing and distribution, and gain a competitive advantage	Short Term

*Each material matter is falling under Our Operations in Value Chain.

Climate Strategy

IFRS S-2 requires scenario analysis exercise for risk assessment and to determine the risk and opportunities related to climate change. Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA) also issued guidelines and data for such assessments. We are in process of initiating the climate change risk assessment exercise to not only identify material climate-related risks and opportunities but also to develop response measures for managing the identified risks and opportunities.

Assessment by SK Enmove

HTL, major lubricant product and brand ZIC Lubricant Oil is supplied by our principal supplier and long term business partner "SK Enmove". Our business is dependent on the product delivered by SK Enmove. Major business and product sustainability risk relates to the SK Enmove business model, operations and un-interrupted supply chain. SK Enmove have made significant advancement in ESG, Sustainability and combating with climate risks. Please see below the climate risks assessment and strategy adopted by our principal supplier and business partner:

Loss Risks due to increasing Physical Climate Risks

SK Enmove used S&P Global's Climanomics® hazard modelling to get quantifiable estimates on financial impacts of physical risk factors associated with acute and chronic environmental changes and hence readily prepared for potential risks among the risk and opportunity factors

Scope of Target I They applied 4 IPCC RCP scenarios to a total of major domestic and overseas business sites and physical assets of their 6 subsidiaries and analyzed physical risks forecast. Primary focus was on RCP 8.5 which entails the most serious physical risks as the global temperature is assumed to rise by more than 4° C due to failed control; greenhouse gas reduction and also on RCP 4.5 forecasting the global temperature will go up by 1.7~3.2° C.

Analysis Method I Based on risks associated with climate change, socio-economic data, and econometric models, they estimated asset value lost to seven major climate risks (temperature rise coastal flooding, drought, wildfire, tropical cyclone, water stress, and river flooding) and the loss rate by a 10-year period.

Risk Category	Risk Rating (Modeled Avg. Annual Loss (MALL)	
Climate Risks	IPCC RCP 4.5	IPCC RCP 8.5
Extreme Temperature	0~3%	0~3%
Sea level rise	0~3%	0~3%
Drought	0~3%	0~3%
Wildfire	0~3%	0~3%
Typhoon	n/a	n/a
Water scarcity	n/a	n/a
River flooding	0~3%	0~3%

*Modeled avg. annual loss (MAAL): Ratio of loss to the current asset value

*N/A: There are no resources of the concerned risk factor. Or, the business site are located in coastal areas or are not reflected on the analysis model due to limited data.

Risk score	Higher than 16%	~16%	~10%	~6%	0~3%	n/a
Risk Category	*Very High	*High	*Moderate	*Low	*Limited	No risk

Under both RCP 4.5 (The global temperature rises 1.5° C or above between 2022-2029) & RCP 8.5 (the global temperature rises 4°C or above), the asset loss rates of the business sites(Korea, Japan, Indonesia, US, Europe) of SK Innovation's subsidiaries are estimated to be lower than the material risk levels

Material risk levels: The asset loss rate is 16% or higher on the annual average (S&P Global rating "Red")

In the case SK Innovation's business sites, the asset loss rates caused by the seven risk factors are estimated to be less than 1% until 2030, meaning that increasing physical risks associated with climate change will have an insignificant impact on the company

River flooding (0.8%) and abnormal temperature (0.7%) are expected to have the most Impacts across the SK Innovation's subsidiaries business sites and production plants, while tropical cyclones will have the least influence. Therefore, those subsidiaries whose major oil refineries are situated close to the coast may come under relatively more impacts by river flooding, sea level rise, and abnormal temperatures, but the absolute level of risk is not likely to be significant until 2030

At HTL Pakistan, our Board is committed to shaping its climate risk strategy and process for engaging the stakeholders and environment and ESG experts.

Summary of Average Transition Risk/Opportunities framework to be executed

Transition Driver	Type	Time Horizons
Mandatory carbon pricing	Risk	*
Carbon border adjustment mechanism (CBAM) and climate-related trade Barriers	Risk	*
Increase in demand for bio-based and more efficient products	Opportunity	*
Near zero emission technologies for blending	Risk	*
Energy efficiency and electrification	Opportunity	*
Tightened access to capital for carbon intensive activities	Risk	*
Increasing stakeholder scrutiny over climate disclosures	Risk	*

Metrics and Targets

Metrics and targets at HTL are set out with careful analysis and due consideration to Global Reporting Initiative (GRI) Topic Standards. These metrics also guide our climate mitigation and management strategies.

These standards are set out against the supply chain, resource efficiency, product stewardship, innovation, cybersecurity, community engagement, energy, emissions, human resource, talent management, safety and health, climate change and governance. Our approach, how it matters to HTL, progress and impact and achievements against such metrics and targets are set out in below chapters.

Material Matters	Sustainability Targets
Climate Change	Continue to maintain low-emission operations in distribution and logistics. Explore innovative technologies to further minimize carbon footprint.
Environmental Stewardship	Continue Source packaging materials from recycled or sustainable sources. Expand sustainable sourcing to cover additional product lines and packaging materials. Introduce refillable packaging options to reduce waste in the supply chain.
Innovation & Product Stewardship	Introduce eco-friendly lubricant products with biodegradable properties. Invest in R&D to develop sustainable product formulations, reducing environmental impact.
Safety & Health	Safety compliance and training standards external. Introduce advanced safety technologies and programs to further reduce workplace risks.
Supply Chain Management	Continue working with suppliers who meet sustainability criteria. Expand the supplier sustainability program to include more stringent environmental and social requirements.
Community Engagement	Maintain community investment and engagement programs. Develop partnerships with more communities to promote environmental awareness and recycling practices.
Talent Management & Well-Being	Sustain employee well-being and development programs. Introduce new initiatives to enhance workforce diversity, inclusivity, and skill development.
Corporate Governance	Continue adhering to ESG reporting standards. Strengthen governance practices with additional transparency and ethical guidelines.
Business Strategy & Financial Resilience	Diversify revenue streams by introducing new product lines focused on sustainable solutions. Maintain sustainable growth with a notable share of revenue from sustainable products.
Human Rights	Continue ensuring compliance with human rights standards. Establish a grievance mechanism accessible to all stakeholders.
Cybersecurity & Digitalization	Implement robust cybersecurity protocols to prevent data breaches. Transition a majority of customer interactions to digital platforms to improve efficiency and reduce paper usage.

COMMUNITY ENGAGEMENT

SDGs

SDG GOAL: 1 – NO POVERTY
SDG GOAL: 3 – GOOD HEALTH & WELLBEING
SDG GOAL: 4 – QUALITY EDUCATION
SDG GOAL: 8 – GOOD JOBS & ECONOMIC GROWTH
SDG GOAL: 17 – PARTNERSHIPS FOR THE GOALS

How it matters to HTL and its Community

At HTL, our steadfast dedication to making a positive impact on the communities we serve is reflected in HTL Community Engagement and Social Impact Programs. Fostering trust and empowering communities through impactful initiatives allow us to generate long-lasting effects on the well-being of the local communities where we operate. It is our corporate duty to contribute to society, nurturing trust and promoting community well-being even in challenging circumstances.

HTL Management Approach

Our community engagement initiatives are centered around three key pillars of the HTL Social Impact Strategy: Environmental Stewardship, Educational Support, and Community Development and Well-being. To deepen our integration within these communities, we collaborate with non-governmental organizations (NGOs) and local government agencies, ensuring that our programs are tailored to meet the unique needs of each community. Additionally, we encourage our employees to participate in volunteer activities, fostering a workforce committed to making meaningful contributions and enhancing the quality of life for those we serve.

Amount Contributed (5 Years)

Rs. 101.7 Million

Amount Contributed (2024)

Rs. 18 Million
2023: Rs.18 Million
Ilmgah Schools

Our Progress and Impact
Imparting Education through our schools

"ILMGAH SCHOOL SYSTEM"

Our mission is to provide quality education and empower young minds with the tools they need for the success. Currently, we are proud to have a growing community of 550+ students enrolled, all benefiting from our comprehensive curriculum and dedicated teaching staff of 30. Total of more than 1,500 students have been passed out with 100% pass result since school establishment in 2011. We look forward to shaping the future of our students as they embark on their educational journey with us.

ACTIVITIES CONDUCTED AT ILMGAH SCHOOL:

Vocational Computer And Teacher Training:

We are conducting vocational computer trainings at Ilmgah Schools where underprivileged communities with limited access to quality computer education and get trained with the fundamentals of computers, operating systems, Microsoft Office Suite, internet navigation, C++, and graphic design.

Project Outcome: Successfully completed 9 batches, training over 100 individuals, with 77 students trained in 2024 alone, empowering them with essential digital skills for future opportunities.

TEACHERS TRAINING	Facilitator	2023	2024
Academic Excellence	External	5	1
Motivational Sessions	External	1	1

Annual Prize Distribution and Sporting Event

Strengthening Green Spaces with PHA Collaboration

We are dedicated to supporting environmental sustainability through our partnership with the Parks and Horticulture Authority (PHA). We contribute financial resources to PHA's plantation initiatives, aiming to enhance green spaces and promote ecological balance. This collaboration underscores our commitment to environmental stewardship and contributes to the creation of healthier, more vibrant communities. By investing in these planting efforts, we help foster a greener environment and support long-term sustainability goals. We planted 5,000 trees with the collaboration of PHA in 2024.

HEALTH AND WELLBEING OF COMMUNITY

Green Food

We are committed to fostering sustainability by establishing dedicated vegetable gardening areas within both our school and the Hi-Tech Blending plant. These initiatives provide practical learning opportunities, promoting ecological awareness and sustainable practices among students and employees alike.

HUMAN RIGHTS,
TALENT MANAGEMENT AND WELL BEING

SDGs

SDG GOAL: 8 – GOOD JOBS & ECONOMIC GROWTH
SDG GOAL: 10 – REDUCED INEQUALITIES

How it matters to HTL and its Stakeholders:

We believe that every individual must be accorded with dignity, fairness, respect and equality, regardless of their gender, religion or race. We proudly champion an inclusive culture where disabled persons are not just provided opportunities but are empowered to thrive, contributing their unique strengths to drive our collective success. Respecting human rights allows us to build trust with our employees, consumers, suppliers and communities, and provides us our license to operate.

We also recognize the critical role of building a highly skilled and productive workforce in fostering resilience and enabling the execution of our strategic priorities. Engaged employees are key to driving innovation. By aligning individual development goals with organizational objectives, we create a performance-driven culture that enhances productivity and supports the overall efficiency of our operations.

HTL Management Approach

Proper risk assessment has been conducted to manage potential social risks in business activities through relationships with partners and contractors, aiming to minimize and mitigate any risks that may arise from operations. Four main elements were assessed: labour and working conditions, responsible security, community impact, and supply chain management. Workers and employees have the right to raise their complaints freely without fear of discrimination, harrasment or abuse.

We also strive to empower our employees through our training programs, assessments and learning platforms to expand their skillsets, knowledge and capabilities to enhance agility while facing current challenging and evolving demands of work. Our proactive measures for talent management includes:

- Flexible work arrangements
- Generous leave policies
- A wide array of employee benefits aimed at promoting work-life balance and well-being
- Diversity and Inclusion (D&I) policy

Our Key Principles (Code of Conduct on Human Rights) CoCHR

- Freedom of Labour
- Prevention of Child Labour
- Wages and Benefits
- Working Hours
- Establish Grievance Mechanism
- Non-discrimination
- Freedom of Association
- Human Treatment
- Foreign and Migrant Workers

PROGRESS AND IMPACT

Facilities Provided to the Employees

Bonuses and incentives

HTL has the policy to provide bonuses and incentives to its employees to ensure employees are appreciated and encouraged. Total bonuses and incentives of 71 million paid in 2024.

Provident Fund

HTL also has the policy to provide long term benfits to its employees and paid 30 million pkr in 2024 in shape of Provident Fund.

	2024	2023
Bonuses and Incentives	71,375,930	76,644,082
Facilities provided to the Employee (PF)	30,574,917	25,427,845

Total Employee Remueration (5 years)

Rs. 4.88 Billion

Total Employee Remueration (2024)

Rs. 1.14 Billion

2023: Rs.1.19 Billion

Long term service benefits

HTL Employee who reaches 60 years age or serves 30 years will be entitled to long term service benefit ranging from 5 gross salaries to 15 gross salaries or even more with the Director approvals. During the year 2024, 3 emplyees were awarded with long term service benefits by HTL.

Work Flexibility

Implementation of flexibility at work to nurture work-life balance such as Flexible Working Hours (FWH), connectivity assistant and flexible attire at work.

Special Needs

Financial assistance through insurance is offered to employees to cover the treatment expenses related to their immediate family medical needs.

Sustainability factors are linked to employees' performances.

HTL by aligning individual goals with the company's sustainability objectives. Employees are encouraged to incorporate sustainable practices into their daily tasks, with performance evaluations considering their contributions to environmental and social initiatives.

Employee Appreciation

We provide performance-based incentives to employees through a structured evaluation process conducted by the respective department heads. Additionally, the company recognizes employee contributions with recreational trips and awards, fostering motivation and engagement across the organization.

Transition Assistance Programs

We promote the physical health of our employees by organizing cricket matches every alternate Friday and providing hygienic, nutritious lunches daily, ensuring a healthy and active work environment that supports overall well-being.

Employee trainings

At HTL, employee training is a cornerstone of our commitment to excellence and continuous improvement. We invest in comprehensive training programs to enhance our team's skills, ensuring they stay at the forefront of industry advancements.

Avg Training Hours Per Person	**15.51**
Total Training Hours for the Year 2024	**3,179**
Total Participants for the Year 2024	**205**
Total Training Investment	**3,769,153**
Training Investment per Employee	**18,386**

Training and Education	
Total Training Hours	**1,300**
Total Internal Hours	**116**
Hours per employee	**3**
Total External Hours	**1,184**
Hours per employee	**11**

Gender Pay Gap	
Particulars	**Mean Hourly Rate of Pay**
Male Employees - A	7,459
Female Employees - B	7,593
Gender Pay Gap (A - B)	-134
Mean Gender Pay Gap ((A-B) / A * 100)	**-1.80%**
Particulars	**Mean Hourly Rate of Pay**
Male Employees - C	3919
Female Employees - D	3920
Gender Pay Gap (C - D)	-1
Mean Gender Pay Gap ((C-D) / C * 100)	**-0.03%**

Details of Trainings Exercises	
1	AI Enabled Data Analytics for Accountants & Auditors
2	Angular Dot Net Core
3	ChatGPT for Professionals
4	Effective Letters, Reports and Presentations
5	Fundamentals of Data Analytics
6	Introduction to Digital Marketing
7	Inventory Management & Warehousing
8	Leading Diversity/Effective Leadership
9	Managing Multiple Projects Effectively
10	Managing the Learning and Development Function from TNA to ROTI
11	Microsoft Power BI
12	Microsoft Power BI Bootcamp
13	OCAC Workshop on Oil & Gas Industry of Pakistan
14	Oracle APEX Day
15	Oracle Application Framework
16	Skills in Goal Setting and Work Planning
17	Team Synergy Fostering Collaboration and Innovation in the Workplace
18	The Power of Persuasive Communication
19	Managing the Learning and Development Function from TNA to ROTI - Knowledge Sharing Session
20	Microsoft Power BI Bootcamp - Knowledge Sharing Session
21	Microsoft Power BI - Knowledge Sharing Session
22	OCAC Workshop on Oil & Gas Industry of Pakistan - Knowledge Sharing Session
23	AI Enabled Data Analytics for Accountants & Auditors - Knowledge Sharing Session

TALENT MANAGEMENT
AND WELL-BEING ACTIVITIES (2024)

DIVERSITY & INCLUSION (D&I)

Hi-Tech Lubricants Limited (HTL)				
Employees		**Male**	**Female**	**Total**
Type	Full Time	363	18	381
	Part Time	0	0	0
Category	Management	4	1	5
	Staff	359	17	376
Contract	Permanent	356	18	374
	Temporary/Contract	7	0	7
Region	Lahore	261	16	277
	Other	102	2	104
Hiring	Below 30	107	5	112
	30 to 50	238	13	251
	Above 50	18	0	18
Attrition	Below 30	22	8	30
	30 to 50	30	2	32
	Above 50	10	0	10
Organization	Rate of Injury	0	0	0
	Occupation Disease rate	0	0	0
	Lost Days rate	0	0	0
Contractor	Full Time	103	4	107

Workforce Diversity (Religion/Age)			
Cadre	**Muslim**	**Non-Muslim**	
Management	5	0	
Staff	369	7	
Total	374	7	
Cadre	**<30**	**30-50**	**>50**
Management	0	4	1
Staff	112	247	17
Total	112	251	18

Board Of Director (Religion/Age)			
Cadre	**Muslim**	**Non-Muslim**	
Male	7	1	
Female	2	0	
Cadre	**<30**	**30-50**	**>50**
Male	0	3	1
Female		1	

BUSINESS STRATEGY **AND FINANCIAL RESILIENCE**

SDGs

SDG GOAL: 8 – Decent Work and Economic Growth
SDG GOAL: 11 – Sustainable cities and Communities

How it matters to HTL and Its Stakeholders

Strategy is foundation in maintaining the sustainable growth and financial resilience. It acts as safeguard against the challenging economic conditions of Pakistan and its geopolitical instabilities and climate change impacts.

Our road towards implementation of the Sustainability Accounting Standards Board (SASB) inaugural standards - International Financial Reporting Standards (IFRS) S1 and S2, foster transparency and accountability. Our strategy is the core to enable stakeholders to have a clear view on how sustainability and climate-related risks and opportunities are addressed.

HTL Management Approach

Our business strategy and business model are guided by input of capitals grind by our strategic thrusts such as marketing excellence, supply chain excellence and commercial excellence. Our sustainability is governed by the EESG elements throughout the supply chain to ensure maximum value for our stakeholders and by ensuring that we remain sustainable to our society and environment.

To further strengthen, we continuously improve our HTBL plant operations to remain sustainable. We will strive to accelerate the integration of sustainability and digitalization into our operations and enhance project delivery to improve growth outcomes.

PROGRESS AND IMPACT

Enhanced operational measures

Investment into solar energy system of Pkr 73 million to be environment friendly in using energy.

Budget allocation to sustainability agenda achievement including sustainability department formation.

Financial Resilience

Strategically allocated financial resources to support identified sustainability initiatives, for example by directing capital towards projects aligned with sustainability goals.

Strengthened our internal monitoring and tracking mechanisms for investments and expenditures related to sustainability activities.

Our investment decisions are also taking consideration of environment friendly initiatives.

Economic value generated and retained

	Particulars	GROUP	
		2024	2023
Economic Value Generated	Revenue (Net)	24,317,223,350	15,610,395,350
	Other Income	357,580,703	178,456,916
Economic Value Distributed	Purchase of goods and services	17,428,323,905	10,693,538,459
	Dividends Paid	-	278,409,600
	Employee benefit expenses	1,149,271,884	1,192,203,402
	Income Tax Expenses	128,674,168	73,357,435
Economic Value Retained	Profit / (Loss) after Taxation	(137,376,595)	(246,982,360)

SAFETY &
HEALTH

SDGs

SDG GOAL: 3 – GOOD HEALTH AND WELL BEING
SDG GOAL: 6 – CLEAN WATER AND SANITATION

Importance of Health and Safety at HTL

At HTL, we are committed to ensuring a healthy and safe work environment for all employees and workers, recognizing that their physical, emotional, and mental well-being is directly linked to the overall success of our operations.

Health, Safety, and Environment (HSE) considerations are embedded in every decision and action we take. This not only enhances investor confidence but also reinforces the trust of our stakeholders, reflecting our commitment to sustainability and corporate responsibility.

By fostering a culture of protection and safety, we improve the overall well-being and morale of our workforce, resulting in higher job satisfaction, increased productivity, and a continuous drive toward operational excellence.

Furthermore, our employees are encouraged to voice concerns about potential risks or hazards, fostering a proactive approach to risk management. This empowerment ensures collaborative efforts towards effective, long-term solutions that not only protect our workforce but also safeguard the surrounding communities and environment.

HTL Approach

HTL's HSE Policy describes the process for the reporting and investigation of all types of incidents and near misses within HTBL Plant and the duties of all employees in this regard. To recognize HTBL obligation to ensure that all accidents and incidents are reported, recorded and investigated. Accidents and incidents are investigated in consultation with a Health and Safety Representative and/or relevant stakeholders. Agreed preventative and corrective actions are implemented, monitored and reviewed for effectiveness

PROGRESS AND IMPACT

HSE Governance

HSE Governance is carried out through committee at HTBL plant, please see below its structure, members and roles:

Committee Member Name	Designation of member	Roles
Mr. Muhammad Ali Hassan	CEO	Oversight, approvals and reporting to BOD
Mr. Yaqub Aziz	Chief Operating Officer	Monitoring and act as bridge between top to bottom hierarchy
Mr. Syed Ahmad Mujtaba	QHSE Coordinator	Execution and reporting

Culture

At HTL policies and procedures are communicated properly to every employee in the organization Culture of encouragement of the reporting the HSE committee and eliminating the issue through proper mechanism.

Compliance & Competency

Our policy applies equally to incidents involving employees, visitors, stakeholders who are affected by the work of the organization. When an incident occurs, and especially if it is of a health and safety nature, the first response is to make the situation safe. All evidence is protected and secured. It is essential that an Incident Report Form is completed for all incidents and near misses. Incidents are managed in accordance with the processes and timescales.

All serious incidents are verbally reported immediately to QHSE Coordinator followed by high priority email containing a full description of the incident. The QHSE Coordinator then determines the appropriate response and action.

Hazard Identification

Maintained risk assessment register for Production, Labs, Stores and Utilities with respect to all departments. Identified hazards and its impacts and assigned risk ratings keeping in view likelihood and severity. Devised preventive / control measures for each risk as mitigating strategy and re-assessing the risk ratings keeping in view likelihood and severity thereof. Made arrangements such as Treatment/ First Aid Box availability for all Hazards identified

Health and Safety Excellence	2024	2023
ISO 45001:2018 Occupational Health and Safety Management Systems certified facilities:		
Number of Fatalities recorded	Nil	Nil
Incidents of Major Fire	Nil	Nil
Incidents of Major Injuries	Nil	Nil
Total Recordable Occupational Illness Frequency	21	48
HSE incidents affecting communities	Nil	Nil
Fines and summons from authorities/Govt. Regulatory bodies	Nil	Nil
Lost Time Injury Frequency (Number of LTIs per Million man-hours)	Nil	Nil
Lost Time Injury (Number of Cases)	Nil	Nil
Total Recordable Case Frequency (Number of TRCs per Million man-hours)	Nil	Nil
Total Recordable Court Cases (Number of cases)	Nil	Nil

Light/ Luminous Monitoring

Categories	IES Recommended Values	Average LUX 2024	Average LUX 2023
Category 1	200-500	477*	412*
Category 2	250-500	483*	599*

INNOVATION & **PRODUCT STEWARDSHIP**

SDGs

SDG GOAL: 12 – RESPONSIBLE CONSUMPTION AND PRODUCTION

How it matters to HTL and Its Stakeholders

The lubricant manufacturing unit of SK Enmove, our principal supplier and long term business partner, has been showing a keen interest in liquid immersion cooling (LIC) technology for thermal management of data centers, energy storage systems and EV batteries. .

HTL Management Approach

We dismiss the view that demand for lubricant oil will falter in the era of electric vehicles (EVs), we anticipate that EVs also need a dedicated lubricant that cools motors and reduces the friction resistance of gears to enhance energy efficiency. We are leading the EV lubricant oil market globally with a competitive edge in raw materials and technologies through SK Enmove, our principal supplier and long term business partner. With the technology, data centers can enhance cooling efficiency by 30 percent, compared with conventional air-cooling methods.

OUR PROGRESS AND IMPACT

SK Enmove has been producing lubricants for EVs since 2013, as the size of the global e-fluid market is expected to grow to $9 billion by 2040.

Our Principal Supplier, SK Enmove unveiled its goal of becoming a global top-tier company in the energy-efficient lubricant market by 2040 with ZIC e-FLO, its new product named after its signature internal combustion engine oil brand.

In FY 2021, our principal supplier and long term business partner, changed its name from SK lubricants to SK Enmove, with the aim of becoming known as an energy-saving company.

We will be recognized in the global market as a company enhancing electrical efficiency, as well as fuel efficiency.

Due to the explosive increase in data usage, enhancing energy efficiency through thermal management will emerge as a core business sector in the future. Based on SK enmove's competitiveness in high-quality lubricant manufacturing and its R&D capabilities, we will explore new markets.

Product Stewardship

Customer Relationship Management

Remained responsive to customer feedback, ensuring positive customer experiences - Continued to execute effective customer engagement by improving responsiveness to customer requests, as well as increase our product and application knowledge based on key learnings from the previous Customer Satisfaction Survey (CSS) in business and sales support

Conducted regular technical exchanges with associates and customers to impart knowledge and guidance on our products and applications to maximize customer benefits

Particulars	Status
Order Fulfiment Ratio	95%
Customer complaints received	1,241
Customer complaints resolved	1,203
% of Queries/ Complaints Resolved	97%
Customer portal	Auto Ready Mobile App
Customer relationship management tool and feedback system	Help Desk Centre
Process of resolving the customer complaint	1.Distributors>BI Dept 2.Retailers>Sales>BI Dept 3.Retailers>BI Dept 4.Customers>BI Dept

ENVIRONMENTAL STEWARDSHIP

SDGs

SDG GOAL: 12 – RESPONSIBLE CONSUMPTION AND PRODUCTION

SDG GOAL: 15 – LIFE ON EARTH

How it matters to HTL and the environment

We are dedicated to ensuring compliance with evolving environmental regulations, enhancing its brand reputation by meeting the growing consumer demand for sustainable products. By minimizing environmental impact, the company reduces operational risks while improving supply chain resilience and business continuity. Through the adoption of sustainable practices, HTL creates long-term value and positions itself as a leader in eco-friendly innovation within the industry. These efforts safeguard the company's future business sustainability and reinforce its commitment to environmental responsibility.

HTL Management Approach

We adhere to all relevant environmental regulations across our locations and are guided by stringent environmental standards. Our commitment to high standards is evidenced by the ISO 14001:2015 certification of the majority of our operations, reinforcing HTL's credibility and dedication to effective environmental management systems. We have reported zero non-compliance to environmental policies, rule and regulations during the FY 2024.

Bio Diversity

Biodiversity is crucial for maintaining the balance of ecosystems, providing resources like food, clean water, and medicine, and supporting processes like pollination, climate regulation, and nutrient cycling. Activities, such as deforestation, pollution, and climate change, can threaten biodiversity, making its protection essential for environmental health and sustainability.

Our processes in Pakistan are eco-friendly, designed to minimize any significant impact on biodiversity. We are fully committed to protecting and preserving biodiversity through sustainable practices and continuous improvement in our environmental efforts

OUR PROGRESS AND IMPACT

Water and Wastewater Management

We are committed to responsible water management by operating with waterless processes, ensuring that we do not have any water intake. This approach reflects our dedication to sustainability and efficient resource utilization, eliminating water waste from our operations.

Waste Management

We prioritize effective waste management by partnering with EPA (Environmental Protection Agency) approved waste management company Ali Trade Waste Management (ATWM) to handle our waste. Through this collaboration, we ensure that our waste is properly managed and processed, reinforcing our commitment to environmental responsibility and sustainable practices.

Drinking Water Analysis

HTL ensures 100% compliance with drinking water quality standards, as verified through rigorous water testing, providing safe and reliable drinking water with no reported issues.

Waste & Effluents

Effective management of waste and effluents is essential for environmental protection and sustainable development. Efficient waste and effluent management are integral parts of sustainable development.

Our blending process does not generate excessive wastes keeping HTL Eco Friendly. HTL's operations are designed to be environmentally friendly, generating almost negligible hazardous and non-hazardous waste, ensuring a sustainable and responsible approach to our processes.

Description	UOM	2024	2023
Waste	Kg	10,109	9,857

CLIMATE **CHANGE**

SDGs

SDG GOAL: 12 – RESPONSIBLE CONSUMPTION AND PRODUCTION

SDG GOAL: 13 – CLIMATE ACTION

How it matters to HTL and the Environment

Climate change continues to exert devastating effects on the planet, causing profound disruptions to the global environment, social structures, and economic systems. These impacts are intensifying pressures on both nature and humanity at large.

Extreme weather events pose a significant risk to HTL's supply chain, potentially disrupting the sourcing, transportation, and distribution of lubricants. To mitigate these climate-related risks, building a resilient supply chain is essential for maintaining business continuity. Additionally, growing consumer concern for environmental issues is driving an increasing demand for eco-friendly and sustainable products, making it crucial for HTL to adapt to these evolving market preferences.

HTL Management Approach

Implement a robust system for monitoring and reporting on climate-related risks, emissions, and sustainability performance. Utilize frameworks such as the GRI (Global Reporting Initiative) for transparent and standardized reporting. Collaborate with key stakeholders, including customers, suppliers, and investors, to drive sustainability initiatives. This includes transparent communication on climate-related risks, mitigation efforts, and progress toward sustainability goals. We undertake climate risk assessments to better identify the risk and opportunities that could impact our business to identify and put in place mitigation and adaptation strategies that would improve HTL's climate resilience.

OUR PROGRESS AND IMPACT

HTL recognizes the urgency of climate change and has continued to step up its actions to mitigate impacts, including resilience against climate risk. At Hi Tech Lubricants Limited, our commitment to sustainability reflects a purpose-driven approach that integrates economic, social, and environmental dimensions.

Climate change performance refers to the effectiveness and sustainability for HTL activities, processes, and products in relation to their impact on the environment. It involves assessing, managing, and improving environmental practices to minimize negative effects on ecosystems, natural resources, and human health while maximizing positive contributions to environmental conservation and sustainability.

Environmental management system

Implementing an EMS, such as ISO 14001, to establish Climate/ environmental policies, objectives, and procedures for monitoring, evaluating, and improving environmental performance across all organizational levels.

Pollution prevention

Implementing pollution prevention practices to reduce emissions, discharges, and waste generation. This includes adopting cleaner production techniques, using environmentally friendly materials, and investing in pollution control technologies.

Renewable energy sources

Transitioning to renewable energy sources like solar and implementing energy-efficient technologies to reduce greenhouse gas emissions and mitigate climate change impacts.

Environmental/Climate Compliance

Ensuring compliance with environmental regulations, permits, and standards set by governmental authorities and industry best practices. This includes regular monitoring, reporting, and auditing of environmental performance indicators

Continuous improvement

Establishing a culture of continuous improvement by setting targets, conducting performance reviews, benchmarking against industry peers, and implementing corrective actions to enhance environmental performance over time.

Emissions

We are committed to reducing our GHG emissions, advancing the energy transition, and enabling the global shift to lower carbon industries, infrastructure, and value chains. It is a priority for us to innovate—to offer lower carbon products and services, improve our operational efficiency, and reduce our emissions.

Scope I and II contains CO2 emissions from direct & indirect sources while Scope III emission contains wastewater treatment-related emissions which are not incorporated in Scope I. Since, it is our first time adoption of sustainability reporting, Scope III Emissions will be reported from next year including intensity ratios and reduction from the last year.

Some of the Greenhouse gases are obtained from 3rd party measurement reports, including SOx and NOx emissions. Third party is engaged by our company to measure, monitor and assess the emissions. Moreover, the conversion factors are sourced from "UK Government GHG conversion factors for company reporting."

Type of Emissions	UOM	2024	2025 Target
Direct Emissions Scope-I	CO2e (Kg)	130,738	2 % reduction (Minimum)
Indirect Emissions Scope-II	CO2e (Kg)	801,340	
Total (Scope 1 & 2)	CO2e (Kg)	932,078	
NOx	mg/Nm3	410.275	5 % Reduction
SOx	mg/Nm3	209.036	

Energy

We are committed to energy efficiency by implementing energy-saving technologies and practices across its operations, reducing energy consumption and minimizing environmental impact. We have invested Rupees 73 million in Solar Energy.

Total Energy Savings

In 2024, HTL successfully conserved energy by optimizing our chiller plant operations, significantly reducing energy consumption and enhancing operational efficiency.

Particulars	UOM	2024	2023
Energy Consumed	KWH	2,770,725	2,003,793
Energy Conserved	KWH	1,378,796	999,398

Energy Conservation Source	UOM	2024	2023
Chiller Plant	KWH	169,128	-
Solar Energy	KWH	1,209,668	999,398

SUPPLY CHAIN
MANAGEMENT

How it matters to HTL and its Stakeholders

Implementation of sustainable practices promotes trust and confidence, enhancing supply reliability and reputation, which are all evident in our commitment to create value for stakeholders.

Adopting sustainable practices in supply chain management creates positive impacts across the economy, environment, and our communities. It plays a vital role as an integrated ecosystem, connecting suppliers, vendors, investors, and customers, while driving responsible and efficient operations.

HTL Management Approach

We uphold rigorous integrity standards in our procurement processes and activities to promote strong governance throughout our supply chain management.

Strong working relationships and open communication are essential in driving a sustainable supply chain ecosystem. We maintain close relationships within our supply chain environment in advancing sustainability within the industry. This is conducted through collaborative multi-stakeholder efforts and partnerships with industry and trade associations. Among our efforts are supporting vendors capability development, conducting vendor assessments, and engagements, incorporating sustainability criteria in contracts and adopting the Ecofriendly framework.

PROGRESS AND IMPACT

We have started to implement vendor screening to ensure that our suppliers align with our sustainability and ethical standards, enhancing the integrity of our supply chain.

We initiated the development of a comprehensive risk management framework to proactively identify, assess, and mitigate potential risks, ensuring greater operational resilience and sustainability.

We launched sustainability awareness training to educate and engage employees on best practices and principles, fostering a culture of environmental responsibility and sustainable development.

Particulars	OMC Segment	Lube Segment
Order Fulfiment Ratio	95%	94%
Local Purchases	83%	92%
Import	17%	8%
Number of Accidents during transportation/supply chain	0%	0%

This is related to HTL Only

CYBER SECURETY & DIGITALIZATION

How it matters to HTL and its Stakeholders

At our company, we prioritize digital and technology enhancements to improve integration across business operations. This strategic focus allows us to be more agile, flexible, efficient, and productive, ultimately delivering world-class services to our customers and enhancing our competitive edge. Leveraging digital advancements offers us a holistic view of our operations, enabling us to scale, make inform decisions, be ahead of our competitors and pivot new business models.

However, with the increased adoption of digital technologies, there comes an elevated risk of cybersecurity breaches and attacks. Cybercriminals frequently target customers, employees, and partners using methods such as phishing, targeted ransomware, and cyber warfare. Recognizing this threat landscape, we are committed to strengthening our cybersecurity defenses and resilience, providing reassurance to our stakeholders about the protection of our data and digital infrastructure.

HTL Management Approach

Our IT Governance and Cybersecurity Programs provide a structured framework aligned with our corporate strategy, enabling proactive management of cyber risks. The Cybersecurity and Board's Risk Oversight involves active monitoring by our Board, ensuring that cybersecurity risks are consistently evaluated and managed. To further enhance our defense, we have established Company Controls for an Early Warning System to detect and respond to potential threats, ensuring timely intervention.

HTL's policy mandates an Independent Security Assessment of the Technology Environment, conducted by certified cybersecurity service providers, ensuring unbiased evaluation and identification of vulnerabilities. We also maintain a comprehensive Contingency and Disaster Recovery Plan to ensure business continuity in the event of any disruptions.

Our commitment to transparency and governance is evident through the Advancement in Digital Transformation, where we utilize Oracle software to integrate core business processes within a single ERP system, enhancing efficiency and oversight.

We recognize the importance of employee awareness in mitigating cybersecurity risks. Therefore, we conduct Education and Training Programs, including compulsory modules on cybersecurity, social engineering, and scam awareness.

PROGRESS AND IMPACT

In our ongoing commitment to IT governance and cybersecurity, HTL has made significant progress across various initiatives:

Our robust IT governance framework, overseen by our Board through the Risk and Sustainability Committee, is designed to ensure that our digital infrastructure remains secure, aligned with our corporate strategy, and capable of adapting to emerging threats. Our IT governance policy addresses key aspects such as data security, data storage and backup, availability of data for informed decision-making, safety of IT assets and resources, transparency, accountability, and alignment with corporate objectives.

Employee Training & Awareness: In 2024, one employee completed external training on AWS, enhancing our cloud security capabilities. In 2023, two IT administrators received training on Gateway Level, Email Security, and Endpoint Security, bolstering our defenses. Additionally, an external trainer conducted specialized training on NG-Firewall and Endpoint Security for two IT administrators, improving our threat management expertise.

Cybersecurity Assessments & Tests: Phishing test results showed a 0% failure rate for both 2024 and 2023, indicating a high level of employee vigilance against phishing attacks.

Digital Transformation & Operational Excellence: In 2024, significant progress was made in deploying systems such as the EBS on HTBL Polymer and FPMS JD, along with the Payable Dashboard in EBS, and FPMS for HBTL Polymer, PF. Systems like GMS, PMS, and ASM were also integrated. In 2023, we upgraded our EBS from version 12.1.3 to 12.2.10 and Oracle DB, implemented OS OEL 7.9, deployed EBS in HTBL, developed HMS & DMS, and established an employee portal, demonstrating our continued advancement in digital transformation.

Security Monitoring & Protection: Smart Alerts via email have been configured, ensuring that IT administrators are promptly informed about any external system attacks, allowing quick response and mitigation.

Penetration Testing & Security Assessments: Half-yearly internal and external penetration testing was conducted using advanced tools like Nessus, Kali Linux, and NMAP, with the last security assessment completed on December 2, 2023. This rigorous testing regime helps in identifying vulnerabilities and reinforces our cybersecurity posture.

Business Continuity & Disaster Recovery: An SOP and a robust disaster recovery plan are in place to ensure the uninterrupted operation of business-critical applications, with provisions for both on-site and off-site contingencies.

These initiatives reflect our proactive approach to IT governance and cybersecurity, ensuring resilience, preparedness, and the protection of our digital assets and infrastructure.

Information Required	2024	2023
Phishing tests fail results	Zero	Zero
Cyber incidents	Zero	Zero
Business critical system downtime	3%	2%
Substantiated complaints concerning breaches of customer privacy and losses of customer data	Zero	Zero

CORPORATE **GOVERNANCE**

How it matters to HTL and the environment

At HTL, strong and effective corporate governance is fundamental to our operations, safeguarding stakeholder interests and ensuring the organization's long-term sustainability. As a publicly listed company, we are dedicated to a robust governance framework that prioritizes integrity, compliance, transparency, and accountability.

In an increasingly competitive and dynamic market, corporate governance is essential for strategic development. By adhering to best governance practices, HTL enhances its credibility with stakeholders, fosters trust, and strengthens risk management capabilities. This commitment not only boosts stakeholder confidence but also facilitates timely and transparent disclosures, reinforcing our reputation in the market.

Our focus on corporate governance is aligned with our mission of long-term value creation, allowing HTL to cultivate meaningful and lasting relationships with stakeholders. Through these efforts, we support our journey toward sustainable success, ensuring that our organizational practices contribute positively to our community and the environment.

HTL Management Approach

At HTL, we understand that responsible governance is essential for our commitment to sustainability and long-term success. Our governance framework is meticulously designed to safeguard stakeholder interests while promoting ethical business practices, accountability, and transparency.

We adhere to the Listed Companies (Code of Corporate Governance) Regulation, 2024, and uphold a Statement of Compliance that has been reviewed and certified by our external auditors. This commitment ensures our governance practices align with industry standards and best practices, thereby enhancing stakeholder trust.

Our governance structure is anchored in strong processes and effective internal controls, supported by a leadership team dedicated to transparency and accountability.

PROGRESS AND IMPACT

At HTL, our commitment to robust corporate governance is integral to our sustainability framework and operational integrity. As a listed company, we understand that strong governance not only safeguards stakeholder interests but also enhances our resilience in an increasingly complex business environment.

Risk management framework, policies and procedures, proper organization structure is approved by the Board to ensure robust corporate governance.

In line with our dedication to sustainability, we have started to implement the (IFRS) S-1 & S-2 on sustainability reporting, ensuring our practices align with global best standards. This strategic move reflects our commitment to transparency and accountability.

In alignment with our sustainability goals, we are going to establish a Risk and Sustainability Committee, which will be supported by the Sustainability Department. This committee will oversee our sustainability initiatives across the Plant and Depot Wings, ensuring that our operations are environmentally responsible and socially beneficial. Its functions will encompass evaluating risks and opportunities associated with Economic, Environmental, Social, and Governance (EESG) sustainability.

By recommending the establishment of HTL's EESG sustainability strategies, priorities, and targets to the Board, the committee aims to create long-term corporate value. This proactive approach reinforces our commitment to corporate governance, ensuring that sustainability is not just an add-on but a core component of our business strategy.

Through these initiatives, HTL is poised to not only enhance its corporate governance framework but also to drive meaningful progress in sustainability, ultimately benefiting our stakeholders and the communities we serve.

FRAUD, DECEPTION, DISHONESTY, BRIBERY & ANTI-CORRUPTION MEASURES

HTL strictly prohibits fraudulent acts, including bribery and corruption, and ensures that business partners adhere to the same ethical standards.

Directors' training has been conducted the details of which is mentioned in Directors Report Section in Integrated Annual Report.

CERTIFICATIONS ACQUIRED FOR BEST **SUSTAINABILITY AND CSR PRACTICES**

HTL has made a profound history of achievements toward best business practices and sustainability as shown below;

Award	Category	Year	Host
Business excellence award	First position in small business enterprises	2013-14	UN Global Network Pakistan
Business Excellence Award	Second Position in Large National Category	2015-16	UN Global Network Pakistan
Living the Global Compact Sustainability Award	First Position in Large National Companies	2017	UN Global Network Pakistan
Living the Global Compact Sustainability Award	Second Position in Large National Companies	2018	UN Global Network Pakistan
Living the Global Compact Sustainability Award	First Position in Large National Companies	2019	UN Global Network Pakistan
Living the Global Compact Sustainability Award	Second Position in Large National Companies	2020	UN Global Network Pakistan
Living the Global Compact Sustainability Award	Second Position in Large National Companies	2021	UN Global Network Pakistan

UNITED NATIONS SUSTAINABLE DEVELOPMENT **GOALS 2030 AS OUR ROAD MAP TOWARDS A SUSTAINABLE SOCIETY**

HTL has embraced the United Nations Sustainable Development Goals (SDGs) as a foundational blueprint for our strategic journey toward sustainability. In the present year and beyond, our steadfast commitment to aligning our practices with these Global Goals by 2030 remains resolute. The incorporation of the SDGs has illuminated our path, guiding us to perceive sustainable development as an inherent business response to the challenges confronting our society. We recognize the imperative of utilizing business-driven approaches to engender enduring economic growth, address societal needs, and empower communities. The UN Sustainable Development Goals furnish us with a shared framework and a well-defined roadmap to strive towards a better future. We regard the SDGs as a mutually beneficial opportunity, one that not only advances the betterment of the world for future generations but also aligns seamlessly with our vision of becoming a value-driven, sustainable company.

Out of the 17 United Nations goals, we have purposefully integrated twelve SDGs into our business operations. Furthermore, we have diligently crafted action plans to seamlessly incorporate sustainable development principles into our overarching business strategy. This integrated approach underscores our commitment to contributing meaningfully to the achievement of these critical global objectives.

GOAL	WHAT IT MEANS TO US	EXAMPLES OF OUR CONTRIBUTION
1 NO POVERTY	Our aim: End poverty through social protection, community welfare, and access to basic services for our employees and local vulnerable communities via inclusive growth.	HTL prioritizes employee empowerment with competitive pay packages, in compliance with minimum wage laws. As a socially responsible Company, we address the needs of the underprivileged through CSR initiatives, especially during natural calamities and environmental challenges.
3 GOOD HEALTH AND WELL-BEING	Our aspiration: Ensure employee safety and enhance access to quality, affordable healthcare for both our employees and local communities.	Our HSE function ensures strict adherence to industry-leading Occupational Health, Safety, and Environmental practices. HTL implements healthcare initiatives for employees and local communities, prioritizing well-being and community health.
4 QUALITY EDUCATION	Our aim is to provide quality education to the underprivileged segments of the community.	Education holds a central place in Company's CSR strategy. Through the Sabra Hamida Trust, we operate Ilam Gah School System, dedicated to serving the underprivileged segments of the community.
5 GENDER EQUALITY	Our aim is to foster gender equality, ensure a safe workplace, and provide equal opportunities and compensation for all employees.	We are a proud equal opportunity employer, dedicated to promoting gender diversity across all organizational levels. We offer equal opportunities, compensation, and benefits to our female employees as we do to their male counterparts. Women are represented at all organizational levels, including the Board of Directors. We have policies ensuring a harassment-free workplace for female employees.
6 CLEAN WATER AND SANITATION	Incorporating water conservation into our business strategies for a sustainable future.	Installation of RO plant Bhai Kot Sundar Lahore to provide safe and clean drinking water for the community. Installation of various clean water pumps in village areas.
7 AFFORDABLE AND CLEAN ENERGY	Increase the use of clean energy at the Company's production facilities and utilize technology to provide solar energy solutions to the community.	HTL has successfully installed Solar Energy Power Project at Hi-Tech Blending (Private) Limited its wholly owned subsidiary company
8 DECENT WORK AND ECONOMIC GROWTH	To be a preferred employer, promote holistic economic growth, train youth for enhanced employability, and upskill our current workforce.	HTL provides comprehensive employee facilities, including competitive pay, safe workplaces, healthcare, equal opportunities, and gender diversity. We prioritize employee training and upskilling for economic growth.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Our goal: Sustainable economic growth through responsible industrialization, improving living standards and access to life's essentials for all.	HTL embraces industry innovations and invests in infrastructure development.
10 REDUCED INEQUALITIES	We aim to reduce inequalities by providing equal access to opportunities through leadership, network, and technology solutions.	HTL upholds strict HR policies for equal and fair compensation, gender promotion, merit-based hiring, and cultural diversity.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	We are committed to the responsible management of our operations, reducing our environmental footprint, and fostering responsible conduct among all our stakeholders.	As an environmentally conscious company, we take pride in advocating for sustainable business practices throughout our value chain and in public forums.
13 CLIMATE ACTION	Our objective is to expedite action on mitigating the impact of climate change.	HTL is actively engaged in an ongoing tree plantation drive to protect the environment.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	We are dedicated to the responsible and ethical management of our operations. Our commitment includes promoting transparency and accountability in all interactions with both internal and external stakeholders.	Our Anti-Bribery and Corruption Policy is an integral component of our code of conduct. We firmly discourage all forms of such behavior, emphasizing our commitment to ensuring equal and equitable opportunities for all.

LIMITED ASSURANCE **STATEMENT BY INDEPENDENT AUDITOR'S**

INDEPENDENT LIMITED ASSURANCE REPORT TO **HI-TECH LUBRICANTS LIMITED ON THE SUSTAINABILITY**

INTRODUCTION

We, M. Salman Naseem and Co., Chartered Accountants (MSN, we, us, our), were engaged by the Management of Hi-Tech Lubricants Limited (the 'Company') to provide limited assurance under International Standard on Assurance Engagement (ISAE) 3000 "Assurance Engagement Other Than Audit or Review of Historical Financial Information" on the Sustainability Report for the year ended June 30, 2024 of the Company.

CRITERIA

The criteria used by the Company to prepare the report is Global Reporting Initiative (GRI) standards 2021 (the 'criteria'), as disclosed in the report.

MANAGEMENT'S **RESPONSIBILITIES**

Management is responsible for the preparation and presentation of the report in accordance with the criteria for determining the Company's objectives with respect to sustainable development performances and reporting, including the identification of stakeholders and material issues, and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

Management is also responsible for preventing and detecting fraud and for identifying and ensuring that the Company complies with laws and regulations applicable to its activities through its internal due diligence mechanisms and framework.

Management is additionally responsible for ensuring that staff involved in the preparation and presentation of the Sustainability Report is adequately trained, information systems are appropriate updated, any changes in the Report encompass all significant business units.

INHERENT **LIMITATIONS**

Non-financial information is subject to inherent limitations compared to financial data due to its subjective nature and the varying interpretations involved in determination relevance, materiality, and accuracy. The methods used to gather and assess this data may evolve over time, impacting the criteria used and precision of the information provided.

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the information presented in the Report may occur and may not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over preparation and presentation of the Report, as the engagement has not been performed continuously throughout the period, and the procedures performed were undertaken on a test basis.

OUR INDEPENDENCE **AND QUALITY CONTROL**

We have complied with the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Pakistan (ICAP), which includes independence and other requirements on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.
The firm applies the International Standard on Quality Control 1 "Quality Control for firm that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements", and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

OUR **RESPONSIBILITIES**

Our responsibility is to carry out a Limited Assurance engagement on the Company's Sustainability Report and to express a conclusion based on the work performed. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised), 'Assurance Engagements Other than Audits or Reviews of Historical Financial Information' (ISAE 3000) as issued by the International Auditing and Assurance Standards Board (IAASB). This standard requires that we comply with independence requirement and plan and perform the engagement to obtain limited assurance on the Sustainability Report.

PROCEDURES **PERFORMED**

A limited assurance engagement on a sustainability report consists of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other evidence-gathering procedures, as appropriate. These procedures included:

- Interviewed the relevant staff responsible for presenting and disclosing the information in the Report;
- Gain an understanding from the relevant key personnel of Company to understand current control and processes in place for capturing sustainability performance data, and the progress made during the reporting period;
- Review adherence to the requirements of the GRI Standards 2021;
- Evaluated the related disclosures are appropriately presented, described and clearly expressed;
- Reported any deviations/gaps and documented any reasoning, if any;
- Read the information presented in the Report to determine

whether its arrangement is in line with GRI 2021; and

- Obtained written representation from the management regarding the completeness and authenticity of the information contained in the report, their responsibilities regarding preparation of report and underlying measurements and calculations in accordance with the criteria.

The procedures performed in a limited assurance engagement vary in nature and timing and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

LIMITATIONS ON **SCOPE OF WORK**

Our limited assurance engagement scope excludes:

- Data and information outside the defined reporting period i.e. July 01, 2023 to June 30, 2024;
- The Company's statements that describe the expression of opinion, belief, aspiration, expectation, aim or future intention and national or global socio-economic and environmental aspects; and
- Data and information on the economic and financial performance of the Company, which, we are informed, are from the Company's audited financial records and statements.

LIMITED ASSURANCE **CONCLUSION**

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion. Based on our limited assurance engagement, nothing has come to our attention that causes us to believe that the report is not prepared, in all material respects, in accordance with the criteria.

However, following improvements can be made for the next reporting cycle:

- We recommend complete calculation of Depots and supply chain, energy and emissions foot prints and aligning the targets with climate science to reduce the impact; and
- The report acknowledges the Company's exposure to climate related risks and opportunities. However, it does not explain the impact and implications to the Company in short, medium and long term.

RESTRICTION **ON DISTRIBUTION**

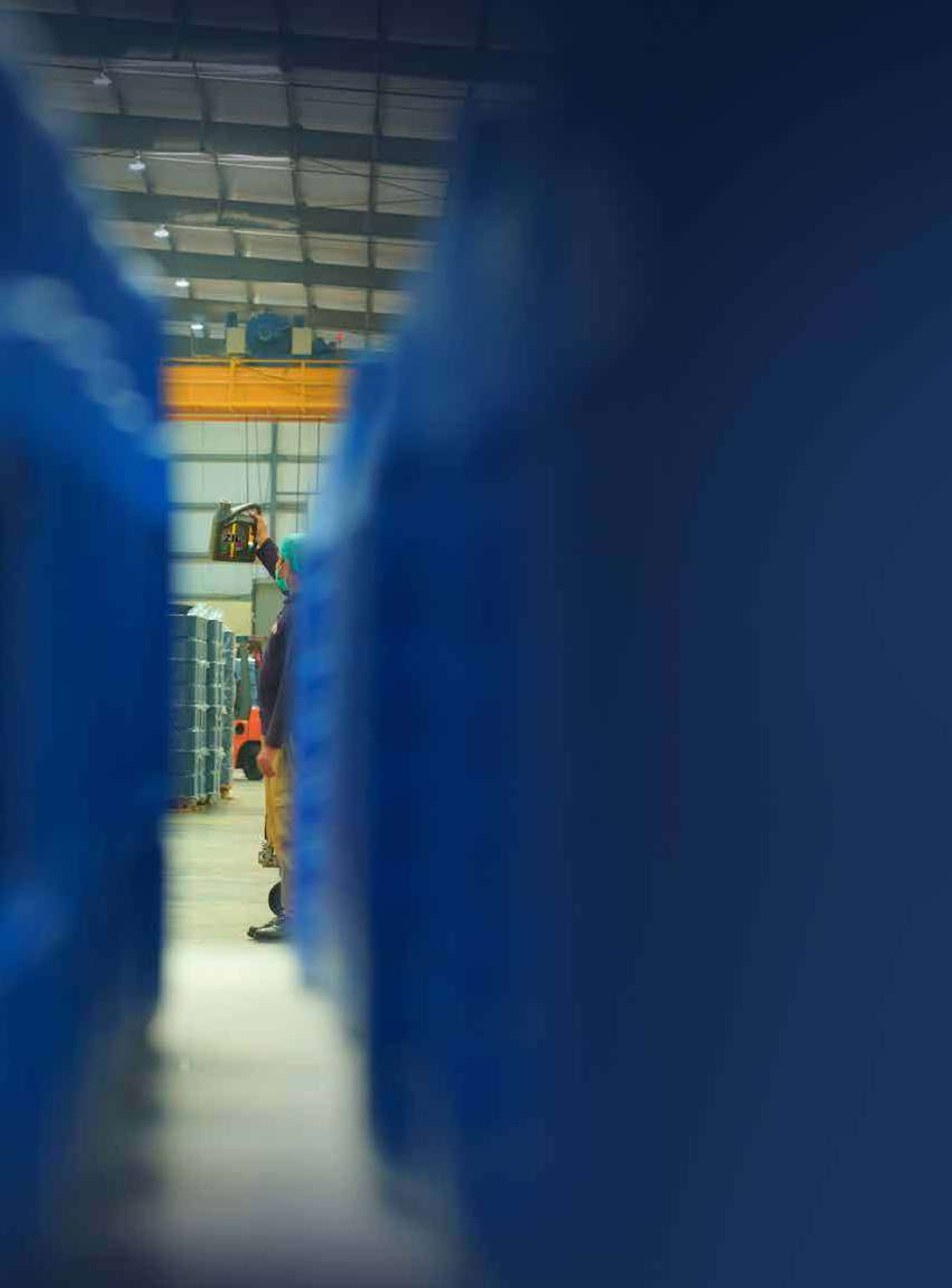
Our report should not be regarded as suitable for use or relied upon by any party wishing to acquire rights against us other than the management of the Company for any purpose on in any other context. Any party other than Hi-Tech Lubricants Limited who obtains access to our report or a copy thereof and chooses to rely on our report (or any party thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than Hi-Tech Lubricants Limited for our work, this independent Limited Assurance report, or the conclusions we have reached.

M. Salman Naseem & Co.

M.Salman Naseem & Co., Chartered Accountants
Engagement Partner: M. Salman Naseem
Place: Gujranwala
Date: 01 October 2024

OUR **PERFORMANCES**

As the patent holder of SK Enmove in Pakistan, HTL delivers top-quality products, leveraging cutting-edge technology while promoting environmental responsibility and community impact.

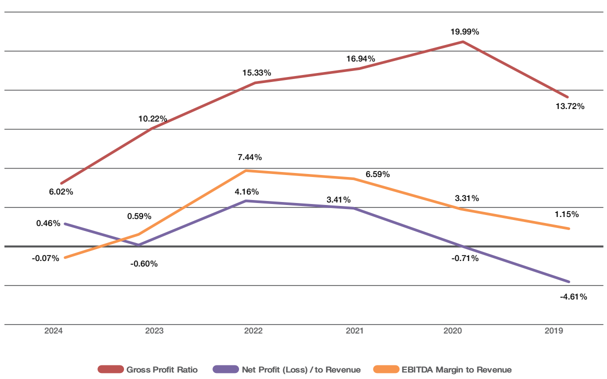


ANALYSIS OF **FINANCIAL STATEMENTS**

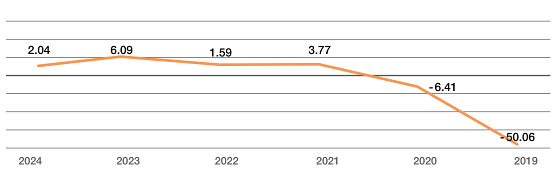
FOR THE CURRENT **AND LAST FIVE YEARS**

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**



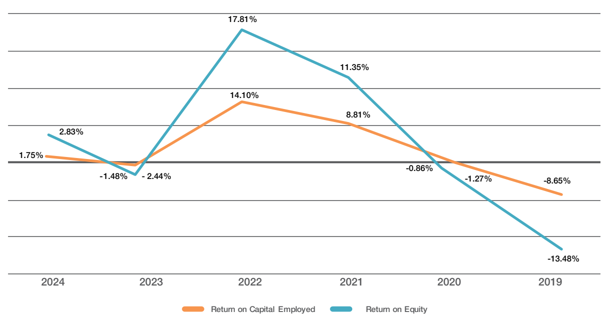
Operating Leverage **RATIOS**



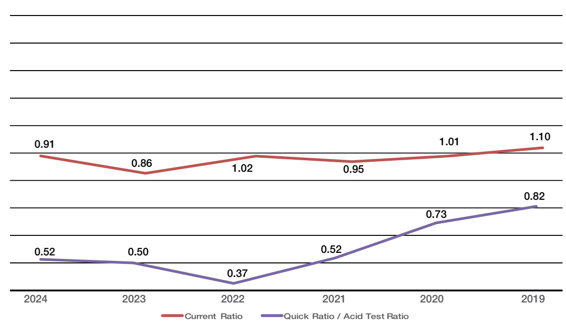
PROFITABILITY **RATIOS**

- 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.

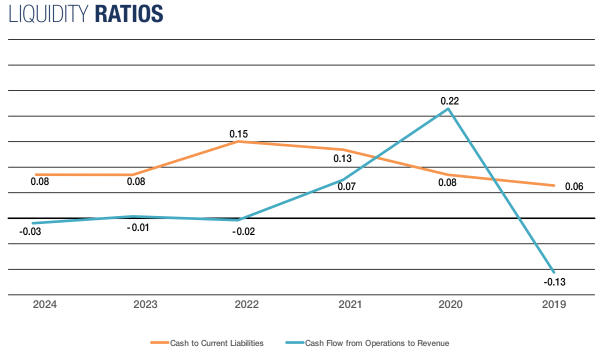
PROFITABILITY **RATIOS**



LIQUIDITY **RATIOS**



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.

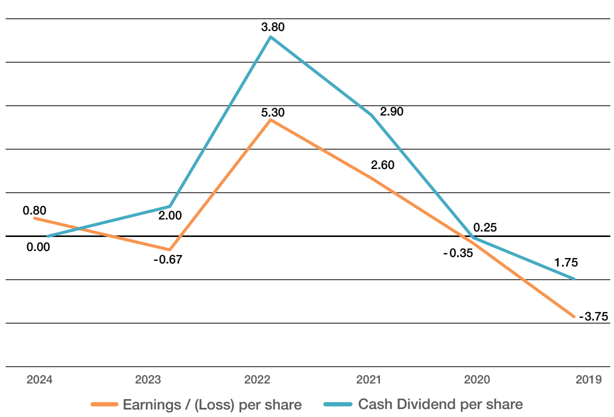
Key Performance Indicators	UOM	Jun-24	Jun-23	Jun-22	Jun-21	Jun-20	Jun-19
INVESTMENT/MARKET RATIOS							
Earnings / (Loss) per share	Rs.	0.80	(0.67)	5.3	2.6	-0.35	-3.75
Diluted EPS	Rs.	0.80	(0.67)	5.3	2.6	-0.35	-3.75
Price Earnings Ratio	Times	44.56	-31.64	7.48	27.27	-86.51	-7.38
Price to Book Ratio	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.

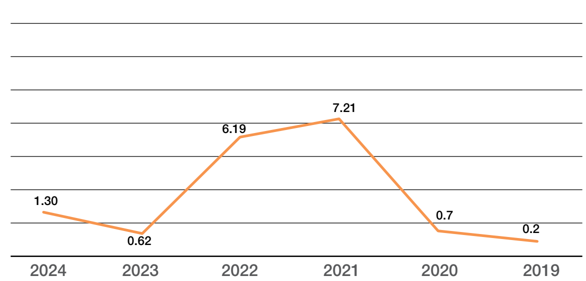
ACTIVITY / TURNOVER **RATIOS**

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

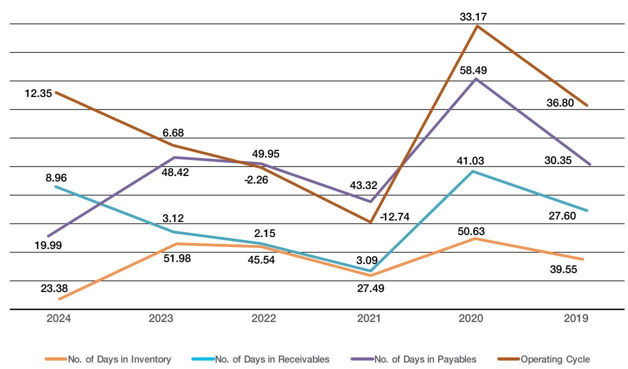
- Total Assets Turnover Ratio increased from 2.10 to 2.67, indicating improved asset utilization for revenue generation.
- Fixed Assets Turnover Ratio increased from 6.00 to 8.66, suggesting an increase in fixed asset efficiency.
- The number of days in inventory reduced from 51.98 days to 23.38 days, 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.

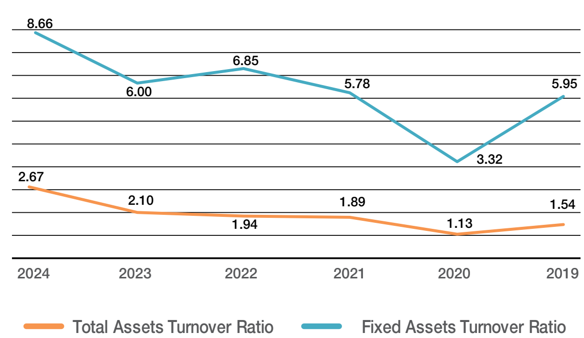
INTEREST COVERAGE **RATIO**



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

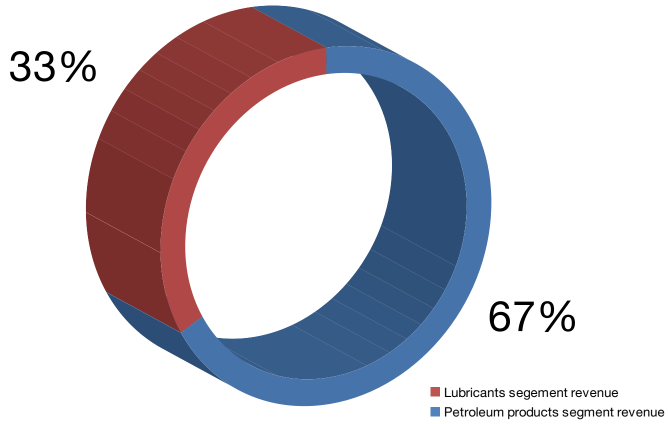
PETROLEUM **PRODUCTS**

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**

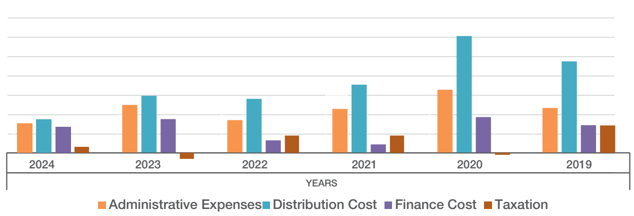
Statement of Profit or Loss	2024		2023		2022		2021		2020		2019	
	Rs. (000)	%age	Rs. (000)	%age	Rs. (000)	%age	Rs. (000)	%age	Rs. (000)	%age	Rs. (000)	%age
Net Revenue	24,016,482	100.00%	15,531,692	100%	17,739,037	100%	10,598,209	100%	5,628,659	100%	9,431,162	100%
Cost of Sales	(22,571,816)	93.98%	(13,944,983)	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**

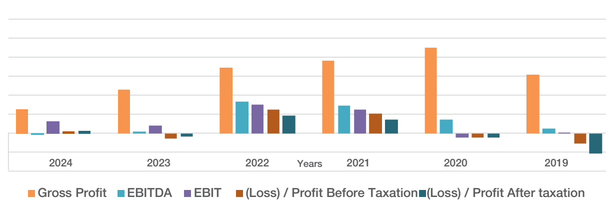
Over the past six years, both gross profit and EBITDA have exhibited a mixed trend, with fluctuations in their performance. However, in the current fiscal year, there has been a noteworthy decline in the financial performance indicators. Specifically, Gross profit and EBITDA now represent only 6.02% 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.

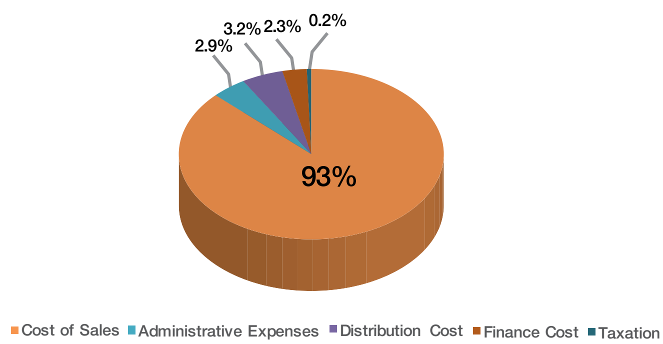
VERTICAL ANALYSIS-**EXPENSES (2024-19)**



VERTICAL ANALYSIS-**PROFITS (2024-19)**



VERTICAL ANALYSIS-**STATEMENT OF PROFIT OR LOSS (2024)**



Statment 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%
Deferrred 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**

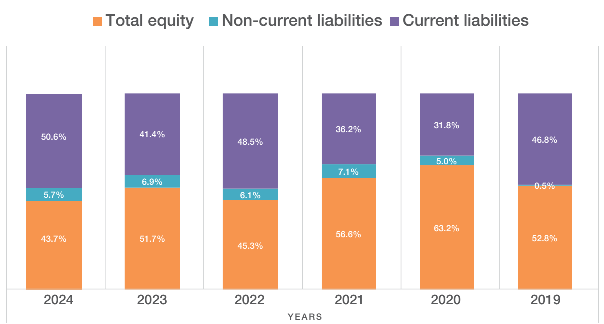
Vertical analysis of statement of financial position provides a comprehensive overview of the company's financial structure, emphasizing the distribution of assets, equity, and liabilities across both short-term and long-term categories.

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%).

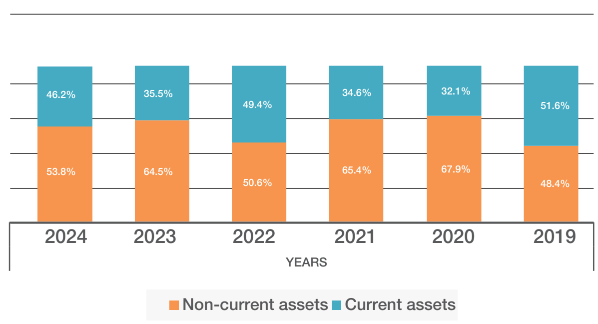
Non-current liabilities consist of lease liabilities (5.5%) and long term deposits (0.2%), contributing to the company's long-term obligations.

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.

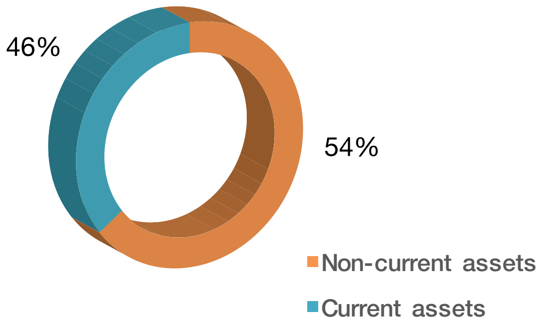
VERTICAL ANALYSIS-**TOTAL EQUITY & LIABILITIES (2024-19)**



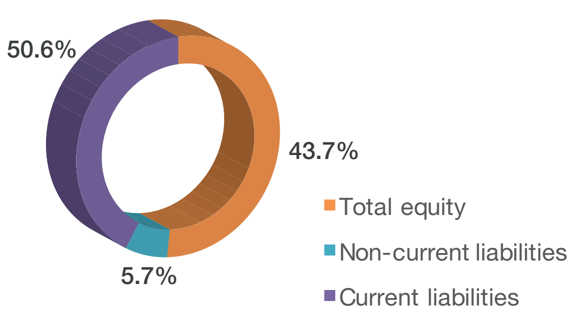
VERTICAL ANALYSIS-**TOTAL ASSETS (2024-19)**



VERTICAL ANALYSIS-**TOTAL ASSETS (2024)**



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



HORIZONTAL **ANALYSIS**

FOR THE CURRENT **AND LAST FIVE YEARS**

Statment 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%
Deferrred 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%

Statment 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**

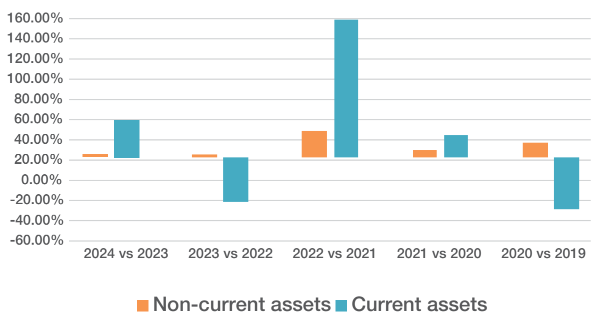
Non-current assets exhibited a modest increase of 1.60% in comparison to FY 2023. This increase was primarily attributed to the recognition of a deferred income tax asset during the year.

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.

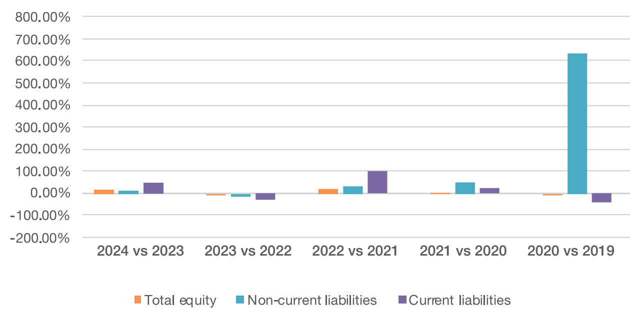
HORIZONTAL ANALYSIS-**TOTAL ASSETS**



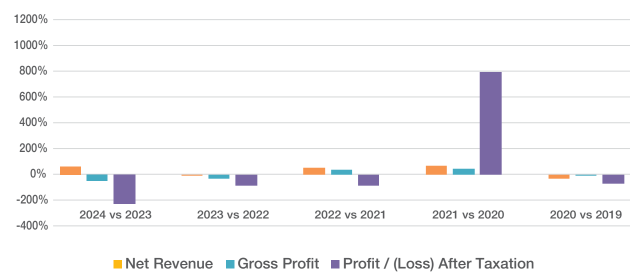
Current liabilities experienced a significant increase of 48.83%. This incline was primarily due to increase in trade and other payables, indicating increased short-term financial obligations.

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**

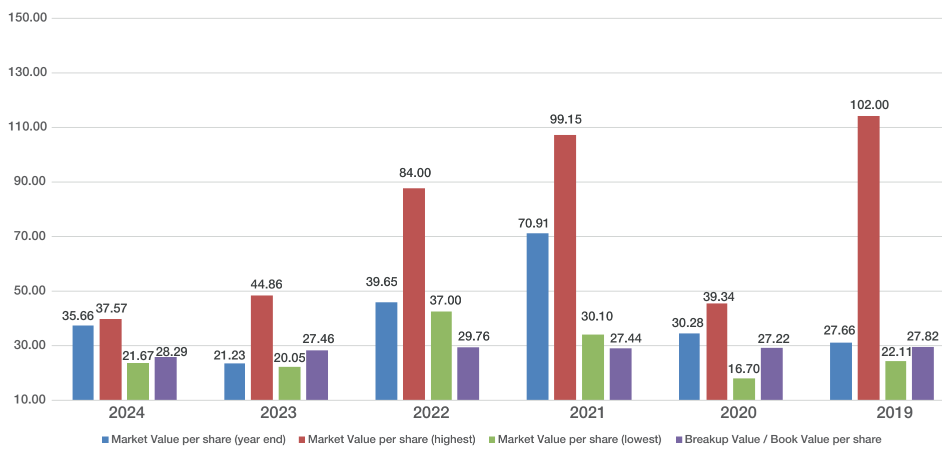
Share price in the stock market moves due to various factors such as company performance, general market sentiment, economic events and interest rates, etc. Being a responsible and law-compliant Company, HTL circulates price sensitive information to stock exchanges in accordance with the requirements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

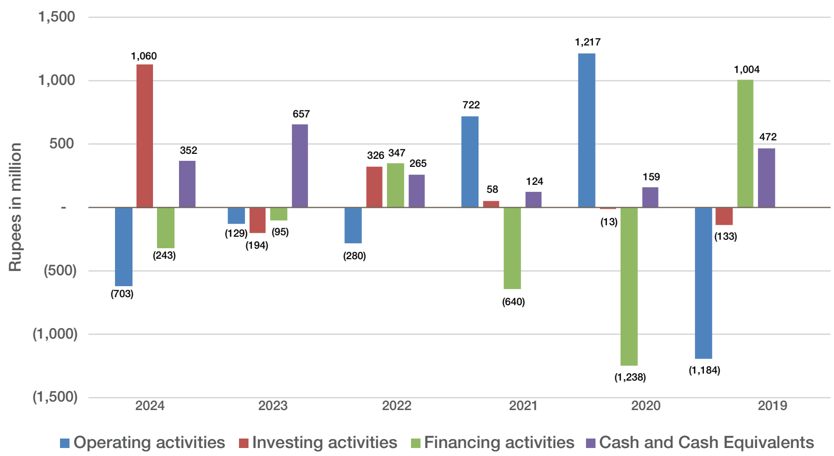
RATIO DESCRIPTION	BENCH MARK	2024	2023
Interest bearing loan to market capitalization	Not exceed 30%	Negative	Negative
Interest taking deposit to market capitalization	Not exceed 30%	0%	0%
Income generated from prohibited component to total income	Not exceed 5%	0%	0%
Net liquid assets per share to market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

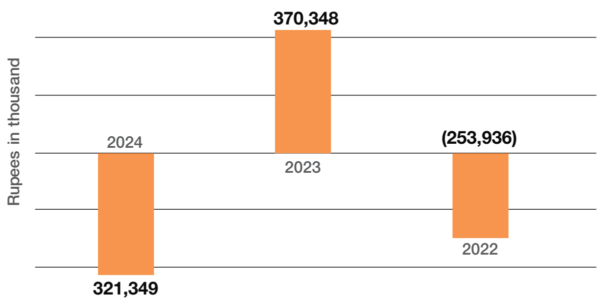
Financing activities also underwent a substantial change, as the company experienced increase in cash outflow from financing activities, inclining from Rupees 95 million in FY2023 to Rupees 243 million in FY2024. This indicates reduced external financing.

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)
	(391,955)	(287,807)	(578,252)	(538,725)
OTHER INCOME	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

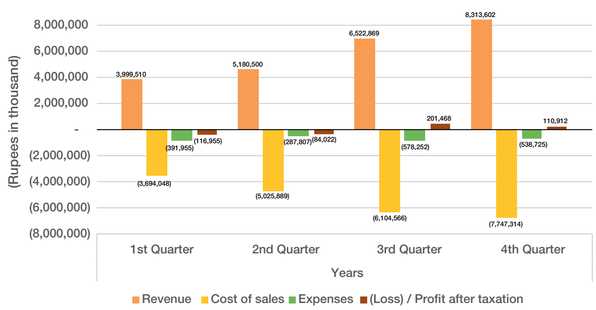
Statement of Financial Positiion	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	Rupees in thousand			
ASSETS				
NON-CURRENT ASSETS				
Fixed assets	2,601,787	2,613,085	2,664,593	2,771,812
Right-of-use assets	573,537	614,833	574,396	591,487
Intangible assets	3,053	2,349	1,644	1,198
Investment property	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

QUARTERLY **ANALYSIS**



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.

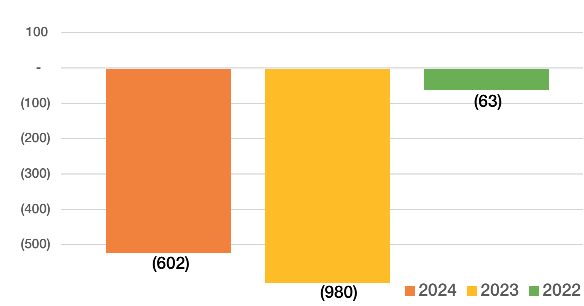
NET PROFIT **AFTER TAXATION**

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.

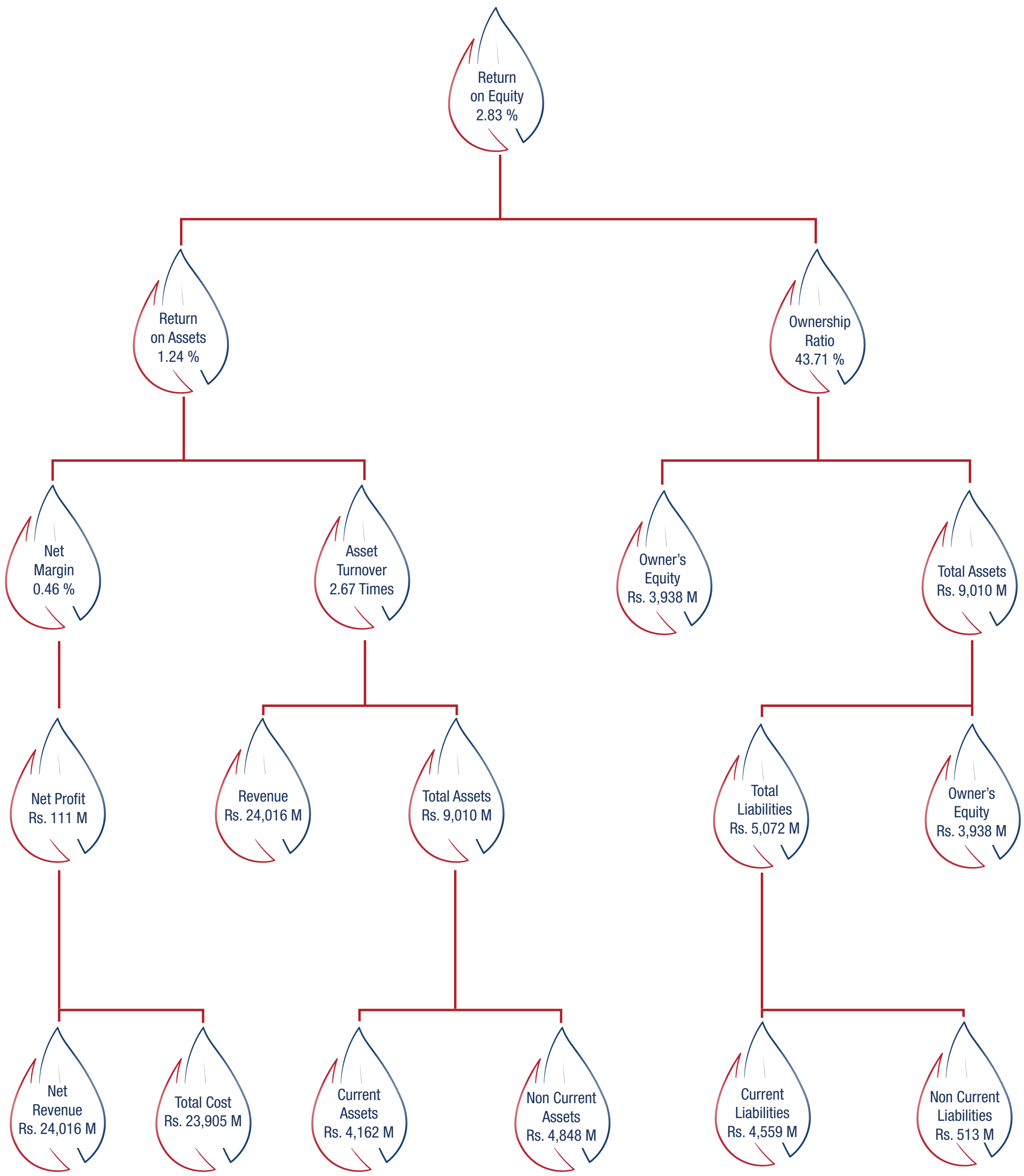
ECONOMIC **VALUE ADDED**

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.

ECNOMIC **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	Ownership ratio	ROE
	(Net profit / total assets) A	Total equity / total assets 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 I**NDICATORS**

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.

DISCLOUSURES 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.

BEST CORPORATE **REPORTS AWARDS**

Starting from FY 2018 onwards, HTL has actively engaged in the annual Best Corporate and Sustainability Report Awards competition organized by ICAP (Institute of Chartered Accountants of Pakistan) and ICMAP (Institute of Cost and Management Accountants of Pakistan). Below, we present a year-wise overview of our performance in this esteemed competition:

YEAR	POSITION	SECTOR
2018	Second	Fuel and Energy
2019	Fourth	Fuel and Energy
2020	Third	Fuel and Energy
2021	Fourth	Fuel and Energy
2022	Fourth	Fuel and Energy

BEST CORPORATE REPORT **AWARDS**

UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

INDEPENDENT **AUDITOR'S REPORT**

To the members of Hi-Tech Lubricants Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Hi-Tech Lubricants Limited (the Company), which comprise the statement of financial position as at 30 June 2024, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2024 and of the loss, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

Sr. No.	Key audit matters	How the matter was addressed in our audit
1	**Revenue recognition** The Company recognized net revenue from contracts with customers of Rupees 24,016.482 million for the year ended 30 June 2024. We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicator of the Company and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets. For further information, refer to the following: - Material accounting policy information, Revenue recognition note 2.21 to the financial statements. - Net revenue from contracts with customers as shown on the face of statement of profit or loss.	Our procedures included, but were not limited to: • We obtained an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue. • We compared a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents. • We compared a sample of revenue transactions recorded around the year-end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period. • We tested the effectiveness of the Company's internal controls over the calculation and recognition of discounts. • We assessed whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers'. • We also considered the appropriateness of disclosures in the financial statements.

Sr. No.	Key audit matters	How the matter was addressed in our audit
2	**Stock-in-trade existence and valuation** Stock-in-trade as at 30 June 2024 amounted to Rupees 1,789.235 million and represented a material position in the statement of financial position. The business is characterized by high volume and the valuation and existence of stock-in-trade are significant to the business. Therefore, considered as one of the key audit matters. Stock-in-trade is stated at lower of cost and net realizable value. Cost is determined as per material accounting policy information disclosed in note 2.8 to the financial statements. At year end, the valuation of stock-in-trade is reviewed by management and the cost of stock-in-trade is reduced where stock-in-trade is forecast to be sold below cost. For further information on stock-in-trade, refer to the following: - Material accounting policy information, Stock-in-trade note 2.8 to the financial statements. - Stock-in-trade note 21 to the financial statements.	Our procedures over existence and valuation of stock-in-trade included, but were not limited to: • To test the quantity of stock-in-trade at all locations, we assessed the corresponding stock-in-trade observation instructions and participated in stock-in-trade counts on sites. Based on samples, we performed test counts and compared the quantities counted by us with the results of the counts of the management. • For a sample of stock-in-trade items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets. • We tested that the ageing report used by management correctly aged stock-in-trade items by agreeing a sample of aged stock-in-trade items to the last recorded invoice. • On a sample basis, we tested the net realizable value of stock-in-trade items to recent selling prices and re-performed the calculation of the stock-in-trade write down, if any. • We assessed the percentage write down applied to older stock-in-trade with reference to historic stock-in-trade write downs and recoveries on slow moving stock-in-trade. • In the context of our testing of the calculation, we analyzed individual cost components and traced them back to the corresponding underlying documents. We furthermore challenged changes in unit costs. • We also made inquires of management, including those outside of the finance function, and considered the results of our testing above to determine whether any specific write downs were required.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Atif Anjum.

RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore

Date: 23 September, 2024

UDIN: AR202410132cU4VfRrHx

STATEMENT OF
FINANCIAL POSITION
As at 30 June 2024

	Note	2024 Rupees	2023 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
150,000,000 (2023: 150,000,000) ordinary shares of Rupees 10 each		1,500,000,000	1,500,000,000
Issued, subscribed and paid-up share capital	4	1,392,048,000	1,392,048,000
Reserves	5	2,546,312,681	2,430,897,384
Total equity		3,938,360,681	3,822,945,384
LIABILITIES			
Non-current liabilities			
Lease liabilities	6	497,633,412	492,138,641
Long term deposits	7	15,000,000	16,500,000
		512,633,412	508,638,641
Current liabilities			
Trade and other payables	8	2,559,181,892	974,284,283
Accrued mark-up	9	67,682,083	81,019,923
Short term borrowings	10	1,777,187,767	1,851,556,185
Current portion of non-current liabilities	6	149,684,305	150,742,680
Unclaimed dividend		5,689,417	5,830,744
Provision for taxation - net	11	-	-
		4,559,425,464	3,063,433,815
Total liabilities		5,072,058,876	3,572,072,456
Contingencies and commitments	12		
TOTAL EQUITY AND LIABILITIES		9,010,419,557	7,395,017,840
ASSETS			
Non–current assets			
Fixed assets	13	2,771,812,271	2,589,502,914
Right-of-use assets	14	591,486,919	605,121,153
Intangible assets	15	1,197,692	3,981,524
Investment property	16	-	135,000,000
Investment in subsidiary company	17	1,300,000,600	1,300,000,600
Long term security deposits	18	37,718,769	51,943,128
Long term loan to an employee	19	2,050,936	2,985,100
Deferred income tax asset - net	20	144,162,496	83,599,116
		4,848,429,683	4,772,133,535
Current assets			
Stock-in-trade	21	1,789,235,831	1,102,921,785
Trade debts	22	1,019,801,916	159,239,694
Loans and advances	23	245,698,687	625,010,633
Short term deposits and prepayments	24	27,756,981	32,337,488
Other receivables	25	365,876,118	188,392,066
Accrued interest	26	3,486,137	52,987,973
Short term investments	27	222,717,061	222,582,946
Cash and bank balances	28	352,417,143	239,411,720
		4,026,989,874	2,622,884,305
Non-current asset classified as held for sale	29	135,000,000	-
		4,161,989,874	2,622,884,305
TOTAL ASSETS		9,010,419,557	7,395,017,840

The annexed notes form an integral part of these financial statements.

Chief Executive | Director | Chief Financial Officer

STATEMENT OF **PROFIT OR LOSS**

For the year ended 30 June 2024

	Note	**2024 Rupees**	2023 Rupees
Gross revenue from contracts with customers	30	26,759,270,163	17,523,929,280
Discounts		(628,306,843)	(339,727,263)
Sales tax		(2,114,480,990)	(1,652,509,962)
Net revenue from contracts with customers		24,016,482,330	15,531,692,055
Cost of Sales	31	(22,571,816,010)	(13,944,983,410)
Gross profit		1,444,666,320	1,586,708,645
Distribution cost	32	(1,018,633,572)	(1,043,508,059)
Administrative expenses	33	(723,546,889)	(718,731,055)
Other expenses	34	(54,558,901)	(36,142,523)
		(1,796,739,362)	(1,798,381,637)
Other income	35	1,058,520,303	505,105,718
Profit from operations		706,447,261	293,432,726
Finance cost	36	(544,046,620)	(474,616,854)
PROFIT / (LOSS) BEFORE TAXATION AND LEVY		162,400,641	(181,184,128)
LEVY	37	(111,560,224)	(65,705,846)
PROFIT / (LOSS) BEFORE TAXATION		50,840,417	(246,889,974)
Taxation	38	60,563,380	153,477,452
PROFIT / (LOSS) AFTER TAXATION		111,403,797	(93,412,522)
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED	39	0.80	(0.67)

The annexed notes form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2024

	2024 Rupees	2023 Rupees
PROFIT / (LOSS) AFTER TAXATION	111,403,797	(93,412,522)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Surplus on revaluation of freehold land	4,011,500	52,220,750
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the year	4,011,500	52,220,750
Total comprehensive income / (loss) for the year	115,415,297	(41,191,772)

The annexed notes form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer

STATEMENT OF **CHANGES IN EQUITY**

For the year ended 30 June 2024

HTL LIMITED
Hi-Tech Lubricants Ltd

	Share capital	Reserves				Total reserves	Total equity
		Capital reserve			Revenue reserve		
		Share premium	Surplus on revaluation of freehold land	Sub Total	Un–appropriated Profit		
	Rupees						
Balance as at 30 June 2022	1,392,048,000	1,441,697,946	704,626,206	2,146,324,152	604,174,604	2,750,498,756	4,142,546,756
Transactions with owners:							
Final dividend for the year ended 30 June 2022							
@ Rupees 2.00 per share	-	-	-	-	(278,409,600)	(278,409,600)	(278,409,600)
Loss for the year ended 30 June 2023	-	-	-	-	(93,412,522)	(93,412,522)	(93,412,522)
Other comprehensive income for the year ended 30 June 2023	-	-	52,220,750	52,220,750	-	52,220,750	52,220,750
Total comprehensive loss for the year ended 30 June 2023	-	-	52,220,750	52,220,750	(93,412,522)	(41,191,772)	(41,191,772)
Balance as at 30 June 2023	1,392,048,000	1,441,697,946	756,846,956	2,198,544,902	232,352,482	2,430,897,384	3,822,945,384
Profit for the year ended 30 June 2024	-	-	-	-	111,403,797	111,403,797	111,403,797
Other comprehensive income for the year ended 30 June 2024	-	-	4,011,500	4,011,500	-	4,011,500	4,011,500
Total comprehensive income for the year ended 30 June 2024	-	-	4,011,500	4,011,500	111,403,797	115,415,297	115,415,297
Balance as at 30 June 2024	1,392,048,000	1,441,697,946	760,858,456	2,202,556,402	343,756,279	2,546,312,681	3,938,360,681

The annexed notes form an integral part of these consolidated financial statements.

Chief Executive

Director

Chief Financial Officer

STATEMENT OF **CASH FLOWS**

For the year ended 30 June 2024

	Note	**2024 Rupees**	2023 Rupees
Cash flows from operating activities			
Cash (used in) / generated from operations	40	(25,217,193)	506,606,358
Finance cost paid		(557,384,460)	(431,385,437)
Income tax paid		(137,305,411)	(200,960,436)
Net increase in long term loans to employees		-	(3,135,937)
Net decrease in long term security deposits		17,589,620	103,328
Decrease in long term deposits		(1,500,000)	(500,000)
Net cash used in operating activities		(703,817,444)	(129,272,124)
Cash flows from investing activities			
Capital expenditure on operating fixed assets		(296,131,583)	(134,757,935)
Capital expenditure on intangible assets		-	(1,500,000)
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 short term loan to subsidiary company		115,829,997	44,386,253
Profit on bank deposits and term deposit receipt received		35,120,772	22,813,380
Net cash from / (used in) 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)
Long term financing repaid		-	(47,851,814)
Short term borrowings - net		(74,368,418)	357,337,406
Net cash used in financing activities		(243,354,252)	(94,731,911)
Net increase / (decrease) 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	28	352,417,143	239,411,720

The annexed notes form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer

1. THE COMPANY AND ITS OPERATIONS

Hi-Tech Lubricants Limited ("the Company") was incorporated under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at 1-A, Danepur Road, GOR-1, Lahore. The principal activity of the Company is to procure and distribute lubricants and petroleum products. During the year ended 30 June 2017, Oil and Gas Regulatory Authority (OGRA) granted license to the Company to establish an Oil Marketing Company (OMC), subject to some conditions. On 31 May 2019, Oil and Gas Regulatory Authority (OGRA) has granted permission to the Company to operate new storage facility at Sahiwal and marketing of petroleum products in province of Punjab. On 20 January 2020, the Company has started marketing and sale of petroleum products. On 21 February 2020, OGRA has granted permission to the Company to apply for No Objection Certificates (NOCs) from concerned departments to setup petrol pumps in Khyber Pakhtunkhwa. On 09 August 2021, OGRA has acknowledged the satisfactory completion of oil storage facility at Nowshera, Khyber Pakhtunkhwa. On 13 January 2022, OGRA has further extended / renewed the provisional license for setting up of an OMC upto 31 December 2023. On 16 March 2023, OGRA has granted permission to the Company to operate new storage facility at Nowshehra and marketing of petroleum products in the province of Khyber Pakhtunkhwa. On 21 December 2023, OGRA has further extended / renewed the provisional license for setting up of an OMC upto 31 December 2025.

1.1 Geographical location and addresses of all business units are as follows:

Business units	Address
Registered and head office	1-A, Danepur Road, GOR-1, Lahore
Regional office – Karachi	C-6 /1, Street No. 3, Bath Island, Clifton, Karachi
Regional office – Islamabad	Suite No. 1402, 14th Floor, Green Trust Tower, Jinnah Avenue, Blue Area, Islamabad.
Regional office – Multan	House No. 95, Block C, Phase III, Model Town, Multan
Regional office – Peshawar	Office No. 280, 3rd Floor, Deans Trade Centre, Islamia Road, Peshawar
Warehouse	Property No. 35 A/M, Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore
Customs bonded warehouse	7-KM, Sundar Raiwind Road, Bhai Kot, Lahore
Warehouse	7-KM, Sundar Raiwind Road, Bhai Kot, Lahore
Oil Depot – OMC Project	Mouza No. 107/9L, Sahiwal
OMC Project office	House No. 57 C-1, Gulberg III, Lahore
Oil Depot – OMC Project	Mouza Aza Khel Bala, Nowshera
Oil Depot – Extension	Mouza Aza Khel Payan, Nowshera
HTL Express Centre	Dharampura, Lahore
HTL Express Centre	Garden Town, Lahore
HTL Express Centre	Block F, Gulshan-e-Ravi, Lahore
HTL Express Centre	Johar Town, Lahore
HTL Express Centre	Gulistan-e-Johar, Karachi
HTL Express Centre	Pakistan Employees Cooperative Housing Society, Karachi
HTL Express Centre	Askari XIV Sector – A, Rawalpindi
Oil Boy Filling Station	Mouza Neel Kot, Head Muhammad Wala Road, Multan
Punjab Filling Station	Main Satyana Road, Faisalabad
Green Fuel CNG	1-KM, G.T. Road, Lalamusa
A.B. Petroleum Filling Station	Tehsil Liaqatpur, Rahim Yar Khan
Jillani CNG	Lehtrar Road, Islamabad
Dasti Filling Station	Jampur Road, Dera Ghazi Khan
Rehman Filling Station	Chistian Road, Hasilpur
Al-Fazal Filling Station	Sargodha Road, Jhang
Ibrahim Petroleum	Sialkot Road, Gujranwala
Karma Wala-1 Filling Station	Shahkot Road, Jaranwala
Raja Adeel Filling Station	Arifwala Road, Arifwala
Gondal Filling Station	Daska Road, Wazirabad
City Filling Station	Hujra Shah Muqeem, Okara

Al Karam Filling Station	Shamkey Bhattian, Lahore
Green City Fuel Station	Hasilpur Road, Bahalwalpur
Khokhar Fuel Station	Small Industrial Estate, Jinnah Road, Gujranwala
Minhas CNG	Multan Road, Lahore
One Stop	Main Ferozepur Road, Lahore
S&S	Toba Road, Jhang
Al Yousaf CNG	Khanewal Road, Multan
Rana Petroleum	Faisalabad Road, Okara
Mudassir Zulfiqar Filling Station	Vehari Road, Multan
Shahid & Company	Daska Road, Gujranwala
Benzina II Filling Station	Benazir Road, Okara
Nambardar Filling Station	Rawalpindi Road, Chakwal
Iftikhar Nadeem & Company	Mouza Jhawary, Dhamial Road, Rawalpindi Cantt.
Suntrust CNG	Millat Road, Faisalabad
Meezan Filling Station	Jhang Road, Toba Tek Singh
Bahadur Filling Station	Mouza Ismail Khani, Bannu
M Nawaz Filling Station	Main Daraban Road, Mouza Kotla Syedan, Dera Ismail khan
Imdad Mir Filling Station	Mouza Ghanda, Nawab Road, Mansehra
Rahat Filling Station	Saidu Shareef Road, Tehsil Babuzai, Swat
Arab Emirate Filling Station	Mouza Bandi, Tehsil Khawaja Khela, Swat
Rashid Filling Station	Mouza Qambar-192, Tehsil Babuzai, Swat
Al Rehman Filling Station	Mouza Ismail Khani, Bannu
Naik Muhammad Filling Station	Near Bybass Thana, District Malakand
Big Khan Filling Station	Hajiabad Malakand University Road, Chakdara
Ghuman Brothers Filling Station	Plot 105, Block K, Gulberg 3, Lahore
Khalifa Filling Station	Jhang Road, Gojra
Al Sheikh Filling Station	Main GT Road, Gujrat
Moon CNG Filling Station	Mouza Humak, Islamabad
Aabroo Petroleum & CNG	Jaranwala-Khurianwala Road, Jaranwala
Abbasi & Khan Traders	Gujjar Kohala, Dhirkot
AL Mustafa Filling Station	Qaziwala Road, Chishtian
Shah Sardar Petroleum	Mouza Dham Thor, Muree Road, Abbotabad
Shams Petroleum Service	E-35, Hazara Expressway
Roshan Filling Station	Sheikhupura-Sargodha Road
Chawinda Filling Station	Khawaja Sardar Road, Sialkot
Jan Muhammad Filling Station	Ekka Ghund, Mohammand
Phandu Filling Station/CNG	Phandu Chowk, Umar Road, Peshawar
Four Star CNG Filling Station	Mardan Swabi Road, Bughdada
Hussain Filling Station	Near Shah Alam Pull, Charsada Road, Peshawar
Attock CNG & Filling Station	Iqbal Chowk, Choi East Attock City, Attock
Masha Allah CNG	M.CC Kamra Road, Attock City, Attock

1.2 These financial statements are the separate financial statements of the Company. Consolidated financial statements of the Company are prepared separately.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated:

2.1 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

– International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

– Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

b) Accounting convention

These financial statements have been prepared under the historical cost convention except as otherwise stated in the respective accounting policies.

c) Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

Income tax and levy

In making the estimates for income tax and levy currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past. Instances where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

Useful lives, pattern of economic benefits and impairments

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of the assets for possible impairments on an annual basis. If such indication exist assets recoverable amount is estimated in order to determine the extent of impairment loss, if any. Any change in the estimates in the future might affect the carrying amount of respective item of operating fixed assets, with a corresponding effect on the depreciation charge and impairment.

Inventories

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made on each reporting date on inventories for excess inventories, obsolescence and declines in net realisable value and an allowance is recorded against the inventory balances for any such declines.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Impairment of investment in subsidiary company

In making an estimate of recoverable amount of the Company's investments in subsidiary company, the management considers future cash flows.

Revenue from contracts with customers involving sale of goods

When recognizing revenue in relation to the sale of goods to customers, the key performance obligation of the Company is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Provisions

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

Classification of investments

The management of the Company determines the appropriate classification of its investments at the time of purchase or increase in holding and classifies its investments in accordance with IFRS 9 "Financial Instruments".

Contingencies

The Company reviews the status of all pending litigations and claims against the Company. Based on the judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the statement of financial position date.

Revaluation of freehold land and investment property

Fair values of freehold land and investment property are determined by independent valuer engaged by the Company. The key assumptions used to determine the fair values of freehold land and investment property are complex in nature. Further, determining adjustments for any differences in nature, location and condition of freehold land and investment property involves significant judgment. The effect of any changes in fair values are considered as estimate and are accounted for on a prospective basis.

d) Amendments to published approved accounting standard that are effective in current year and are relevant to the Company

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgement').
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 'Income Taxes').
- Change in definition of Accounting Estimate (Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors').
- Amendments to IAS 12 'Income Taxes' - International Tax Reform — Pillar Two Model Rules.

The above-mentioned amendments to approved accounting standards did not have any impact on the amounts recognised in prior period and are not expected to significantly affect the current or future periods.

e) Amendments to published approved accounting standards that are effective in current year but not relevant to the Company

There are amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2023 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

f) Standards and amendments to published approved accounting standards that are not yet effective but relevant to the Company

Following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2024 or later periods:

Classification of liabilities as current or non-current (Amendments to IAS 1 'Presentation of Financial Statements') effective for the annual period beginning on or after 01 January 2024. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

On 31 October 2022, the IASB issued 'Non-current Liabilities with Covenants (Amendments to IAS 1)' to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments are effective for reporting periods beginning on or after 01 January 2024.

On 22 September 2022, the IASB issued 'Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)' with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments are effective for annual periods beginning on or after 01 January 2024.

On 25 May 2023, the IASB issued 'Suppliers Finance Arrangements (Amendments to IAS 7 and IFRS 7)' to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangement. The amendments are effective for reporting period beginning on or after 01 January 2024.

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' (deferred indefinitely) to clarify the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 'Business Combinations'); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

Lack of Exchangeability (Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates'). The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments are effective for annual reporting periods beginning on or after 01 January 2025.

IFRS 18 'Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after 01 January 2027) with a focus on updates to the statement of profit or loss. The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The key new concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

The above standards and amendments are likely to have no significant impact on the financial statements.

g) Standards and amendments to approved published standards that are not yet effective and not considered relevant to the Company

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2024 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.2 Fixed assets

Operating fixed assets except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Cost of operating fixed assets consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable costs of bringing the asset to working condition. Freehold land is stated at revalued amount less any identified impairment loss. Capital work-in-progress are stated at cost less any recognized impairment loss. All expenditure connected with specific assets incurred during installation and construction periods are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to profit and loss account during the period in which they are incurred.

Increases in the carrying amounts arising on revaluation of freehold land are recognized, in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognized in the statement of profit or loss, the increase is first recognized in the statement of profit or loss. Decreases that reverse previous increase of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss.

Depreciation

Depreciation is charged to statement of profit or loss by applying the reducing balance method whereby cost of an asset is written off over its estimated useful life at the rates given in Note 13.1. Depreciation on additions is charged for the full month in which the asset is available for use and on deletion up to the month immediately preceding the deletion.

Useful life of assets is reviewed at each financial year end and if expectations differ from previous estimates the change is accounted for as change in accounting estimate in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

De-recognition

An item of operating fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

2.3 Intangible assets

Intangible assets, which are non-monetary assets without physical substance, are recognized at cost, which comprise purchase price, non-refundable purchase taxes and other directly attributable expenditures relating to their implementation and customization. After initial recognition, an intangible asset is carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized from the month when these assets are available for use, using the straight line method, whereby the cost of the intangible asset is amortized over its estimated useful life over which economic benefits are expected to flow to the Company. The useful life and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

2.4 Right-of-use assets

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses (if any). Cost comprises of the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Company has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are charged to income as incurred.

2.5 Lease liabilities

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of-use asset, or to statement of profit or loss if the carrying amount of the right-of-use asset is fully written down.

2.6 Investment in subsidiary company

Investment in subsidiary company is stated at cost less impairment loss, if any, in accordance with the provisions of IAS 27 'Separate Financial Statements'.

2.7 Foreign currency transactions and translation

All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are charged or credited to statement of profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Pak Rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into Pak Rupees at exchange rates prevailing at the date when fair values are determined.

2.8 Stock-in-trade

Stock-in-trade, except for stock-in-transit, is stated at lower of weighted average cost and estimated net realizable value. Cost comprises of invoice value, charges like custom duties and similar levies and other direct costs.

Cost in relation to items in transit comprises of invoice value and other charges thereon.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

2.9 Investments and other financial assets

a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

b) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income / (other expenses) and impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss

Changes in the fair value of equity investments at fair value through profit or loss are recognised in other income / (other expenses) in the statement of profit or loss as applicable.

Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

2.10 Financial Liabilities - classification and measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on de-recognition is also included in profit or loss.

2.11 Impairment of financial assets

The Company recognizes loss allowances for Expected Credit Losses (ECLs) on:

- Financial assets measured at amortized cost;
- Debt investments measured at FVTOCI; and
- Contract assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and

- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

The Company has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Company has established a matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVTOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

2.12 De-recognition of financial assets and financial liabilities

a) Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

b) Financial liabilities

The Company derecognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

2.13 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which assets carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Reversals of the impairment losses are restricted to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if impairment losses had not been recognized. An impairment loss or reversal of impairment loss is recognized in the statement of profit or loss.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

2.15 Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

2.16 Taxation and levy

Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. Final taxes levied under the Income Tax Ordinance, 2001 and any excess over the amount designated as provision for current tax are charged as levy in the statement of profit or loss. The charge for current tax and levy also includes adjustments, where considered necessary, to provision for tax and levy made in previous years arising from assessments framed during the year for such years. Previously, component representing levy was included in provision for current tax and was not separately charged in the statement of profit or loss. Now, the Company has changed its accounting policy of taxation and levy in accordance with "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes" issued by Institute of Chartered Accountants of Pakistan through circular 7/2024. This change in accounting policy has been applied retrospectively in accordance with the provisions of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and resulted in following reclassification of corresponding figures:

Reclassified from	**Reclassified to**	**30 June 2023**
		Rupees
Statement of profit or loss:		
Taxation	Levy	65,705,846
Statement of financial position:		
Provision for taxation	Levy payable	83,537,154
Advance income tax	Prepaid levy	5,390,534

Had there been no change in the above referred accounting policy, amount of levy Rupees 111.560 million, prepaid levy 6.376 million and levy payable Rupees 111.560 million would have been presented as taxation expense, advance income tax and provision for taxation respectively in these financial statements for the year ended 30 June 2024. This change in accounting policy has no impact of earnings per share of the Company. Furthermore, the Company has not presented the third statement of financial position as at the beginning of the preceding period as the retrospective application does not have an effect on the information in the statement of financial position at the beginning of the preceding period.

Deferred

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

Group taxation adjustments

Current and deferred taxes based on the consolidated results of the Group (under Section 59AA of the Income Tax Ordinance, 2001) are allocated within the Group on the basis of separate return method, modified for determining realizability of tax credits and tax losses which are assessed at Group level. Any adjustments in the current and deferred taxes of the Company on account of group taxation are credited or charged to statement of profit or loss in the year in which they arise.

2.17 Borrowings

Financing and borrowings are initially recognized at fair value of the consideration received, net of transaction costs. They are subsequently measured at amortized cost using the effective interest method.

2.18 Borrowing costs

Borrowing costs are recognized as expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of cost of that asset.

2.19 Trade debts and other receivables

Trade debts are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

2.20 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost and subsequently measured at amortized cost using the effective interest method.

2.21 Revenue recognition

(a) Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

(b) Interest

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(c) Dividend

Dividend on equity investments is recognized when right to receive the dividend is established.

(d) Rental income

The Company earns rental income on some of its property leased out. Rental income is recognized on accrual basis over the period of lease agreement as per the requirements of IFRS 16.

2.22 Contract assets

Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due. Contract assets are treated as financial assets for impairment purposes.

2.23 Customer acquisition costs

Customer acquisition costs are capitalised as an asset where such costs are incremental to obtaining a contract with a customer and are expected to be recovered. Customer acquisition costs are amortised on a straight-line basis over the term of the contract.

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained or which are not otherwise recoverable from a customer are expensed as incurred to profit or loss. Incremental costs of obtaining a contract where the contract term is less than one year is immediately expensed to profit or loss.

2.24 Customer fulfilment costs

Customer fulfilment costs are capitalised as an asset when all the following are met: (i) the costs relate directly to the contract or specifically identifiable proposed contract; (ii) the costs generate or enhance resources of the Company that will be used to satisfy future performance obligations; and (iii) the costs are expected to be recovered. Customer fulfilment costs are amortised on a straight-line basis over the term of the contract.

2.25 Right of return assets

Right of return assets represents the right to recover inventory sold to customers and is based on an estimate of customers who may exercise their right to return the goods and claim a refund. Such rights are measured at the value at which the inventory was previously carried prior to sale, less expected recovery costs and any impairment.

2.26 Contract liabilities

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs its performance obligations under the contract.

2.27 Refund liabilities

Refund liabilities are recognised where the Company receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the Company does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

2.28 Segment reporting

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the chief executive officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the chief executive officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those incomes, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

The Company has following reportable business segments:

- Lubricants (purchase and sale of lubricants, parts and rendering of services).
- Petroleum products (Marketing and sale of petroleum products).

2.29 Contingent liabilities

Contingent liability is disclosed when the Company has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the financial statements.

2.30 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

3 SUMMARY OF OTHER ACCOUNTING POLICIES

3.1 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency. Figures are rounded off to the nearest Pak Rupees.

3.2 Employee benefits

The Company operates a contributory provident fund scheme covering all regular employees. Equal monthly contributions are made by the Company and employees to the fund at the rate of 10% of basic salary of employees. The Company's contributions to the fund are charged to statement of profit or loss.

3.3 Ijarah contracts

Under the Ijarah contracts the Company obtains usufruct of an asset for an agreed period for an agreed consideration. The Company accounts for its Ijarah contracts in accordance with the requirements of IFAS 2 'Ijarah'. Accordingly, the Company as a Mustaj'ir (lessee) in the Ijarah contract recognises the Ujrah (lease) payments as an expense in the profit and loss on straight line basis over the Ijarah term.

3.4 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax.

3.5 Earnings per share

The Company presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

3.6 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of fixed assets are included in non-current liabilities as deferred income and are credited to profit or loss over the expected lives of the related assets.

3.7 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

3.8 Investment property

Land held for capital appreciation or to earn rental income is classified as investment property. Investment property is carried at fair value.

Independent valuation is performed periodically, the carrying amount is reviewed against the valuation and adjustment is made where there is material change. Increase in the carrying amount arising on revaluation of investment property is recognised in the statement of profit or loss.

3.9 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legal enforceable right to set off and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

3.10 Contingent assets

Contingent assets are disclosed when the Company has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization becomes certain.

4. ISSUED, SUBSCRIBED AND PAID–UP SHARE CAPITAL

2024	2023		**2024**	2023
(Number of shares)			**Rupees**	Rupees
41,002,000	41,002,000	Ordinary shares of Rupees 10 each fully paid-up in cash	410,020,000	410,020,000
25,000,000	25,000,000	Ordinary shares of Rupees 10 each issued as fully paid for consideration other than cash (Note 4.2)	250,000,000	250,000,000
73,202,800	73,202,800	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	732,028,000	732,028,000
139,204,800	139,204,800		1,392,048,000	1,392,048,000

4.1 993,330 (2023: 993,330) ordinary shares of the Company are held by SK Enmove Co., Ltd. - principal supplier and long term partner.

4.2 On 01 July 2011, the Company entered into 'Agreement for Takeover of Partnership Firm by Private Limited Company / Dissolution of Partnership' ("the Agreement") with partners of Hi-Tec Lubricants, a registered partnership firm ("the Firm") and took over all the business, assets and liabilities of the Firm, as per audited financial statements of Hi-Tec Lubricants for the year ended 30 June 2011, against consideration of issuance of shares of the Company amounting to Rupees 250,000,000 divided into 2,500,000 ordinary shares of Rupees 100 each.

4.3 The principal shareholders of the Company and SK Enmove Co., Ltd. - have a shareholders agreement in place. The parties to the agreement have agreed on certain board of directors' unanimous resolution items such as direct or indirect engagement in lubricant products under the brand name of the Company or any other party other than SK Enmove Co., Ltd., engagement with other companies engaged in lubricants business, lubricants business reorganizations, etc. The principal shareholders have undertaken to hold, in aggregate, at all times 51% shares or more of the Company.

	2024 Rupees	2023 Rupees
5. RESERVES		
Capital reserve		
Share premium (Note 5.1)	1,441,697,946	1,441,697,946
Surplus on revaluation of freehold land		
As at 01 July	756,846,956	704,626,206
Add: Surplus on revaluation of freehold land	4,011,500	52,220,750
As at 30 June	760,858,456	756,846,956
Revenue reserve		
Un-appropriated profit	343,756,279	232,352,482
	2,546,312,681	2,430,897,384

5.1 This reserve can be utilized by the Company only for the purposes specified in section 81 of the Companies Act, 2017.

		2024 Rupees	2023 Rupees
6.	**LEASE LIABILITIES**		
	Total lease liabilities	647,317,717	642,881,321
	Less: Current portion shown under current liabilities	(149,684,305)	(150,742,680)
		497,633,412	492,138,641

6.1	Reconciliation of lease liabilities is as follows:		
	Opening balance	642,881,321	596,281,908
	Add: Additions during the year	162,958,870	137,363,481
	Add: Interest accrued during the year (Note 36)	86,094,950	66,160,324
	Add: Impact of lease modifications during the year	10,367,143	66,903,337
	Less: Impact of lease reassessment during the year	(45,110)	-
	Less: Impact of lease terminations during the year	-	(30,608,025)
	Less: Payments made during the year	(254,939,457)	(193,219,704)
		647,317,717	642,881,321
	Less: Current portion shown under current liabilities	(149,684,305)	(150,742,680)
		497,633,412	492,138,641

6.2	Maturity analysis of lease liabilities is as follows:		
	Upto 6 months	126,409,995	98,083,366
	6-12 months	88,707,146	87,543,123
	1-2 year	167,213,004	164,131,787
	More than 2 years	721,428,965	359,201,160
		1,103,759,110	708,959,436
	Less: Future finance cost	(456,441,393)	(66,078,115)
	Present value of lease liabilities	647,317,717	642,881,321

6.3	Amounts recognised in the statement of profit or loss:		
	Interest accrued during the year (Note 36)	86,094,950	66,160,324
	Expense relating to leases of low-value assets (included in distribution cost)	3,628,183	1,961,644
	Total amount recognised in statement of profit or loss	89,723,133	68,121,968

6.4 Implicit rates against lease liabilities range from 7.40% to 25.93% (2023: 7.40% to 23.69%) per annum.

6.5 Leases from banking companies are secured against the leased assets, personal guarantees of directors and security deposits of Rupees 37.253 million (2023: Rupees 54.869 million).

7. LONG TERM DEPOSITS

7.1 These are unsecured, interest free and repayable on termination of agreements. These security deposits have been utilized for the purpose of business in accordance with under process amendments to the terms of written agreements.

	2024 Rupees	2023 Rupees
8. TRADE AND OTHER PAYABLES		
Creditors (Note 8.1)	1,939,866,846	532,407,429
Accrued liabilities	54,512,126	64,309,560
Infrastructure development cess payable	67,555,065	67,555,065
Contract liabilities - unsecured	56,960,090	56,684,948
Retention money payable	11,767,201	11,508,299
Customs duty and other charges payable	357,617,418	36,991,393
Income tax deducted at source	29,161,466	26,872,192
Workers' profit participation fund payable (Note 8.2)	-	22,682,575
Workers' welfare fund payable (Note 8.3)	15,889,350	15,889,350
Payable to Hi-Tech Blending (Private) Limited - subsidiary company (Note 8.4)	25,745,187	135,254,590
Payable to employees' provident fund trust	107,143	4,128,882
Net deferred income tax (asset) / liability	2,559,181,892	974,284,283

8.1 These include Rupees 244.023 million (2023: Rupees 157.782 million) and Rupees 107.151 million (2023: Rupees 54.196 million) payable to Hi-Tech Blending (Private) Limited - subsidiary company and SK Enmove Co., Ltd. - principal supplier and long term partner respectively.

	2024 Rupees	2023 Rupees
8.2 Workers' profit participation fund		
Balance as on 01 July	22,682,575	19,292,825
Add: Provision for the year	-	-
Add: Interest for the year (Note 36)	5,252,760	3,389,750
	27,935,335	22,682,575
Less: Payment made during the year	(27,935,335)	-
Balance as on 30 June	-	22,682,575

8.2.1 The Company retains workers' profit participation fund for its business operations till the date of allocation to workers. Interest is paid at prescribed rate under the Companies Profit (Workers' Participation) Act, 1968 on funds utilized by the Company till the date of allocation to workers.

	2024 Rupees	2023 Rupees
8.3 Workers welfare fund		
Balance as on 01 July	15,889,350	15,889,350
Add: Provision for the year	-	-
Balance as on 30 June	15,889,350	15,889,350

8.4 The Company and Hi-Tech Blending (Private) Limited - subsidiary company have opted for group taxation as one fiscal unit under section 59AA of the Income Tax Ordinance, 2001. As on reporting date, the Company's share under group taxation after netting of advance tax has been recognized as payable to Hi-Tech Blending (Private) Limited - subsidiary company.

	2024 Rupees	2023 Rupees
9. ACCRUED MARK-UP		
Short term borrowings	67,682,083	81,019,923
10. SHORT TERM BORROWINGS		
From banking companies - secured		
Short term finances (Note 10.1 and Note 10.2)	1,777,187,767	1,851,556,185

10.1 These finances are obtained from banking companies under mark-up arrangements and are secured against trust receipts, first joint pari passu hypothecation charge over present and future current assets of the Company, personal guarantees of sponsor directors of the Company and hypothecation charge over land, building and plant and machinery of Hi-Tech Blending (Private) Limited - subsidiary company.

10.2 The effective rates of mark-up ranged from 21.19% to 28% (2023: 14.14% to 23.24%) per annum.

	2024 Rupees	2023 Rupees
11. PROVISION FOR TAXATION AND LEVY- NET		
Advance income tax - net		
Advance income tax	105,183,461	78,146,620
Less: Provision for taxation	-	-
	105,183,461	78,146,620
Levy - net		
Prepaid levy	6,376,763	5,390,534
Less: Levy payable	(111,560,224)	(83,537,154)
	(105,183,461)	(78,146,620)
	-	-

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

12.1.1 Deputy Commissioner Inland Revenue (DCIR) passed an order under section 122(1) and 122(5A) of the Income Tax Ordinance, 2001 for tax year 2013 whereby a demand of Rupees 83.595 million has been raised. On 26 October 2018, the Company filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] against the order of DCIR. CIR(A) vide order dated 18 December 2018 upheld some of the additions made by DCIR and also directed the DCIR to give opportunity of hearing to the Company in one of the said matters. Being aggrieved by the order of CIR(A), the Company filed appeal before the Appellate Tribunal Inland Revenue (ATIR) on 19 May 2021. ATIR decided the case in favour of the Company. The tax authorities have filed an income tax reference before Honourable Lahore High Court, Lahore against the order of the ATIR which is pending for adjudication. No provision against the case has been made in these financial statements, as the management, based on the advice of the legal counsel, is confident of favorable outcome of litigation.

12.1.2 During the year ended 30 June 2018, assessment under section 161 and section 205 of the Income Tax Ordinance, 2001 for the tax year 2014 was finalized by the Deputy Commissioner Inland Revenue (DCIR) creating a demand of Rupees 18.207 million against the Company. Being aggrieved, the Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] on 14 November 2017 who decided the case in favor of the Company and reduced the total demand to Rupees 0.191 million. However, the department filed an appeal against the order of CIR(A) before the Appellate Tribunal Inland Revenue (ATIR) on 31 March 2018. On 09 April 2024, ATIR granted partial relief to the Company and confirmed demand of Rupees 0.563 million. Further, ATIR remanded back the issue relating to default surcharge to assessing officer for fresh calculation. No remand back proceedings have been initiated by the department yet. No provision has been recognized in these financial statements, as the management, based on advice of the tax advisor, is confident of favorable outcome of the matter.

12.1.3 Deputy Commissioner Inland Revenue (DCIR) passed an assessment order on 28 November 2018 under section 161 and section 205 of the Income Tax Ordinance, 2001 for the tax year 2015 whereby a demand of Rupees 22.358 million has been raised. On 21 December 2018, the Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] against the order of DCIR. CIR(A) accepted the Company's stance on certain issues assailed in appeal and reduced the aggregate demand to Rupees 10.735 million. Being aggrieved by the order of CIR(A), the Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) which is pending adjudication. No provision against this demand has been recognized in these financial statements, as the management, based on advice of the tax advisor, is confident of favorable outcome of the matter.

12.1.4 On 27 June 2022, Deputy Commissioner Inland Revenue (DCIR) passed an assessment order under section 161 and section 205 of the Income Tax Ordinance, 2001 for the tax year 2016 whereby a demand of Rupees 5.467 million including default surcharge has been raised against the Company on account of non / short deduction of withholding tax in respect of certain payments. The Company filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] against the order of DCIR. On 17 November 2022, CIR(A) decided the appeal in favor of the Company. On 12 January 2023, the tax department has filed appeal before the Appellate Tribunal Inland Revenue (ATIR) against the order passed by CIR(A) which is pending adjudication. No provision against this demand has been recognized in these financial statements, as the management, based on advice of the tax advisor, is confident of favorable outcome of the matter.

12.1.5 On 24 March 2022, the Deputy Commissioner Inland Revenue (DCIR) has issued an amended assessment order under section 122(1) of the Income Tax Ordinance, 2001 for the tax year 2018 creating a demand of Rupees 1,115.673 million on account of various issues. Against the aforesaid order, the Company preferred an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] on 19 April 2022. On 29 August 2022, CIR(A) vacated the entire tax demand. However, in respect of various issues, the matter has been remanded back to the department for fresh consideration. Against the order of CIR(A), the Company has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR), which is pending for hearing. The management, based on the advice of the tax advisor, is confident of favourable outcome of the matter. Therefore, no provision has been recognized in these financial statements.

12.1.6 On 26 February 2022, Deputy Commissioner Inland Revenue (DCIR) passed an assessment order under section 177 and section 122(1) of the Income Tax Ordinance, 2001 for the tax year 2019 whereby a demand of Rupees 843.451 million has been raised against the Company on various issues. Against the order of DCIR, the Company preferred an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] on 22 March 2022. On 16 May 2022, CIR(A) vacated the tax demand. However, in respect of certain issues, the case has been remanded back to assessing officer for fresh consideration. On 13 July 2022, the tax authorities have filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the order of CIR(A) which is pending adjudication. The management, based on the advise of the tax advisor, is confident of favourable outcome of the matter. Therefore, no provision has been recognized in these financial statements.

12.1.7 During the year ended 30 June 2020, Deputy Commissioner Inland Revenue (DCIR) issued a notice to recover an amount of Rupees 21.124 million against super tax for the tax year 2019 under section 4B of the Income Tax Ordinance, 2001. The Company through its tax advisor submitted its reply that liability on account of super tax did not arise for subject year. However, on 29 September 2021, DCIR confirmed the matter and re-issued an order to recover Rupees 21.124 million against super tax for the tax year 2019 under section 4B of the Income Tax Ordinance, 2001. Against the aforesaid order, the Company preferred an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)]. On 25 February 2022, CIR(A) remanded back the case to department for fresh consideration. However, these remand back proceedings have not been initiated yet. The management, based on advise of the tax advisor, is confident of favourable outcome of the matter. Therefore, no provision has been recognized in these financial statements.

12.1.8 On 28 February 2022, Deputy Commissioner Inland Revenue (DCIR) issued an order for tax periods from July 2016 to June 2017 creating a demand of Rupees 1,353.135 million alongwith penalty and default surcharge on various issues under relevant provisions of the Sales Tax Act, 1990. Against the aforesaid order, the Company preferred an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] on 22 March 2022. On 27 May 2022, CIR(A) provided partial relief to the Company. However, sales tax default in respect of certain issues was upheld by CIR(A). Being aggrieved with the order of CIR(A), the Company and tax department filed appeals before Appellate Tribunal Inland Revenue (ATIR). On 07 December 2022, ATIR accepted the Company's stance in respect of all matters except for imposition of penalty and default surcharge relating to late filing of sales tax returns and late payment of due sales tax liability. However, appeal filed by the tax department is yet to be heard. The management, based on advise of the tax advisor, is confident of favourable outcome of the matter. Therefore, no provision has been recognized in these financial statements.

12.1.9 On 15 March 2022, Deputy Commissioner Inland Revenue (DCIR) issued an order for tax periods from July 2018 to June 2019 creating a demand of Rupees 901.257 million alongwith penalty and default surcharge on various issues under relevant provisions of the Sales Tax Act, 1990. Against the aforesaid order, the Company preferred an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] on 11 April 2022. On 31 May 2022, CIR(A) provided partial relief to the Company. However, sales tax default in respect of certain issues was upheld by CIR(A). Being aggrieved with the order of CIR(A), the Company and tax deparment filed appeals before Appellate Tribunal Inland Revenue (ATIR). On 07 December 2022, ATIR accepted the Company's stance in respect of all matters except for imposition of penalty and default surcharge relating to late filing of sales tax returns and late payment of due sales tax liability. However, appeal filed by the tax department is yet to be heard. The management, based on advise of the tax advisor, is confident of favourable outcome of the matter. Therefore, no provision has been recognized in these financial statements.

12.1.10 On 30 May 2023, Deputy Commissioner Inland Revenue (DCIR) passed an assessment order under section 161 and section 205 of the Income Tax Ordinance, 2001 for the tax year 2017 whereby a demand of Rupees 22.545 million including default surcharge has been raised against the Company on account of non / short deduction of withholding tax in respect of certain payments. On 25 June 2023, the Company filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)]. On 01 January 2024, CIR(A) granted partial relief to the Company and accepted the Company's stance in respect of certain matters. Further, CIR(A) remanded back certain matters to assessing officer for verification of Company's position. However, the department has not yet initiated the remand back proceedings. The management, based on advise of tax advisor, is confident of favorable outcome of the matter. Therefore, no provision has been recognized in these financial statements.

12.1.11 On 06 February 2019, Deputy Commissioner Inland Revenue (DCIR) passed an assessment order under section 4B of the Income Tax Ordinance, 2001 for the tax year 2018 whereby a demand of Rupees 29.323 million was raised. Being aggrieved with the order, the Company preferred an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] on 04 March 2019. On 16 May 2019, CIR(A) upheld the order of DCIR. Being aggrieved with the order of CIR(A), the Company filed an appeal before Appellate Tribunal Inland Revenue (ATIR) on 29 May 2019. On 17 April 2024, ATIR passed an order and upheld the decision of CIR(A). Being aggrieved with the order, the Company is in the process of filing Income Tax Reference before Lahore High Court, Lahore. The management, based on advise of legal advisor, is confident of favorable outcome of the matter. Therefore, no provision has been recognized in these financial statements.

12.1.12 On 01 March 2024, Deputy Commissioner Inland Revenue (DCIR) passed an assessment order under section 161 and section 205 of the Income Tax Ordinance, 2001 for the tax year 2020 to recover an amount of Rupees 43.575 million in respect of withholding tax default along with default surcharge of Rupees 19.168 million. The Company filed an application before Commissioner Inland Revenue (CIR) on the grounds that the order was passed without considering the documents / records submitted by the Company. On 07 March 2024, CIR set aside the order of DCIR and remanded back the case to assessing officer. The remand back proceedings hasve not been initiated yet. The management, based on advise of tax advisor, is confident of favorable outcome of the matter. Therefore, no provision has been recognized in these financial statements.

12.1.13 On 18 March 2024, Deputy Commissioner Inland Revenue (DCIR) passes an order under section 11 of the Sales Tax Act, 1990 for tax periods from July 2018 to June 2019 creating a demand of Rupees 405.983 million along with default surcharge and penalty on the issue of difference between value of closing stocks as per Company's financial statements and the amount adopted in sales tax declaration. Against the aforesaid order, the Company preferred an appeal before Commissioner Inland Revenue (Appeal) [CIR(A)] which is pending for hearing. The management, based on advice of the tax advisor, is confident of favorable outcome of the matter. Therefore, no provision has been recognized in these financial statements.

12.1.14 Corporate guarantees of Rupees 2,967.5 million (2023: Rupees 2,967.5 million) have been given by the Company to the banks in respect of financing to Hi-Tech Blending (Private) Limited - subsidiary company.

12.1.15 Guarantee of Rupees 58 million (2023: Rupees 58 million) is given by the bank of the Company to Director Excise and Taxation, Karachi against disputed amount of infrastructure cess.

12.1.16 Guarantees of Rupees 22.314 million (2023: Rupees 22.314 million) are given by the bank of the Company to Chairman, Punjab Revenue Authority, Lahore against disputed amount of infrastructure cess.

12.1.17 Guarantee of Rupees 15 million (2023: Rupees 15 million) and Rupees 2.25 million (2023: Rupees 2.25 million) are given by the banks of the Company to Total Parco Pakistan Limited and Pakistan State Oil Company Limited respectively against fuel cards obtained by the Company for its employees.

		2024 Rupees	2023 Rupees
12.2	**Commitments**		
12.2.1	For capital expenditures	30,816,991	46,143,062
12.2.2	Letters of credit other than for capital expenditures	39,705,429	49,166,475

13. FIXED ASSETS

	2024 Rupees	2023 Rupees
Operating fixed assets (Note 13.1)	2,608,162,726	2,458,955,725
Capital work-in-progress (Note 13.2)	163,649,545	130,547,189
	2,771,812,271	2,589,502,914

13.1 Operating fixed assets

Reconciliation of the carrying amounts of operating fixed assets at the beginning and at the end of the year is as follows:

Description	Freehold land	Buildings on freehold land	Buildings on leasehold land (Note 13.1.6)	Machinery	Tanks and pipelines	Dispensing pumps	Furniture and fittings	Vehicles	Leasehold improvements	Office equipment	Computers	Total
	Categories											
	Rupees											
At 30 June 2022												
Cost / revalued amount	1,224,136,500	503,397,673	426,477,390	80,867,323	250,636,205	36,111,951	26,731,269	253,364,855	4,463,125	177,912,538	43,891,683	3,027,990,512
Accumulated depreciation	-	(106,958,745)	(125,570,457)	(24,495,228)	(37,525,175)	(3,894,537)	(13,708,173)	(177,750,358)	(1,159,122)	(52,109,695)	(25,626,534)	(568,798,024)
Net book value	1,224,136,500	396,438,928	300,906,933	56,372,095	213,111,030	32,217,414	13,023,096	75,614,497	3,304,003	125,802,843	18,265,149	2,459,192,488
Year ended 30 June 2023												
Opening net book value	1,224,136,500	396,438,928	300,906,933	56,372,095	213,111,030	32,217,414	13,023,096	75,614,497	3,304,003	125,802,843	18,265,149	2,459,192,488
Additions	-	-	42,056,824	4,000,035	3,409,167	20,156,420	879,250	50,562,795	-	2,282,272	12,013,778	135,360,541
Revaluation surplus	52,220,750	-	-	-	-	-	-	-	-	-	-	52,220,750
Transferred from right-of-use assets:												
Cost	-	-	-	-	-	-	-	3,862,420	-	-	-	3,862,420
Accumulated depreciation	-	-	-	-	-	-	-	(2,287,712)	-	-	-	(2,287,712)
	-	-	-	-	-	-	-	1,574,708	-	-	-	1,574,708
Disposals:												
Cost	-	-	-	-	-	-	-	(60,003,353)	-	-	(1,713,776)	(61,717,129)
Accumulated depreciation	-	-	-	-	-	-	-	7,466,621	-	-	1,086,070	8,552,691
	-	-	-	-	-	-	-	(52,536,732)	-	-	(627,706)	(53,164,438)
Depreciation	-	(39,643,890)	(31,875,898)	(5,870,545)	(17,162,522)	(4,922,728)	(1,371,332)	(14,977,607)	(660,801)	(12,722,376)	(7,020,625)	(136,228,324)
Closing net book value	1,276,357,250	356,795,038	311,087,859	54,501,585	199,357,675	47,451,106	12,531,014	60,237,661	2,643,202	115,362,739	22,630,596	2,458,955,725
At 30 June 2023												
Cost / revalued amount	1,276,357,250	503,397,673	468,534,214	84,867,358	254,045,372	56,268,371	27,610,519	247,786,717	4,463,125	180,194,810	54,191,685	3,157,717,094
Accumulated depreciation	-	(146,602,635)	(157,446,355)	(30,365,773)	(54,687,697)	(8,817,265)	(15,079,505)	(187,549,056)	(1,819,923)	(64,832,071)	(31,561,089)	(698,761,369)
Net book value	1,276,357,250	356,795,038	311,087,859	54,501,585	199,357,675	47,451,106	12,531,014	60,237,661	2,643,202	115,362,739	22,630,596	2,458,955,725
Year ended 30 June 2024												
Opening net book value	1,276,357,250	356,795,038	311,087,859	54,501,585	199,357,675	47,451,106	12,531,014	60,237,661	2,643,202	115,362,739	22,630,596	2,458,955,725
Additions	-	-	143,874,264	1,605,460	47,146,502	39,978,545	1,960,722	8,000,973	-	1,057,737	16,038,145	259,662,348
Revaluation surplus	4,011,500	-	-	-	-	-	-	-	-	-	-	4,011,500
Transferred from right-of-use assets:												
Cost	-	-	-	-	-	-	-	96,470,329	-	-	-	96,470,329
Accumulated depreciation	-	-	-	-	-	-	-	(49,139,981)	-	-	-	(49,139,981)
	-	-	-	-	-	-	-	47,330,348	-	-	-	47,330,348
Disposals:												
Cost	-	-	(3,834,385)	-	(1,926,050)	-	-	(17,650,654)	-	-	(7,109,194)	(30,520,283)
Accumulated depreciation	-	-	1,373,735	-	572,638	-	-	7,583,178	-	-	4,458,912	13,988,463
	-	-	(2,460,650)	-	(1,353,412)	-	-	(10,067,476)	-	-	(2,650,282)	(16,531,820)
Written-off:												
Cost	-	(2,503,363)	(7,085,938)	-	-	-	-	-	-	-	-	(9,589,301)
Accumulated depreciation	-	695,270	2,818,435	-	-	-	-	-	-	-	-	3,513,705
	-	(1,808,093)	(4,267,503)	-	-	-	-	-	-	-	-	(6,075,596)
Depreciation	-	(35,498,695)	(37,724,783)	(5,509,571)	(17,451,912)	(6,742,444)	(1,391,857)	(14,139,122)	(528,640)	(11,606,996)	(8,595,759)	(139,189,779)
Closing net book value	1,280,368,750	319,488,250	410,509,187	50,597,474	227,698,853	80,687,207	13,099,879	91,362,384	2,114,562	104,813,480	27,422,700	2,608,162,726
At 30 June 2024												
Cost / revalued amount	1,280,368,750	500,894,310	601,488,155	86,472,818	299,265,824	96,246,916	29,571,241	334,607,365	4,463,125	181,252,547	63,120,636	3,477,751,687
Accumulated depreciation	-	(181,406,060)	(190,978,968)	(35,875,344)	(71,566,971)	(15,559,709)	(16,471,362)	(243,244,981)	(2,348,563)	(76,439,067)	(35,697,936)	(869,588,961)
Net book value	1,280,368,750	319,488,250	410,509,187	50,597,474	227,698,853	80,687,207	13,099,879	91,362,384	2,114,562	104,813,480	27,422,700	2,608,162,726
Annual rate of depreciation (%)		10	10	10	8	10	10	20	20	10	30	

13.1.1 Detail of operating fixed assets exceeding the book value of Rupees 500,000 disposed of during the year is as follows:

Description	Quantity Nos.	Cost	Accumulated depreciation	Net book value	Sale Proceeds	Gain / (loss)	Mode of disposal	Particulars of purchasers
		Rupees						
Vehicles								
Toyota Fortuner - ACC - 614	1	9,838,240	4,647,147	5,191,093	9,500,000	4,308,907	Company policy	Mr. Sohail Hashmi
Proton SAGA - AQU - 057	1	4,187,560	69,793	4,117,767	3,600,000	(517,767)	Negotiation	Shabir Ahmad, Lahore
Tanks and Pipelines								
Storage tank	1	1,926,050	572,638	1,353,412	1,483,113	129,701	Negotiation	Lali Son's, Lalian
Building on leasehold land								
Steel Canopy	1	3,067,050	1,102,270	1,964,780	2,153,069	188,289	Negotiation	Lali Son's, Lalian
		19,018,900	6,391,848	12,627,052	16,736,182	4,109,130		
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000		11,501,383	7,596,615	3,904,768	1,774,866	(2,129,902)		
		30,520,283	13,988,463	16,531,820	18,511,048	1,979,228		
Capital work-in-progress:								
Storage tank	1	2,272,778	-	2,272,778	3,417,900	1,145,122	Negotiation	Gasoline CNG, Kasur
		32,793,061	13,988,463	18,804,598	21,928,948	3,124,350		

13.1.2 The depreciation charge on operating fixed assets for the year has been allocated as follows:

	2024	2023
	Rupees	Rupees
Distribution cost (Note 32)	107,868,799	104,919,540
Administrative expenses (Note 33)	31,320,980	31,308,784
	139,189,779	136,228,324

13.1.3 Buildings on leasehold land include two warehouses and water tank having net book value of Rupees 111.553 million (2023: Rupees 123.947 million) constructed on the land owned by Hi-Tech Blending (Private) Limited - subsidiary company. The Company has entered into a lease agreement for 20 years with Hi-Tech Blending (Private) Limited - subsidiary company ending on 30 June 2036, against a piece of land measuring 45 Kanals where the aforesaid warehouses and water tank are constructed.

13.1.4 Particulars of immovable properties including capital work-in-progress (i.e. land and buildings) are as follows:

Location	Usage of Immovable Property	Total area of land	Covered area of building
		Acres	Square feet
Property No. 35 A/M, Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore	Warehouse	0.69	21,965
Mouza No. 107/9L, Sahiwal	Oil depot	6.70	199,513
Mouza Aza Khel Bala, Nowshera	Oil depot	7.55	9,257
Mouza Ali Murad Kalhoro, Indus Highway, Shikarpur (under construction)	Oil depot	8.50	56,307
I&A Fuel Station - Plot No. 2, Block K, Main Boulevard, Gulberg-II, Lahore (Under Construction)	Company Finance	0.39	1,847
Mouza Aza Khel Payan, Nowshera	Oil depot extension	1.34	-
7-KM, Sundar Raiwind Road, Bhai Kot, Lahore	Warehouse - 1	-	49,658
7-KM, Sundar Raiwind Road, Bhai Kot, Lahore	Warehouse - 2	-	53,348
Oil Boy Filling Station - Mouza Neel Kot, Head Muhammad Wala Road, Multan	Dealer of retail outlet	-	2,818

Location	Usage of Immovable Property	Total area of land	Covered area of buildings
		Acres	Square feet
Punjab Filling Station - Main Satiana Road, Faisalabad	Dealer of retail outlet	-	2,821
Green Fuel CNG - 1-KM, G.T. Road, Lalamusa	Dealer of retail outlet	-	4,981
A.B. Petroleum Filling Station - Tehsil Liaqatpur, Rahim Yar Khan	Dealer of retail outlet	-	3,054
Jillani CNG - Lehtrar Road, Islamabad	Dealer of retail outlet	-	2,650
Dasti Filling Station - Jampur Road, Dera Ghazi Khan	Dealer of retail outlet	-	1,815
Rehman Filling Station - Chistian Road, Hasilpur	Dealer of retail outlet	-	2,525
Al-Fazal Filling Station - Sargodha Road, Jhang	Dealer of retail outlet	-	2,121
Ibrahim Petroleum - Sialkot Road, Gujranwala	Dealer of retail outlet	-	3,185
Karma Wala-1 Filling Station - Shahkot Road, Jaranwala	Dealer of retail outlet	-	2,059
Raja Adeel Filling Station - Arifwala Road, Arifwala	Dealer of retail outlet	-	2,892
Gondal Filling Station - Daska Road, Wazirabad	Dealer of retail outlet	-	1,493
City Filling Station - Hujra Shah Muqeem, Okara	Dealer of retail outlet	-	962
Al-Karam Filling Station - Shamkay Bhattian, Lahore	Dealer of retail outlet	-	6,633
Green City Fuel Station - Hasilpur Road, Bahawalpur	Dealer of retail outlet	-	1,289
Khokhar Fuel Station - Small Industrial Estate, Jinnah Road, Gujranwala	Dealer of retail outlet	-	1,175
Minhas CNG - Multan Road, Lahore	Dealer of retail outlet	-	841
One Stop - Main Ferozepur Road, Lahore	Dealer of retail outlet	-	1,970
S&S - Toba Road, Jhang	Dealer of retail outlet	-	3,310
Al-Yousaf CNG - Khanewal Road, Multan	Dealer of retail outlet	-	1,793
Rana Petroleum - Faisalabad Road, Okara	Dealer of retail outlet	-	2,633
Mudassir Zulfiqar Filling Station - Vehari Road, Multan	Dealer of retail outlet	-	8,084
Shahid & Company - Daska Road, Gujranwala	Dealer of retail outlet	-	6,396
Benzina II Filling Station - Benazir Road, Okara	Dealer of retail outlet	-	4,709
Nambardar Filling Station - Rawalpindi Road, Chakwal	Dealer of retail outlet	-	5,875
Iftikhar Nadeem & Company - Mouza Jhawary, Dhamyal Road, Rawalpindi Cantt.	Dealer of retail outlet	-	5,162
Suntrust CNG - Millat Road, Faisalabad	Dealer of retail outlet	-	4,086
Meezan Filling Station - Jhang Road, Toba Tek Singh	Dealer of retail outlet	-	6,227
M Nawaz Filling Station - Main Darban Road, Kotla Syedan, Dera Ismail Khan	Dealer of retail outlet	-	8,966
Big Khan Filling Station - Hajiabad Malakand University Road, Chakdara	Dealer of retail outlet	-	4,872
Imdad Mir Filling Station - Mouza Ghanda, Nawab Road, Mansehra	Dealer of retail outlet	-	3,368
Bahadur Fuel Station - Mouza Ismail Khani, Bannu	Dealer of retail outlet	-	1,527
Arab Emirat Filling Station - Mouza Bandi, Tehsil Khawaja Khela, Swat	Dealer of retail outlet	-	4,580
Rashid Fuel Station - Mouza Qambar-192, Tehsil Babuzai,Swat	Dealer of retail outlet	-	1,369
Al - Rehman Fuel Station - Mouza Ismail Khani, Bannu	Dealer of retail outlet	-	2,022
Naik Muhammad Fuel Station - Near Bybass Thana, District Malakand	Dealer of retail outlet	-	1,620
Ghuman Brothers - Plot 105, Block K, Gulberg 3, Lahore	Dealer of retail outlet	-	1,667
Khalifa Fuel Station - Jhang Road, Gojra	Dealer of retail outlet	-	2,120
Al-Sheikh Fuel Station - Main G.T Road, Gujrat	Dealer of retail outlet	-	4,030
Moon CNG Filling Station - Mouza Humak, Islamabad	Dealer of retail outlet	-	1,893

Location	Usage of Immovable Property	Total area of land	Covered area of buildings
		Acres	Square feet
Aabroo Petroleum & CNG - Jaranwala - Khurianwala Road, Jaranwala	Dealer of retail outlet	-	4,692
Abbasi & Khan Traders - Gujjar Kohala, Dhirkot	Dealer of retail outlet	-	1,284
Al-Mustafa Fuel Station - Qaziwala Road, Chishtian	Dealer of retail outlet	-	1,981
Shah Sardar Petroleum - Mouza Dham Thor, Murree Road, Abbottabad	Dealer of retail outlet	-	3,301
Shams Petroleum Service - E-35, Hazara Expressway	Dealer of retail outlet	-	1,320
Roshan Fuel Station - Sheikhupura - Sargodha Road	Dealer of retail outlet	-	2,645
Chawinda Fuel Station - Khawaja Sardar Road, Sialkot	Dealer of retail outlet	-	6,876
Jan Muhammad Filling Station - Ekka Ghund, Mohammand	Dealer of retail outlet	-	1,038
Phandu Filling Station/CNG - Phandu Chowk, Umar Road, Peshawar	Dealer of retail outlet	-	3,941
Four Star CNG Filling Station - Mardan Swabi Road, Bughdada	Dealer of retail outlet	-	1,503
Hussain Filling Station - Near Shah Alam Pull, Charsada Road, Peshawar	Dealer of retail outlet	-	3,565
Attock CNG & Filling Station - Iqbal Chowk, Choi East Attock City, Attock	Dealer of retail outlet	-	1,318
Rahat Fuel Station - Saidu Shareef Road, Tehsil Babuzai, Swat	Dealer of retail outlet	-	252
Masha Allah CNG - M.C.S Kamra Road, Attock City, Attock	Dealer of retail outlet	-	2,125
Dharampura, Lahore	HTL Express Centre	-	1,436
Garden Town, Lahore	HTL Express Centre	-	1,789
Block F, Gulshan-e-Ravi, Lahore	HTL Express Centre	-	2,444
Johar Town, Lahore	HTL Express Centre	-	4,500
Gulistan-e-Johar, Karachi	HTL Express Centre	-	3,149
Pakistan Employees Cooperative Housing Society, Karachi	HTL Express Centre	-	2,700
Askari XIV, Sector-A, Rawalpindi	HTL Express Centre	-	881

13.1.5 Cost of fixed assets (including capital work-in-progress) held by dealers of retail outlets and operators of HTL Express Centres of the Company is as follows:

Description	Catagories							
	Buildings on leasehold land	**Tanks and pipelines**	**Dispens-ing pumps**	**Machinery**	**Furniture and fittings**	**Office equipment**	**Computers**	**Total**
	Rupees							
Oil Boy Filling Station - Mouza Neel Kot, Head Muhammad Wala Road, Multan	3,180,469	1,608,000	1,911,655	-	-	-	-	6,700,124
Punjab Filling Station - Main Satiana Road, Faisalabad	2,898,584	877,100	2,490,793	-	-	-	-	6,266,477
Ittehad Filling Station - Circular Road, Daska	-	877,100	-	-	-	-	-	877,100
Green Fuel CNG - 1 - KM G.T. Road, Lalamusa	2,725,893	1,132,550	-	-	-	-	-	3,858,443
A.B. Petroleum Filling Station - Tehsil Liaqatpur, Rahim Yar Khan	4,623,288	1,480,589	1,958,750	-	-	-	-	8,062,627
Jillani CNG - Lehtrar Road, Islamabad	7,147,011	1,386,830	842,830	-	-	-	-	9,376,671
Dasti Filling Station - Jampur Road, Dera Ghazi Khan	1,919,332	808,290	2,754,484	-	-	-	-	5,482,106
Rehman Filling Station - Chistian Road, Hasilpur	2,013,421	-	-	-	-	-	-	2,013,421
Al-Fazal Filling Station - Sargodha Road, Jhang	3,163,859	-	2,227,102	-	-	-	-	5,390,961
Ibrahim Petroleum - Sialkot Road, Gujranwala	1,962,962	-	-	-	-	-	-	1,962,962
Karma Wala-1 Filling Station - Shahkot Road, Jaranwala	2,532,005	-	-	-	-	-	-	2,532,005
Raja Adeel Filling Station - Arifwala Road, Arifwala	1,853,000	-	-	-	-	-	-	1,853,000
Gondal Filling Station - Daska Road, Wazirabad	2,204,744	-	1,421,968	-	-	-	-	3,626,712
City Filling Station - Hujra Shah Muqeem, Okara	1,504,906	-	-	-	-	-	-	1,504,906
Al-Karam Filling Station - Shamkay Bhattian, Lahore	3,556,882	-	3,244,171	-	-	-	-	6,801,053
Green City Fuel Station - Hasilpur Road, Bahawalpur	9,954,398	1,377,706	1,911,655	-	-	-	-	13,243,759
Khokhar Fuel Station - Small Industrial Estate, Jinnah Road, Gujranwala	2,101,400	1,377,706	3,212,099	-	-	-	-	6,691,205
Minhas CNG - Multan Road, Lahore	4,749,486	-	1,421,968	-	-	-	-	6,171,454
One Stop - Main Ferozepur Road, Lahore	17,757,318	2,102,230	2,482,580	-	-	-	-	22,342,128
S&S - Toba Road, Jhang	2,549,650	-	-	-	-	-	-	2,549,650
Al-Yousaf CNG - Khanewal Road, Multan	1,651,843	578,690	1,558,512	-	-	-	-	3,789,045
Rana Petroleum - Faisalabad Road, Okara	2,439,500	-	-	-	-	-	-	2,439,500
Mudassir Zulfiqar Filling Station - Vehari Road, Multan	2,176,375	-	-	-	-	-	-	2,176,375
Shahid & Company - Daska Road, Gujranwala	1,828,249	-	4,722,091	-	-	-	-	6,550,340
Benzina II Filling Station - Benazir Road, Okara	2,318,142	3,037,269	8,036,682	-	-	-	-	13,392,093
Nambardar Filling Station - Rawalpindi Road, Chakwal	926,830	-	-	-	-	-	-	926,830
Iftikhar Nadeem & Company - Mouza Jhawary, Dhamyal Road, Rawalpindi Cantt.	1,571,303	2,763,529	4,477,015	-	-	-	-	8,811,847
Suntrust CNG - Millat Road, Faisalabad	40,743,349	3,409,167	4,937,988	-	-	-	-	49,090,504
Meezan Filling Station - Jhang Road, Toba Tek Singh	1,313,475	-	-	-	-	-	-	1,313,475
"M Nawaz Filling Station - Main Darban Road, Mouza Kotla Sayedan, Dera Ismail Khan"	3,274,200	1,269,700	2,452,163	-	-	-	-	6,996,063
Big Khan Filling Station - Hajiabad University Road, Chakdara	7,169,410	2,481,646	1,862,255	-	-	-	-	11,513,311
Imdad Mir Filling Station - Mouza Ghanda, Nawab Road, Mansehra	13,361,573	1,469,223	1,334,850	-	-	-	-	16,165,646
Toru Fuel Station - Mardan Road , Nowshera (under construction)	-	2,859,022	-	-	-	-	-	2,859,022
Abro Petroleun & CNG - Jaranwala-Kurdiawala Road, Jaranwala	2,989,711	3,551,259	1,172,755	-	-	-	-	7,713,725
Khalifa Filling Station - Jhang Road, Gojra	3,164,915	4,406,779	1,435,500	-	-	-	-	9,007,194
Al-Sheikh Filling Station - Main G.T Road, Gujrat	11,563,910	4,429,207	1,708,511	-	-	-	-	17,701,628
Moon CNG Filling Station - Mouza Humak, Islamabad	3,014,908	3,551,259	2,272,869	-	-	-	-	8,839,036
Abbasi & Khan Traders - Gujjar Kohala, Dhirkot	2,621,313	3,445,266	1,435,500	-	-	-	-	7,502,079
Ghuman Brothers - Plot 105, Block K, Gulberg III, Lahore	2,733,451	3,203,581	2,762,556	-	-	-	-	8,699,588
Attock CNG & Filling Station - Iqbal Chowk, Choi East Attock City, Attock	1,843,506	3,342,818	1,283,255	-	-	-	-	6,469,579
Shah Sardar Petroleum - Mouza Dham Thor, Murree Road, Abbottabad	10,388,121	6,812,887	4,212,608	-	-	-	-	21,413,616
Bahadur Filling Station - Mouza Ismail Khani, Bannu	2,887,200	-	1,222,256	-	-	-	-	4,109,456
Rahat Fuel Station - Saidu Shareef Road, Tehsil Babuzai, Swat	2,465,200	-	1,649,362	-	-	-	-	4,114,562
Arab Emirates Filling Station - Mouza Bandi, Tehsil Khawaja Khela, Swat	2,910,500	-	-	-	-	-	-	2,910,500
Rashid Filling Station - Mouza Qambar-192, Tehsil Babuzai, Swat	2,839,100	-	1,779,800	-	-	-	-	4,618,900
Al - Rehman Filling Station - Mouza Ismail Khani, Bannu	2,825,950	-	-	-	-	-	-	2,825,950
Naik Muhammad Filling Station - Near Bybass Thana, District Malakand	2,683,374	-	-	-	-	-	-	2,683,374
AL - Mustafa Filling Station - Qaziwala Road Chishtian	2,236,124	-	-	-	-	-	-	2,236,124
Shams Petroleum Service - E - 35, Hazara Expressway	2,609,871	-	1,514,000	-	-	-	-	4,123,871
Roshan Filling Station - Sheikhupura - Sargodha Road	7,617,792	-	1,330,012	-	-	-	-	8,947,804
Chawinda Filling Station - Khawaja Sardar Road, Sialkot	15,121,957	5,729,531	8,027,707	-	-	-	-	28,879,195
Jan Muhammad Filling Station - Ekka Ghund, Mohammand	2,205,230	-	-	-	-	-	-	2,205,230
Phandu Filling Station / CNG - Phandu Chowk, Umar Road, Peshawar	2,244,646	-	-	-	-	-	-	2,244,646
Four Star CNG Filling Station - Mardan Swabi Road, Bughdada	1,857,799	-	-	-	-	-	-	1,857,799

Description	Buildings on leasehold land	Tanks and pipelines	Dispens-ing pumps	Machinery	Furniture and fittings	Office equipment	Computers	Total
				Catagories				
				Rupees				
Hussain Filling Station - Near Shah Alam Pull, Charsada Road, Peshawar	3,196,519	-	-	-	-	-	-	3,196,519
Masha Allah CNG - M.C.S Kamra Road, Attock City, Attock	2,071,234	3,453,346	2,032,898	-	-	-	-	7,557,478
HTL Express Centre - Dharampura, Lahore	27,571,142	-	-	3,197,442	145,431	478,583	-	31,392,598
HTL Express Centre - Garden Town, Lahore	7,442,541	-	-	2,471,843	56,796	1,741,346	-	11,712,526
HTL Express Centre - Block F, Gulshan-e-Ravi, Lahore	16,220,083	-	-	5,308,603	56,796	2,602,702	14,040	24,202,224
HTL Express Centre - Johar Town, Lahore	16,713,760	-	-	7,727,402	153,621	-	24,000	24,618,783
HTL Express Centre - DHA, Karachi (Discontinued)	-	-	-	4,019,037	669,727	97,044	-	4,785,808
HTL Express Centre - Gulistan-E-Johar, Karachi	11,978,196	-	-	6,117,945	1,115,829	811,290	-	20,023,260
HTL Express Centre - Pakistan Employees Cooperative Housing Society, Karachi	20,357,427	-	-	1,524,751	126,500	841,438	-	22,850,116
HTL Express Centre - Askari XIV, Sector-A, Rawalpindi	9,133,147	-	-	4,419,000	854,206	2,808,753	-	17,215,106
	360,681,484	**72,822,280**	**89,101,200**	**34,786,023**	**3,178,906**	**9,381,156**	**38,040**	**569,989,089**

The above assets are not in possession of the Company as these have been provided to dealers of retail outlets and operators of HTL Express Centres to facilitate them to promote and sell Company's products.

13.1.6 This includes apartment amounting to Rupees 25.976 million in Grand Hayatt (the "Project") at 1-Constitution Avenue, Islamabad. On 29 July 2016, Capital Development Authority (CDA) cancelled the leased deed of BNP (Private) Limited on the grounds of violating the terms and conditions of the said lease and sealed the Project. Against the alleged order, BNP (Private) Limited filed a writ petition before the Honorable Islamabad High Court ("IHC") challenging the cancellation of said lease. IHC dismissed the writ petition of BNP (Private) Limited. However, the honorable judge of IHC ruled that it is a duty of the Federal Government to ensure that the purchasers do not suffer due to Government's own wrongful actions and omissions, particularly when the regulatory failure of the CDA stands admitted. The Company and others filed appeals against the aforesaid judgment of IHC before Honorable Supreme Court of Pakistan. On 09 January 2019, Honorable Supreme Court of Pakistan has passed order whereby the Court has ordered BNP (Private) Limited to pay Rupees 17.5 billion in eight years to CDA to revive the original lease together with all approvals and permissions already granted. The Court has further ordered that BNP (Private) Limited shall complete the entire project within a reasonable time. CDA and BNP (Private) Limited have filed review petitions against the order of the Supreme Court of Pakistan which are still pending for review. Supreme Court of Pakistan referred the matter to the Public Accounts Committee (PAC) and asked them to submit its recommendation on the subject matter. During the year ended 30 June 2021, PAC endorsed the amount of Rupees 17.5 billion to be paid to CDA in six years for the revival of lease and de-sealing of the Project in accordance with the settlement held between CDA and BNP (Private) Limited. On 06 January 2021, on the directives of PAC and payment of first installment of settlement amount by BNP (Private) Limited, CDA de-sealed the Project. Pursuant to the settlement of the matter as stated above and de-sealing of the Project, BNP (Private) Limited and the Company started negotiations to finalize the terms and conditions of "Undertaking and Indemnity Agreement" to take the possession of the apartment. However, in March 2023, CDA has cancelled the lease deed of BNP (Private) Limited once again due to non-payment of due installment of settlement amount of Rupees 17.5 billion and taken the possession of the Project. BNP (Private) Limited filed petition before IHC against the cancellation of lease deed by CDA who decided the case against BNP (Private) Limited. Subsequently, BNP (Private) Limited filed petition before Supreme Court of Pakistan who also dismissed the petition and upheld the decisions of the Apex courts. On 15 April 2024, CDA handed over the possession of the apartment to the Company. However, BNP (Private) Limited has again started litigation against CDA in IHC.

		2024 Rupees	2023 Rupees
13.2	**Capital work-in-progress**		
	Civil works	116,438,207	44,199,846
	Dispensing pumps	15,986,659	8,681,790
	Advance against purchase of apartment	-	25,976,750
	Tanks and pipelines	31,224,679	50,594,702
	Mobilization advances	-	1,094,101
		163,649,545	130,547,189

HTL LIMITED
Hi-Tech Lubricants Ltd

13.2.1 Movement in capital work in progress is as follows:

	Categories					
	Civil works	Dispensing pumps	Advance against purchase of apartment	Tanks and pipelines	Mobilization advances	Total
At 30 June 2022	32,339,864	20,752,020	25,976,750	20,799,838	5,281,323	131,149,795
Add: Additions during the year	53,916,806	2,770,000	-	33,204,031	-	113,446,832
Less: Mobilization advances adjusted during the year	-	-	-	-	(4,187,222)	(4,187,222)
Add: Transferred from inventory	-	5,316,190	-	-	-	5,316,190
Less: Transferred to operating fixed assets during the year	(42,056,824)	(20,156,420)	-	(3,409,167)	-	(115,178,406)
At 30 June 2023	44,199,846	8,681,790	25,976,750	50,594,702	1,094,101	130,547,189
Add: Additions during the year	190,135,875	27,917,503	-	30,049,257	-	248,102,635
Add / (less): Adjustments made during the year	-	(4,107,256)	-	(2,272,778)	-	(6,380,034)
Less: Mobilization advances written off during the year	-	-	-	-	(1,094,101)	(1,094,101)
Add: Transferred from inventory	-	23,473,167	-	-	-	23,473,167
Less: Transferred to operating fixed assets during the year	(117,897,514)	(39,978,545)	(25,976,750)	(47,146,502)	-	(230,999,311)
At 30 June 2024	116,438,207	15,986,659	-	31,224,679	-	163,649,545

14. RIGHT-OF-USE ASSETS

	Land	Buildings	Vehicles	Total
	Rupees			
At 30 June 2022	371,805,431	46,625,761	137,313,384	555,744,577
Add: Additions during the year	18,557,113	45,328,092	71,928,735	135,813,940
Add: Impact of lease modifications	(1,845,647)	69,122,276	-	67,276,629
Less: Impact of lease termination	25,059,314	-	-	25,059,314
Less: Book value of assets transferred to operating fixed assets - during the year	-	-	1,574,708	1,574,708
Less: Depreciation expense for the year (Note 33)	60,162,403	34,768,030	32,149,538	127,079,971
At 30 June 2023	303,295,180	126,308,099	175,517,873	605,121,153
Add: Additions during the year	146,309,901	16,648,969	-	162,958,870
Add: Impact of lease modifications	2,486,841	7,880,302	-	10,367,143
Less: Impact of lease terminations	10,991,411	(11,036,521)	-	(45,110)
Less: Book value of assets transferred to operating fixed assets - during the year	-	-	47,330,348	47,330,348
Less: Depreciation expense for the year (Note 33)	58,473,352	49,091,992	32,019,445	139,584,789
At 30 June 2024	404,609,981	90,708,857	96,168,080	591,486,919

Lease of land

The Company obtained land on lease for its service centers, filling stations and storage warehouses. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Lease periods range from five to twenty five years.

Lease of buildings

The Company obtained buildings on lease for its offices. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Lease periods range from two to five years.

Lease of vehicles

The Company obtained vehicles on lease for employees and director of the Company. The average contract duration is three years.

14.1 There is no impairment against right-of-use assets.

		2024 Rupees	2023 Rupees
15.	**INTANGIBLE ASSETS - Computer softwares**		
	Opening net book value	3,981,524	6,657,720
	Add: Cost of additions during the year	-	1,500,000
	Less: Written off during the year		
	Cost	(262,830)	-
	Accumulated amortization	236,547	-
		(26,283)	-
	Less: Amortization charged during the year (Note 33)	2,757,549	4,176,196
	Closing net book value	1,197,692	3,981,524
15.1	Cost as at 30 June	47,211,120	47,473,948
	Accumulated amortization	(46,013,428)	(43,492,424)
	Net book value as at 30 June	1,197,692	3,981,524

15.2 Intangible assets - computer softwares have been amortized at the rate of 30% (2023: 30%) per annum.

15.3 Intangible assets costing Rupees 39.827 million (2023: Rupees 30.204 million) are fully amortized and are still in use of the Company.

		2024 Rupees	2023 Rupees
16.	**INVESTEMENT PROPERTY**		
16.1	**Land - at fair value**		
	Opening book value	135,000,000	130,000,000
	Add: Fair value gain (Note 35)	-	5,000,000
	Less: Reclassified to non-current asset held for sale (Note 29)	(135,000,000)	-
	Closing book value	-	135,000,000

16.2 The fair value of investment property was determined by an independent valuer M/s Anderson Consulting (Private) Limited as at 30 June 2023. Forced sale value of investment property as at 30 June 2023 was Rupees 114.750 million.

16.3 Particulars of investment property (i.e. land) were as follows:

Description and address	Area of land
	Kanals
Land - 22 - A, Zafar Ali Road, Lahore	1.25

		2024 Rupees	2023 Rupees
17.	**INVESTMENT IN SUBSIDIARY COMPANY - at cost**		
	Hi-Tech Blending (Private) Limited - unquoted		
	130,000,060 (2023: 130,000,060) fully paid ordinary shares of Rupees 10 each		
	Equity held 100% (2023: 100%)	1,300,000,600	1,300,000,600

17.1 Investment in Hi-Tech Blending (Private) Limited includes 60 (2023: 60) shares in the name of nominees of the Company. Out of 60 shares, 10 shares are in the name of Mr. Tahir Azam who passed away on 09 June 2024. These shares shall be transferred to his legal heirs upon completion of legal formalities.

		2024 Rupees	2023 Rupees
18.	**LONG TERM SECURITY DEPOSITS**		
	Security deposits against leased assets	37,252,819	54,869,439
	Security deposits - others	13,966,150	13,939,150
		51,218,969	68,808,589
	Less: Current portion shown under current assets (Note 24)	13,500,200	16,865,461
		37,718,769	51,943,128
19.	**LONG TERM LOANS TO EMPLOYEES**		
	Considered good:		
	Loans to employees - interest free and unsecured (Note 19.1)	2,985,102	3,919,266
	Less: Current portion shown under current assets (Note 23)	934,166	934,166
		2,050,936	2,985,100

19.1 These represent interest free and unsecured loans given to employees, receivable in maximum 60 monthly instalments in accordance with the Company's policy. Fair value adjustment in accordance with the requirements of IFRS 9 'Financial Instruments' arising in respect of staff loans is not considered material and hence not recognized.

	2024 Rupees	2023 Rupees
20. DEFERRED INCOME TAX ASSET		
The net deferred income tax asset comprised of temporary differences relating to:		
Deductible temporary differences		
Unabsorbed tax depreciation	86,999,447	38,632,306
Available unused tax losses	14,714,778	102,279,334
Turnover tax carried forward	171,549,704	-
Allowance for expected credit losses	5,101,562	10,319,125
Provision for slow moving and damaged inventory items	10,245,587	7,849,828
Provision for doubtful advances to suppliers	476,487	356,353
Lease liabilities	187,722,138	186,435,583
	476,809,703	345,872,529
Taxable temporary differences		
Accelerated tax depreciation and amortization	(94,483,000)	86,788,279
Right-of-use assets	(171,531,207)	175,485,134
	(266,014,207)	262,273,413
Net deferred income tax asset	210,795,496	83,599,116
Deferred income tax asset not recognised in these financial statements	(66,633,000)	-
Deferred income tax asset recognised in these financial statements	144,162,496	83,599,116

20.1 Movement in deferred income tax balances during the year is as follows:

	Opening Balance	2024 Recognised in statement of profit or loss Rupees	Closing balance
Unabsorbed tax depreciation	38,632,306	48,367,141	86,999,447
Available unused tax losses	102,279,334	(87,564,556)	14,714,778
Allowance for expected credit losses	10,319,125	(5,217,563)	5,101,562
Provision for slow moving and damaged inventory items	7,849,828	2,395,759	10,245,587
Provision for doubtful advances to suppliers	356,353	120,134	476,487
Lease liabilities	186,435,583	1,286,555	187,722,138
Accelerated tax depreciation and amortization	(86,788,279)	(7,694,721)	(94,483,000)
Right-of-use assets	(175,485,134)	3,953,927	(171,531,207)
Turnover tax carried forward			
Available	-	171,549,704	171,549,704
Movement in deferred income tax not recognized	-	(66,633,000)	(66,633,000)
Deferred income tax recognized		104,916,704	104,916,704
	83,599,116	60,563,380	144,162,496

	2023		
	Opening Balance	Recognised in statement of profit or loss	Closing balance
		Rupees	
Unabsorbed tax depreciation	-	(38,632,306)	38,632,306
Available unused tax losses	-	(102,279,334)	102,279,334
Allowance for expected credit losses	11,542,280	1,223,155	10,319,125
Provision for slow moving and damaged inventory items	4,654,722	(3,195,106)	7,849,828
Provision for doubtful advances to suppliers	983,709	627,356	356,353
Lease liabilities	196,773,030	10,337,447	186,435,583
Accelerated tax depreciation and amortization	(100,436,367)	(13,648,088)	(86,788,279)
Right-of-use assets	(183,395,710)	(7,910,576)	(175,485,134)
	(69,878,336)	153,477,452	83,599,116

20.2 Deferred income tax asset has been recognised to the extent that the realization of related tax benefits is probable from future taxable profits. It is probable that sufficient taxable profits will be available for utilization of recognised deferred income tax asset. Detail of recognised deferred income tax asset on available unused tax losses, unabsorbed tax depreciation and turnover tax carried forward and unrecognised deferred income tax asset on turnover tax carried forward is given as follows:

	Accounting year to which the tax credit relates	Amount	Accounting year in which tax credit will expire
		Rupees	
Turnover tax carried forward	2023	66,633,000	2026
	2024	104,916,704	2027
		171,549,704	

	Accounting year to which the tax loss relates	Amount	Accounting year in which tax loss will expire
		Rupees	
Unabsorbed tax depreciation	2023	133,214,848	Unlimited
	2024	166,783,245	Unlimited
		299,998,092	

	Accounting year to which the tax loss relates	Amount	Accounting year in which tax loss will expire
		Rupees	
Available unused tax losses	2023	50,740,613	2028

		2024 Rupees	2023 Rupees
21.	**STOCK-IN-TRADE**		
	Lubricants and parts (Note 21.1)	428,492,803	292,185,127
	Less: Provision for slow moving and damaged inventory items (Note 21.2)	35,329,612	27,068,373
		393,163,191	265,116,754
	Petroleum products		
	- Stock in hand (Note 21.3)	316,614,901	139,978,203
	- Stock in pipeline system (Note 21.4)	1,045,532,295	638,125,434
		1,362,147,196	778,103,637
	Dispensing pumps and other installations (Note 21.5)	33,925,444	59,701,394
		1,789,235,831	1,102,921,785

21.1 This includes stock amounting to Rupees 118.898 million (2023: Rupees 70.612 million) lying at customs bonded warehouse.

		2024 Rupees	2023 Rupees
21.2	Provision for slow moving and damaged inventory items:		
	Opening balance	27,068,373	14,105,219
	Add: Provision recognized during the year	11,479,157	12,963,154
	Less: Written off against provision during the year	3,217,918	-
		8,261,239	12,963,154
	Closing balance	35,329,612	27,068,373

21.3 This includes stock of petroleum products in possession of third parties as follows:

	2024 Rupees	2023 Rupees
Askar Oil Services (Private) Limited	2,395,911	2,425,987
Be Energy Limited	23,153,653	36,668,049
Al-Rahim Trading Company (Private) Limited	-	459,393
Gas and Oil Pakistan Limited	4,888,641	3,410,459
Karachi Hydrocorban Terminal Limited	257,496,950	4,756,350
Z.Y. & Co. Bulk Terminals (Private) Limited	2,955,252	-
	290,890,407	47,720,238

21.4 This represents the Company's share of pipeline stock of High Speed Diesel and Petroleum Motor Gasoline amounting to Rupees 355.458 million (2023: Rupees 469.131 million) and Rupees 687.248 million (2023: Rupees 168.995 million) respectively held by Pak-Arab Pipeline Company Limited.

21.5 These dispensing pumps and other installations have been purchased by the Company for resale to service and filling station dealers as part of OMC operations.

	2024 Rupees	2023 Rupees
22. TRADE DEBTS		
Unsecured:		
Considered good	1,037,393,509	194,822,885
Less: Allowance for expected credit losses (Note 22.2)	17,591,593	35,583,191
	1,019,801,916	159,239,694

22.1 As at the reporting date, trade debts of Rupees 146.553 million (2023: Rupees 70.957 million) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The ageing analysis of trade debts is as follows:

	2024 Rupees	2023 Rupees
Neither past due nor impaired	890,840,145	123,866,297
Past due but not impaired		
1 to 6 months	132,149,524	36,546,749
6 months to 1 year	12,124,200	34,409,839
More than 1 year	2,279,640	-
	146,553,364	70,956,588
	1,037,393,509	194,822,885
22.2 Allowance for expected credit losses		
Opening balance	35,583,191	34,976,606
Add: Recognized during the year (Note 34)	6,856,033	606,585
Less: Written off against provision during the year	24,847,631	-
Closing balance	17,591,593	35,583,191

22.3 The maximum aggregate amount receivable from Hi-Tech Blending (Private) Limited at the end of any month during the year was Rupees 105.257 million (2023: Rupees 121.330 million).

	2024 Rupees	2023 Rupees
23 LOANS AND ADVANCES		
Considered good, unsecured:		
Loans to employees - interest free and against salaries:		
- Executives	12,841,434	8,623,129
- Other employees	5,586,243	2,809,835
	18,427,677	11,432,964
Short term loan to subsidiary company (Note 23.1)	-	485,500,000
Advances to employees against expenses	2,691,708	3,363,189
Current portion of long term loans to employees (Note 19)	934,166	934,166
Advances to suppliers (Note 23.2)	206,145,136	106,280,314
Margin against bank guarantees	17,500,000	17,500,000
	245,698,687	625,010,633

23.1 This represents unsecured short term loan given to Hi-Tech Blending (Private) Limited - subsidary company to meet the working capital requirements and is repayable on demand. This carries mark-up at the rate of 3 month KIBOR plus 1.5 % per annum. The effective rate of mark-up charged during the year on outstanding balance ranged from 22.96% to 24.40% (2023: 17.21% to 23.58%) per annum.

		2024 Rupees	2023 Rupees
23.2	**Advances to suppliers**		
	Unsecured:		
	Considered good	206,145,136	106,280,314
	Considered doubtful	1,643,057	1,228,802
		207,788,193	107,509,116
	Less: Provision for doubtful advances to suppliers (Note 23.2.1)	1,643,057	1,228,802
		206,145,136	106,280,314
23.2.1	**Provision for doubtful advance to supplier**		
	Opening balance	1,228,802	2,980,936
	Add: Recognized during the year (Note 34)	414,255	-
	Less: Advances to suppliers written off against provision	-	749,933
	Less: Reversal of provision during the year (Note 35)	-	1,002,201
	Closing balance	1,643,057	1,228,802

24. SHORT TERM DEPOSITS AND PREPAYMENTS

Current portion of long term security deposits (Note 18)	13,500,200	16,865,461
Short term security deposits	2,437,595	2,197,595
Prepaid expenses	827,406	827,406
Prepaid insurance	7,550,642	6,040,676
Prepaid rent	3,441,138	6,406,350
	27,756,981	32,337,488

25. OTHER RECEIVABLES

Receivable from MAS Associates (Private) Limited - associated company (Note 25.1)	347,497	444,154
Receivable from SK Enmove Co., Ltd. - related party (Note 25.2)	69,585,301	-
Sales tax receivable	265,201,125	167,526,359
Inland freight equalization margin	27,171,584	16,760,468
Others	3,570,611	3,661,085
	365,876,118	188,392,066

25.1 It is neither past due nor impaired. The maximum aggregate amount receivable from associated company at the end of any month during the year was Rupees 0.672 million (2023: Rupees 0.754 million).

25.2 This represents promotional incentive receivable from SK Enmove Co., Ltd. - principle supplier and long term partner. The maximum aggregate amount receivable from SK Enmove Co., Ltd. - principal supplier and long term partner at the end of any month during the year was Rupees 177.597 million (2023: Rupees 181.400 million).

	2024 Rupees	2023 Rupees
26. ACCRUED INTEREST		
On bank deposits	186,102	9,013
On short term loan to subsidary company (Note 26.1)	3,300,035	45,954,988
On term deposit receipt	-	7,023,972
	3,486,137	52,987,973

26.1 It is neither past due nor impaired. The maximum aggregate amount receivable from subsidiary company at the end of any month during the year was Rupees 66.077 million (2023: Rupees 51.965 million).

	2024 Rupees	2023 Rupees
27. SHORT TERM INVESTMENTS		
27.1 Equity instruments		
Fair value through profit or loss		
Quoted - other than related party:		
Engro Fertilizer Limited		
49,500 (2023: 49,500) fully paid ordinary shares of Rupees 10 each	4,085,235	4,387,680
First Habib Cash Fund		
2,068,832.1513 (2023: 2,125,858.6099) units	209,515,390	214,608,551
NBP Islamic Daily Dividend Fund		
55,802.3031 (2023: 37,955.7549) units	558,023	379,557
UBL Liquidity Plus Fund - Class 'C'		
23,901.8786 (2023: 20,187.0219) units	2,418,565	2,045,041
MCB Cash Management Optimizer		
5,176.0518 (2023: 4,378.7994) units	525,355	443,593
Meezan Rozana Amdani Fund		
8,045.0943 (2023: 6,812.5239) units	402,255	340,625
	217,504,823	222,205,047
Unrealized gain on remeasurement of investments at fair value through profit or loss - net	5,212,238	377,899
	222,717,061	222,582,946

27.1.1 The fair value of listed securities is based on quoted market prices on Pakistan Stock Exchange (PSX) at reporting date. The fair values of funds are based on the Net Asset Value (NAV) being the current bid price at reporting date as quoted by the respective Asset Management Company.

	2024 Rupees	2023 Rupees
28. CASH AND BANK BALANCES		
Cash in hand	607,898	1,771,008
Cash at banks:		
Saving accounts (Note 28.1)	48,549,022	7,873,895
Current accounts	303,260,223	54,766,817
	351,809,245	62,640,712
	352,417,143	64,411,720
Term deposit receipt (Note 28.3)	-	175,000,000
	352,417,143	239,411,720

28.1 Saving accounts carry profit at the rate of 20.5% (2023: 12.25% to 21.80%) per annum.

28.2 Bank balances (including term deposit receipt) of Rupees 3.627 million (2023: Rupees 177.401 million) and short term investments of Rupees 214.489 million (2023: Rupees 218.497 million) represents un-utilized proceeds of the initial public offer.

28.3 As at the reporting date, term deposit receipt of Rupees Nil (2023: Rupess 175 million) was having maturity of three months. Effective rate of interest on term deposit receipt during the year ranges from 19.45% to 21.15% (2023: 10.93% to 19.50%) per annum.

29. NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE

On 27 October 2023, shareholders of the Company accorded approval to sell investment property (land) measuring 01 kanal and 05 marlas situated at 22-A, Zafar Ali Road, Lahore. The management of the Company anticipates that disposal will be completed subsequent to the reporting period. Fair value less costs to sell is expected to be higher than the carrying amount of the related asset.

	2024 Rupees	2023 Rupees
30. GROSS REVENUE FROM CONTRACTS WITH CUSTOMERS		
Lubricants	10,347,686,473	9,155,331,178
Petroleum products	16,259,445,090	8,212,223,924
Others (Note 30.1)	152,138,600	156,374,178
	26,759,270,163	17,523,929,280
30.1 Others		
Packing material, spare parts and base oil (Note 30.1.1)	105,257,378	121,140,414
Dispensing pumps	8,112,354	3,629,355
Franchise and joining fee	38,768,868	31,604,409
	152,138,600	156,374,178

30.1.1 This represents sale of packing material, spare parts and base oil to Hi-Tech Blending (Private) Limited - subsidary company amounting to Rupees 105.257 million (2023: Rupees 121.140 million).

30.2 Revenue is recognised at point in time as per the terms and conditions of underlying contracts with customers.

30.3 The amount of Rupees 55.442 million included in contract liabilities (Note 8) at 30 June 2023 has been recognised as revenue during the year ended 30 June 2024.

	2024 Rupees	2023 Rupees
31. COST OF SALES		
Opening stock of lubricants and other items	351,886,521	1,563,444,220
Lubricants and other items purchased during the year	6,743,120,317	4,678,093,657
	7,095,006,838	6,241,537,877
Closing stock of lubricants and other items	462,418,247	351,886,521
Cost of lubricants and other items sold	6,632,588,591	5,889,651,356
Opening stock of petroleum products	778,103,637	1,319,558,797
Petroleum products purchased during the year	12,482,859,347	6,127,519,591
Petroleum development levy	3,672,736,684	1,226,148,575
Inland freight equalization margin	288,087,908	63,358,500
	16,443,683,939	7,417,026,666
Closing stock of petroleum products	1,362,147,196	778,103,637
Cost of petroleum products sold	15,859,640,380	7,958,481,826
Cost of packing material, spare parts and base oil sold to subsidary company	79,587,039	96,850,228
Total	22,571,816,010	13,944,983,410

	2024 Rupees	2023 Rupees
32. DISTRIBUTION COST		
Salaries and other benefits (Note 32.1)	416,570,449	495,521,402
Sales promotion and advertisements - net (Note 32.2)	35,695,242	13,880,511
Freight outward	41,347,780	37,689,754
Rent, rates and taxes	6,646,869	3,555,668
Travelling and conveyance	53,454,963	64,844,779
Insurance	29,251,839	23,965,207
Utilities	25,903,867	18,399,959
Repair and maintenance	30,855,357	20,400,104
Vehicles' running and maintenance	68,356,490	67,717,670
Communication	12,242,746	9,516,412
Entertainment	12,831,481	11,931,447
Depreciation on fixed assets (Note 13.1.2)	107,868,799	104,919,540
Depreciation on right-of-use assets (Note 14)	139,584,789	127,079,971
Hospitality charges	12,307,730	8,607,862
Printing and stationery	1,080,301	1,642,903
Miscellaneous	24,634,870	33,834,870
	1,018,633,572	1,043,508,059

32.1 Salaries other benefits include provident fund contribution of Rupees 15.857 million (2023: Rupees 13.128 million) by the Company.

33.2 These are net off incentives in the shape of reimbursement against sales promotion expenses and advertisements amounting to Rupees 62.416 million (2023: Rupees 181.400 million) from SK Enmove Co., Ltd. - principal supplier and long term partner.

		2024 Rupees	2023 Rupees
33.	**ADMINISTRATIVE EXPENSES**		
	Salaries, wages and other benefits (Note 33.1)	502,387,737	499,139,804
	Rates and taxes	2,450,141	921,314
	Travelling and conveyance	22,816,070	41,708,009
	Insurance	22,684,039	16,906,277
	Vehicles' running and maintenance	39,412,962	33,070,608
	Utilities	13,548,780	9,768,100
	Repair and maintenance	6,467,178	7,038,228
	Fee and subscription	15,453,966	15,208,543
	Printing and stationery	1,410,789	1,450,359
	Communication	8,264,171	5,040,966
	Entertainment	17,706,999	16,790,197
	Legal and professional	29,380,619	29,955,690
	Auditor's remuneration (Note 33.2)	5,569,362	4,842,926
	Depreciation on fixed assets (Note 13.1.2)	31,320,980	31,308,784
	Amortization on intangible assets (Note 15)	2,757,549	4,176,196
	Miscellaneous	1,915,547	1,405,054
		723,546,889	718,731,055

33.1 Salaries, wages and other benefits include provident fund contribution of Rupees 14.718 million (2023: Rupees 12.3 million) by the Company.

		2024 Rupees	2023 Rupees
33.2	**Auditor's remuneration**		
	Annual audit fee	2,545,732	2,213,680
	Certifications	1,156,430	1,005,592
	Half year review	1,453,200	1,263,654
	Reimbursable expenses	414,000	360,000
		5,569,362	4,842,926
34.	**OTHER EXPENSES**		
	Allowance for expected credit losses (Note 22.2)	6,856,033	606,585
	Provision for slow moving and damaged inventory items - net (Note 21.2)	11,479,157	12,963,154
	Provision for doubtful advances to suppliers	414,255	-
	Long term security deposit written off	-	325,000
	Sales tax receivable written off	628,898	-
	Fixed assets written off	6,075,596	-
	Intangible assets written off (Note 15)	26,283	-
	Advances to suppliers written off	8,814,444	-
	Mobilization advances written off	1,094,101	-
	Loans to employees written off	84,068	-
	Charities and donations (Note 34.1)	19,038,480	22,037,093
	Exchange loss - net	-	150,553
	Miscellaneous	47,586	60,138
		54,558,901	36,142,523

34.1 These include amount of Rupees 18 million (2023: Rupees 18 million) paid to Sabra Hamida Trust, 1-A, Danepur Road, GOR-1, Lahore, in which Mr. Hassan Tahir - Chief Executive, Mr. Shaukat Hassan - Director, Mr. Tahir Azam - deceased Director and Mr. Ali Hassan - Director are trustees.

	2024 Rupees	2023 Rupees
35. OTHER INCOME		
Income from financial assets:		
Dividend income (Note 35.1)	692,512,052	295,937,019
Profit on bank deposits and term deposit receipt	28,273,889	29,275,783
Interest on short term loan to subsidary company	73,175,044	90,341,241
Gain on disposal of short term investments	338,810	338,180
Unrealized gain on remeasurement of investments at fair value through profit or loss - net	5,212,238	377,899
Credit balances written back	201,554	10,541,826
Income from non-financial assets:		
Gain on disposal of operating fixed assets (Note 13.1.1)	3,124,350	6,793,259
Fair value gain on investment property (Note 16)	-	5,000,000
Gain on termination of leases	-	5,548,712
Amortization of deferred income - Government grant	-	361,618
Income from handling and storage services	29,050,833	19,261,960
Reversal of provision for doubtful advances to suppliers (Note 23.2.1)	-	1,002,201
Common facility charges	1,881,780	521,400
Scrap sales	12,000	1,260,451
Insurance claim	-	3,421,000
Promotional incentive (Note 35.2)	184,705,857	-
Miscellaneous	494,665	4,725,419
Others:		
Exchange gain - net	8,463,255	-
Rental income from HTL Express Centres	31,073,976	30,397,750
	1,058,520,303	505,105,718

35.1 This includes Rupees 650 million (2023: Rupees 260 million) received from Hi-Tech Blending (Private) Limited - subsidiary company.

35.2 This is from SK Enmove Co., Ltd. - principal supplier and long term partner.

36. FINANCE COST

	2024 Rupees	2023 Rupees
Mark-up on long term financing	-	550,955
Mark-up on short term borrowings	424,609,298	396,895,791
Interest expense on lease liabilities (Note 6.1)	86,094,950	66,160,324
Bank charges and commission	28,089,612	7,620,034
Interest on workers' profit participation fund	5,252,760	3,389,750
	544,046,620	474,616,854

37. LEVY

	2024 Rupees	2023 Rupees
Minimum tax (Note 37.1)	111,421,173	72,119,069
Prior year adjustment	139,051	(6,413,223)
	111,560,224	65,705,846

37.1 Levy represents minimum tax (excess over the amount designated as provision for current tax) on local sales under section 113 of the Income Tax Ordinance, 2001.

	2024 Rupees	2023 Rupees
38. TAXATION		
Deferred tax	(60,563,380)	(153,477,452)

38.1 The Company and Hi-Tech Blending (Private) Limited - subsidiary company have opted for group taxation as one fiscal unit under section 59AA of the Income Tax Ordinance, 2001 and the provision for current taxation has been made accordingly. The numerical reconciliation between the average tax rate and the applicable tax rate has been given as follows:

	2024 Rupees	2023 Rupees
Relationship between tax expense and accounting profit		
Profit / (loss) before taxation and levy	162,400,641	(181,184,128)
Tax at the applicable rate of 29% (2023: 29%)	47,096,186	(52,543,397)
Effect of minimum tax on turnover taxed at lower rate	120,082,411	77,658,460
Effect of dividend income taxed at a lower rate	6,376,763	5,390,535
Effect of capital gain taxed at a lower rate	127,701	94,642
Effect of change in prior year's tax	139,051	(6,413,223)
Effect of group taxation adjustments	(15,165,702)	(11,024,569)
Effect arising as a consequence of recognition of deferred income tax	(60,563,380)	(153,477,452)
Effect of inadmissible income	(47,096,186)	52,543,397
	50,996,844	(87,771,606)

	2024	2023
39. EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED		
There is no dilutive effect on the basic earnings / (loss) per share which based on:		
Profit / (loss) after taxation attributable to ordinary shareholders (Rupees)	111,403,797	(93,412,522)
Weighted average number of shares (Number)	139,204,800	139,204,800
Earnings / (loss) per share - basic and diluted (Rupees)	0.80	(0.67)

	2024 Rupees	2023 Rupees
40. CASH GENERATED FROM / (USED IN) OPERATIONS		
(Loss) / profit before taxation	162,400,641	(181,184,128)
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets (Note 13.1.2)	139,189,779	136,228,324
Depreciation on right-of-use assets (Note 14)	139,584,789	127,079,971
Amortization on intangible assets (Note15)	2,757,549	4,176,196
Amortization of deferred income - Government grant	-	(361,618)
Allowance for expected credit losses (Note 34)	6,856,033	606,585
Provision for slow moving and damaged inventory items - net (Note 34)	11,479,157	12,963,154
Provision for doubtful advances to suppliers (Note 34)	414,255	-
Gain on disposal of operating fixed assets (Note 35)	(3,124,350)	(6,793,259)
Dividend income (Note 35)	(692,512,052)	(295,937,019)
Profit on bank deposits and term deposit receipt (Note 35)	(28,273,889)	(29,275,783)
Interest income on short term loan to subsidiary company (Note 35)	(73,175,044)	(90,341,241)
Fair value gain on investment property	-	(5,000,000)
Gain on disposal of short term investments (Note 35)	(338,810)	(338,180)
Unrealized gain on remeasurement of investments carried at fair value through profit or loss - net (Note 35)	(5,212,238)	(377,899)
Fixed assets written off (Note 34)	6,075,596	-
Intangible assets written off (Note 34)	26,283	-
Mobilization advances written off (Note 34)	1,094,101	-
Reversal of provision for doubtful advances to suppliers (Note 35)	-	(1,002,201)
Stock-in-trade written off (Note 34)	-	-
Credit balances written back (Note 35)	(201,554)	(10,541,826)
Long term security deposit written off (Note 34)	-	325,000
Other receivables written off (Note 34)	628,898	-
Loss / (gain) on termination of lease	-	(5,548,712)
Exchange (gain) / loss - net (Note 35 and Note 34)	(8,463,255)	150,553
Finance cost (Note 36)	544,046,620	474,616,854
Working capital changes (Note 40.1)	(228,469,702)	377,161,587
	(25,217,193)	506,606,358

40.1 Working capital changes

	2024 Rupees	2023 Rupees
Decrease / (increase) in current assets:		
Stock-in-trade	(697,793,203)	1,753,012,859
Trade debts	(867,418,255)	(53,627,298)
Loans and advances	(105,668,145)	54,635,333
Short term deposits and prepayments	1,215,246	(22,704,767)
Other receivables	(178,112,950)	251,673,352
	(1,847,777,307)	1,982,989,479
(Decrease) / increase in trade and other payables	1,619,307,605	(1,605,827,892)
	(228,469,702)	377,161,587

40.2 Reconciliation of movement of liabilities to cash flows arising from financing activities:

	2024			
	Liabilities from financing activities			
	Lease liabilities	Short term borrowings	Unclaimed dividend	Total
Balance as at 01 July 2023	642,881,321	1,851,556,185	5,830,744	2,500,268,250
Finance obtained	-	24,470,075,431	-	24,470,075,431
Repayment of financing	-	(24,544,443,849)	-	(24,544,443,849)
Acquisitions - finance leases	162,958,870	-	-	162,958,870
Other change - non-cash movement	10,322,033	-	-	10,322,033
Repayment of lease liabilities	(168,844,507)	-	-	(168,844,507)
Dividend declared	-	-	-	-
Dividend paid	-	-	(141,327)	(141,327)
Balance as at 30 June 2024	647,317,717	1,777,187,767	5,689,417	2,430,194,901

	2023				
	Liabilities from financing activities				
	Long term financing	Lease liabilities	Short term borrowings	Unclaimed dividend	Total
			Rupees		
Balance as at 01 July 2022	47,490,196	596,281,908	1,494,218,779	5,755,517	2,143,746,400
Finance obtained	-	-	13,248,374,631	-	13,248,374,631
Repayment of financing	(47,851,814)	-	(12,891,037,225)	-	(12,938,889,039)
Acquisitions - finance leases	-	137,363,481	-	-	137,363,481
Other change - non-cash movement	361,618	35,119,062	-	-	35,480,680
Repayment of lease liabilities	-	(125,883,130)	-	-	(125,883,130)
Dividend declared	-	-	-	278,409,600	278,409,600
Dividend paid	-	-	-	(278,334,373)	(278,334,373)
Balance as at 30 June 2023	-	642,881,321	1,851,556,185	5,830,744	2,500,268,250

	2024 Rupees	2023 Rupees
40.3 Non-cash financing activities		
Acquisition of right-of-use assets	162,958,870	137,363,481

41. PROVIDENT FUND

Investments, out of provident fund, have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

42. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of subsidiary company, associated undertakings, other related parties, key management personnel and provident fund trust. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties, other than those which have been disclosed else where in these financial statements, are as follows:

Relationship	Nature of transaction	2024 Rupees	2023 Rupees
Subsidiary company			
Hi-Tech Blending (Private) Limited	Sale of lubricants	1,926,474	103,023,346
	Sale of packing material and parts	105,257,378	18,117,068
	Purchase of lubricants	6,064,354,523	4,305,440,690
	Dividend received	650,000,300	260,000,120
	Lease rentals paid	3,000,000	3,000,000
	Short term loan given	391,900,000	1,093,656,544
	Short term loan repaid	877,400,000	608,156,544
	Interest received on short term loan	115,829,997	44,386,254
Associated companies			
MAS Associates (Private) Limited	Share of common expenses	1,881,780	1,452,548
Other related parties			
SK Enmove Co., Ltd.	Purchase of lubricants	697,900,417	333,138,787
(Formerly SK Lubricants Co., Ltd.)	Incentive	247,122,001	181,400,000
	Dividend paid	-	1,986,660
Provident fund trust	Contribution	30,574,917	25,429,262
Sabra Hamida Trust	Donations	18,000,000	18,000,000
Directors of the Company			
Mr. Shaukat Hassan	Dividend paid	-	721,200
Mr. Muhammad Ali Hassan	Dividend paid	-	18,000,720
Mr. Hassan Tahir	Dividend paid	-	18,000,720
Ms. Mavira Tahir	Dividend paid	-	1,2000,360
Mr. Tahir Azam*	Dividend paid	-	721,200
Mr. Faraz Akhtar Zaidi	Dividend paid	-	1,200
Dr. Safdar Ali Butt	Dividend paid	-	1,200
Mr. Shafiq Ur Rehman	Dividend paid	-	1,200
Mr. Syed Asad Abbas Hussain	Dividend paid	-	1,200

* Ceased to be the director of the Company with effect from 09 June 2024.

42.1 Following are the related parties with whom the Company had entered into transactions or have arrangements / agreements in place:

Name of related party	Basis of relationship	Transactions entered or agreements and / or arrangements in place during the financial year	% age of shareholding held by the Company
Hi-Tech Blending (Private) Limited	Wholly owned subsidiary company	Yes	100%
MAS Associates (Private) Limited	Common directorship	Yes	None
SK Enmove Co., Ltd.	Principal supplier and long term partner	Yes	None
Hi-Tech Energy (Private) Limited	Common directorship	No	None
MAS Infosoft (Private) Limited	Common directorship	No	None
MAS Services	Common partnership of directors	No	None
Haut Buys (Private) Limited	Common directorship	No	None
Sabra Hamida Trust	Common trusteeship of directors	Yes	None
WASL Investment Finance Limited	Common directorship	No	None
Alliance Francaise De Lahore Foundation	Common trusteeship of directors	No	None
Pakistan France Business Alliance	Common trusteeship of directors	No	None
Food Check (Private) Limited	Common directorship	No	None
Pak Agro Packaging (Private) Limited	Common directorship	No	None
Ujala Education Foundation	Common trusteeship of directors	No	None
MAS Associates Employees Provident Fund Trust	Common trusteeship of directors	No	None
Hi-Tech Lubricants Limited Employees Provident Fund Trust	Common trusteeship of directors	Yes	None
Hi-Tech Blending (Private) Limited Provident Fund Trust	Subsidiary company's employee provident fund trust	No	None
MAS Services Employees Provident Fund Trust	Common trusteeship of directors	No	None
Haut Notch (Private) Limited	Common directorship	No	None
Gulf Rubber Works (Private) Limited	Common directorship	No	None
ANALI	Common partnership of director	No	None
Chenab Energy (Private) Limited	Common directorship	No	None
JSSR Consulting, Pakistan	Common partnership of director	No	None
14th Gate Restructuring Company Limited	Common directorship	No	None
Mr. Shaukat Hassan	Director of the Company	No	None
Mr. Muhammad Ali Hassan	Director of the Company	No	None
Mr. Hassan Tahir	Director of the Company	No	None
Ms. Mavira Tahir	Director of the Company	No	None
Mr. Tahir Azam (Late)*	Director of the Company	No	None
Mr. Faraz Akhtar Zaidi	Director of the Company	No	None
Dr. Safdar Ali Butt	Director of the Company	No	None
Mr. Shafiq Ur Rehman	Director of the Company	No	None
Mr. Sanghyuk Seo**	Director of the Company	No	None
Mr. Syed Asad Abbas Hussain	Director of the Company	No	None
Mr. Wonjin Yoon***	Director of the Company	No	None
Ms. Mehvish Khan****	Director of the Company	No	None

* Ceased to be the director of the Company with effect from 09 June 2024.

** Ceased to be the director of the Company with effect from 28 February 2024.

*** Appointed as director of the Company with effect from 28 February 2024.

**** Appointed as director of the Company with effect from 22 August 2024, subsequent to the reporting period, on casual vacany arising due to sad demise of Mr. Tahir Azam.

42.2 Detail of compensation to key management personnel comprising of chief executive officer and executives is disclosed in note 43.

43. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in these financial statements in respect of remuneration, including all benefits to the chief executive, directors and executives of the Company are as follows:

	2024				2023			
		Directors				Directors		
	Chief Executive	Executives	Non-Executives	Executives	Chief Executive	Executives	Non-Executives	Executives
	Rupees							
Managerial remuneration	15,483,871	13,935,484	45,483,870	160,464,282	15,180,645	13,645,161	45,161,292	133,306,711
Bonus	2,000,000	1,800,000	-	19,592,012	2,765,000	2,475,000	-	17,750,265
Allowances								
House rent	6,967,742	6,270,968	20,467,741	72,208,917	6,831,290	6,140,322	20,322,581	59,988,020
Medical	1,548,384	1,393,548	4,548,378	16,046,483	1,518,065	1,364,516	4,516,129	13,330,671
Travelling	3,000,000	3,000,000	10,000,000	868,850	3,000,000	3,000,000	10,000,000	891,950
Others incentives	-	-	-	22,106,652	6,157,513	6,137,513	2,000,000	77,884,355
Contribution to provident fund trust	-	-	-	14,367,723	-	-	-	11,336,955
Leave fare assistance	-	-	-	14,122,404	-	-	-	8,321,586
	28,999,997	26,400,000	80,499,989	319,777,323	35,452,513	32,762,512	82,000,002	322,810,513
	1	**1**	**4**	**68**	**1**	**1**	**4**	**64**

43.1 Chief executive, five directors (other than independent directors) and certain executives of the Company are provided with fully maintained vehicles.

43.2 Aggregate amount charged in these financial statements for meeting fee to three directors (2023: three directors) is Rupees 5.2 million (2023: Rupees 6.1 million).

44. NUMBER OF EMPLOYEES

	2024		2023	
	Permanent	Contractual	Permanent	Contractual
Total number of employees as on 30 June	383	107	363	115
Average number of employees during the year	380	108	395	113

45. CAPACITY AND PRODUCTION

Considering the nature of the Company's business, the information regarding production has no relevance whereas product storage capacities at Company's facility during the current year is detailed below:

	Storage Capacity Metric Tons		
Description	**SKO**	**PMG**	**HSD**
Sahiwal depot	198	2,040	1,858
Nowshera depot	-	1,401	1,551

46. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table.

Recurring fair value measurements at 30 June 2024	Level 1	Level 2	Level 3	Total
	Rupees			
Financial assets				
Financial assets at fair value through profit or loss	222,717,061	-	-	222,717,061

Recurring fair value measurements at 30 June 2023	Level 1	Level 2	Level 3	Total
	Rupees			
Financial assets				
Financial assets at fair value through profit or loss	222,582,946	-	-	222,582,946

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further there was no transfer in and out of level 3 measurements.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(ii) Valuation techniques used to determine fair values

Specific valuation technique used to value financial instruments is the use of quoted market prices on Pakistan Stock Exchange and for funds, Net Asset Value (NAV) of respective Asset Management Company.

47. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Judgments and estimates are made in determining the fair value of non-financial assets that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels.

At 30 June 2024	Level 1	Level 2	Level 3	Total
		Rupees		
Freehold land	-	1,280,368,750	-	1,280,368,750

At 30 June 2023	Level 1	Level 2	Level 3	Total
		Rupees		
Freehold land	-	1,276,357,250	-	1,276,357,250
Investment property - land	-	135,000,000	-	135,000,000
	-	1,411,357,250	-	1,411,357,250

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further, there was no transfer in and out of level 3 measurements.

(ii) Valuation techniques used to determine level 2 fair values

The Company obtains independent valuations for its freehold land (classified as fixed assets) at least annually. At the end of reporting period, the management updates the assessment of the fair value of property, taking into account the most recent independent valuations. The management determines a property's value within a range of reasonable fair value estimate. The best evidence of fair value is current prices in an active market for similar lands.

Valuation processes

The Company engages external, independent and qualified valuer to determine the fair value of the Company's freehold land at the end of every financial year. As at 30 June 2024, the fair value of the free hold land has been determined by M/S Unicorn International Surveyors, an independent valuer.

Changes in fair values are analyzed at each reporting date during the annual valuation process between the Chief Financial Officer and the valuer. As part of this discussion the team presents a report that explains the reason for the fair value movements.

48. FINANCIAL RISK MANAGEMENT

48.1 Financial risk factors

The Company's activities exposes it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors (the Board). The Company's finance department evaluates and hedges financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk and investment of excess liquidity. All treasury related transactions are carried out within the parameters of these policies.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to currency risk arising primarily from the United States Dollar (USD). As on reporting date, the Company's foreign exchange risk exposure is restricted to the amounts payable to a foreign entity. The Company's exposure to currency risk is as follows:

	2024 USD	2023 USD
Trade and other payables	(393,515)	(188,771)
Other receivables	250,000	-
Net exposure	(143,515)	(188,771)

The following significant exchange rates were applied during the year:

	2024	2023
	Rupees per US Dollar	
Average rate	283.70	253.08
Reporting date rate	278.80	287.10

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD with all other variables held constant, the impact on profit after taxation for the year would have been Rupees 2.001 million lower / higher (2023: loss after taxation for the year would have been Rupees 2.710 million higher / lower), mainly as a result of exchange losses / gains on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. The sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Company is not exposed to commodity price risk since it does not hold any financial instrument based on commodity prices.

Sensitivity analysis

The table below summarizes the impact of increase / decrease in the Pakistan Stock Exchange (PSX) Index on the Company's profit after taxation (2023: loss after taxation) for the year. The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Company's equity instruments moved according to the historical correlation with the index:

Index	Impact on (loss) / profit after taxation	
	2024 Rupees	2023 Rupees
PSX 100 (5% increase)	411,395	(204,262)
PSX 100 (5% decrease)	(411,395)	204,262

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has no long term interest bearing asset. The Company's interest rate risk arises from bank balances on saving accounts, short term borrowings and lease liabilities. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments, if any, at fixed rate expose the Company to fair value interest rate risk.

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments was as follows:

	2024 Rupees	2023 Rupees
Fixed rate instruments		
Financial assets		
Term deposit receipt	-	175,000,000
Financial liabilities		
Lease liabilities	566,860,780	487,010,986
Floating rate instruments		
Financial assets		
Bank balances - saving accounts	48,549,022	7,873,895
Financial liabilities		
Lease liabilities	80,456,937	155,870,335
Short term borrowings	1,777,187,767	1,851,556,185
	1,857,644,704	2,007,426,520

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the reporting date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees 18.091 million lower / higher (2023: loss after taxation for the year would have been Rupees 19.996 million higher / lower), mainly as a result of higher / lower interest expense on lease liabilities and short term borrowings. This analysis is prepared assuming the amounts of assets and liabilities outstanding at reporting dates were outstanding for the whole year.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2024 Rupees	2023 Rupees
Long term security deposits	13,966,150	13,939,150
Long term loans to employees	2,985,102	3,919,266
Short term deposits	2,437,595	2,197,595
Trade debts	1,019,801,916	159,239,694
Loans and advances	35,927,677	514,432,964
Other receivables	100,674,993	20,865,707
Accrued interest	3,486,137	52,987,973
Short term investments	222,717,061	222,582,946
Bank balances	351,809,245	237,640,712
	1,753,805,876	1,227,806,007

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (If available) or to historical information about counterparty default rate:

	Rating			2024	2023
	Short term	Long term	Agency	Rupees	Rupees
Short term investments					
Engro Fertilizer Limited	A1+	AA	PACRA	8,227,890	4,085,235
First Habib Cash Fund	AA +(f)		VIS	210,578,977	215,290,591
NBP Islamic Daily Dividend Fund	AA+(f)		PACRA	558,023	379,557
UBL Liquidity Plus Fund - Class 'C'	AA+(f)		VIS	2,422,647	2,042,658
MCB Cash Management Optimizer	AA+(f)		PACRA	527,269	444,282
Meezan Rozana Amdani Fund	AA+(f)		VIS	402,255	340,625
				222,717,061	222,582,948
Banks					
Bank Alfalah Limited	A1+	AAA	PACRA	215,539,881	8,411,749
Bank AL-Habib Limited	A1+	AAA	PACRA	1,483,688	1,542,468
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	2,501,704	175,559,977
MCB Bank Limited	A1+	AAA	PACRA	5,088,711	12,753,161
National Bank of Pakistan	A1+	AAA	PACRA	1,281,553	1,195,805
The Bank of Punjab	A1+	AA+	PACRA	-	115,450
Habib Bank Limited	A-1+	AAA	VIS	46,360,750	42,302
Askari Bank Limited	A1+	AA+	PACRA	110,548	848,155
United Bank Limited	A-1+	AAA	VIS	18,318,856	4,928,558
JS Bank Limited	A1+	AA	PACRA	287,137	287,110
Al-Baraka Bank (Pakistan) Limited	A-1	A+	VIS	238,399	238,399
Meezan Bank Limited	A-1+	AAA	VIS	49,936,729	26,280,201
Dubai Islamic Bank Pakistan Limited	A-1+	AA	VIS	108,520	108,520
Faysal Bank Limited	A1+	AA	PACRA	6,061,666	4,671,404
Bank Makramah Limited (Formerly Summit Bank Limited)	A-3	BBB-	VIS	7,246	7,246
Samba Bank Limited	A1	AA	PACRA	647,432	650,207
Mobilink Microfinance Bank Limited	A1	A	PACRA	3,836,425	-
				351,809,245	237,640,712
				574,526,306	460,223,660

Due to the Company's business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly the credit risk is minimal.

The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade debts.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. These trade receivables are netted off with the collateral obtained from these customers to calculate the net exposure towards these customers.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2024 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the Gross Domestic Product, unemployment, interest, and the inflation Index of the country in which it majorly sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at 30 June 2024 and 30 June 2023 was determined as follows:

	Sales		
	Expected loss rate	Trade debts	Loss allowance
	%	Rupees	
At 30 June 2024			
Up to 30 days	0.00%	328,115,571	-
30 to 180 days	19.41%	54,381,546	10,554,042
181 to 360 days	58.56%	8,124,200	4,757,911
Above 360 days	100.00%	2,279,640	2,279,640
		392,900,957	17,591,593
Trade debts against which collateral is held		644,492,552	-
		1,037,393,509	17,591,593

	Sales		
	Expected loss rate	Trade debts	Loss allowance
	%	Rupees	
At 30 June 2023			
Up to 30 days	7.11%	11,358,580	807,735
30 to 180 days	68.50%	778,230	533,084
181 to 360 days	96.75%	5,154,272	4,986,669
Above 360 days	100.00%	29,255,603	29,255,603
		46,546,685	35,583,091
Trade debts against which collateral is held		148,276,200	-
		194,822,885	35,583,091

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by maintaining sufficient cash and bank balances and the availability of funding through an adequate amount of committed credit facilities. As 30 June 2024, the Company had Rupees 362.494 million (2023: Rupees 362.328 million) available borrowing limits from financial institutions and Rupees 352.417 million (2023: Rupees 239.412 million) cash and bank balances. Management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amounts disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2024:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 years
	Rupees					
Non-derivative financial liabilities:						
Lease liabilities	647,317,717	1,103,759,110	126,409,995	88,707,146	167,213,004	721,428,965
Long term deposits	15,000,000	15,000,000	-	-	-	15,000,000
Trade and other payables	2,031,891,360	2,031,891,360	2,031,891,360	-	-	-
Unclaimed dividend	5,689,417	5,689,417	5,689,417	-	-	-
Accrued mark-up	67,682,083	67,682,083	67,682,083	-	-	-
Short term borrowings	1,777,187,767	2,087,523,071	794,195,096	1,293,327,975	-	-
	4,544,768,344	5,311,545,041	3,025,867,951	1,382,035,121	167,213,004	736,428,965

Contractual maturities of financial liabilities as at 30 June 2023:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 years
	Rupees					
Non-derivative financial liabilities:						
Lease liabilities	642,881,321	708,959,436	98,083,366	87,543,123	164,131,787	359,201,160
Long term deposits	16,500,000	16,500,000	-	-	-	16,500,000
Trade and other payables	743,479,878	743,479,878	743,479,878	-	-	-
Unclaimed dividend	5,830,744	5,830,744	5,830,744	-	-	-
Accrued mark-up	81,019,923	81,019,923	81,019,923	-	-	-
Short term borrowings	1,851,556,185	2,084,302,514	648,458,922	1,435,843,592	-	-
	3,341,268,051	3,640,092,495	1,576,872,833	1,523,386,715	164,131,787	375,701,160

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark-up rates effective as at 30 June. The rates of interest / mark up have been disclosed in note 6 and note 10 to these financial statements.

48.2 Financial instruments by categories

	2024		
	At amortized cost	At fair value through profit or loss	Total
	Rupees		
Financial assets			
Long term security deposits	13,966,150	-	13,966,150
Long term loans to employees	2,985,102	-	2,985,102
Short term deposits	2,437,595	-	2,437,595
Trade debts	1,019,801,916	-	1,019,801,916
Loans and advances	36,861,843	-	36,861,843
Other receivables	100,674,993	-	100,674,993
Accrued interest	3,486,137	-	3,486,137
Short term investments	-	222,717,061	222,717,061
Cash and bank balances	352,417,143	-	352,417,143
	1,532,630,879	222,717,061	1,755,347,940

	2023		
	At amortized cost	**At fair value through profit or loss**	**Total**
	Rupees		
Financial assets			
Long term security deposits	13,939,150	-	13,939,150
Long term loan to an employee	3,919,266	-	3,919,266
Short term security deposits	2,197,595	-	2,197,595
Trade debts	159,239,694	-	159,239,694
Loans and advances	514,432,964	-	514,432,964
Other receivables	20,865,707	-	20,865,707
Accrued interest	52,987,973	-	52,987,973
Short term investments	-	222,582,946	222,582,946
Cash and bank balances	239,411,720	-	239,411,720
	1,006,994,069	222,582,946	1,229,577,015

	At Amortized Cost	
	2024 Rupees	2023 Rupees
Financial liabilities		
Lease liabilities	647,317,717	642,881,321
Long term deposits	15,000,000	16,500,000
Trade and other payables	2,031,891,360	743,479,878
Short term borrowings	1,777,187,767	1,851,556,185
Accrued mark-up	67,682,083	81,019,923
Unclaimed dividend	5,689,417	5,830,744
	4,544,768,344	3,341,268,051

48.2.1 Reconciliation to the line items presented in the statement of financial position is as follows:

	2024		
	Financial assets	Non-financial assets	Assets as per statement of financial position
		Rupees	
Assets			
Long term security deposits	13,966,150	23,752,619	37,718,769
Long term loans to employees	2,050,936	-	2,050,936
Short term deposits and prepayments	2,437,595	25,319,386	27,756,981
Trade debts	1,019,801,916	-	1,019,801,916
Loans and advances	36,861,843	208,836,844	245,698,687
Other receivables	100,674,993	265,201,125	365,876,118
Accrued interest	3,486,137	-	3,486,137
Short term investments	222,717,061	-	222,717,061
Cash and bank balances	352,417,143	-	352,417,143
	1,754,413,774	523,109,974	2,277,523,748

	2024		
	Financial liabilities	Non-financial liabilities	Liabilities as per statement of financial position
		Rupees	
Liabilities			
Lease liabilities	647,317,717	-	647,317,717
Long term deposits	15,000,000	-	15,000,000
Trade and other payables	2,031,891,360	527,290,532	2,559,181,892
Short term borrowings	1,777,187,767	-	1,777,187,767
Accrued mark-up	67,682,083	-	67,682,083
Unclaimed dividend	5,689,417	-	5,689,417
	4,544,768,344	527,290,532	5,072,058,876

	2023		
	Financial assets	**Non-financial assets**	**Assets as per statement of financial position**
		Rupees	
Assets			
Long term security deposits	13,939,150	38,003,978	51,943,128
Long term loans to employees	2,985,100	-	2,985,100
Short term deposits and prepayments	2,197,595	30,139,893	32,337,488
Trade debts	159,239,694	-	159,239,694
Loans and advances	514,432,964	110,577,669	625,010,633
Other receivables	20,865,707	167,526,359	188,392,066
Accrued interest	52,987,973	-	52,987,973
Short term investments	222,582,946	-	222,582,946
Cash and bank balances	239,411,720	-	239,411,720
	1,228,642,849	346,247,899	1,574,890,748

	2023		
	Financial liabilities	**Non-financial liabilities**	**Liabilities as per statement of financial position**
		Rupees	
Liabilities			
Lease liabilities	642,881,321	-	642,881,321
Long term deposits	16,500,000	-	16,500,000
Trade and other payables	743,479,878	230,804,405	974,284,283
Short term borrowings	1,851,556,185	-	1,851,556,185
Accrued mark-up	81,019,923	-	81,019,923
Unclaimed dividend	5,830,744	-	5,830,744
	3,341,268,051	230,804,405	3,572,072,456

48.3 Offsetting financial assets and financial liabilities

As on reporting date, recognized financial instruments are not subject to off setting as there are no enforceable master netting arrangements and similar agreements.

49. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

	Description	Note	2024 Rupees	2023 Rupees
i)	**Loans / advances obtained as per Islamic mode:**			
	Advances	8	56,960,090	56,684,948
ii)	**Shariah complaint bank deposits / bank balances:**			
	Bank balances		56,345,314	31,298,524
iii)	**Profit earned from shariah complaint bank deposits / bank balances**		-	-
iv)	**Revenue earned from a shariah complaint business segment**		24,016,482,330	15,531,692,055
v)	**Gain / (loss) or dividend earned from shariah complaint investments:**			
	Dividend income		165,202	88,805
vi)	**Exchange Gain / (loss)**	35 and 34	8,463,255	(150,553)
vii)	**Mark up paid on Islamic mode of financing**		-	-
viii)	**Profits earned or interest paid on any conventional loan or advance:**			
	Profit earned		73,175,044	90,341,241
	Interest paid on loans		437,947,034	351,357,848

ix) Relationship with shariah compliant banks:

Name	Relationship as at reporting date
Al-Baraka Bank (Pakistan) Limited	Bank balance
Meezan Bank Limited	Bank balance
Dubai Islamic Bank Pakistan Limited	Bank balance
Faysal Bank Limited	Bank balance

50. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. Consistent with others in the industry, and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent lease liabilities and short term borrowings obtained by the Company as referred to in note 6 and note 10 to the financial statements. Total capital employed includes 'total equity' as shown in the statement of financial position plus 'borrowings'.

		2024	2023
Borrowings	Rupees	1,857,644,704	2,007,426,520
Total equity	Rupees	3,938,360,681	3,822,945,384
Total capital employed	Rupees	5,796,005,385	5,830,371,904
Gearing ratio	Percentage	32.05%	34.43%

51. UNUTILIZED CREDIT FACILITIES

	Non-funded		Funded	
	2024	2023	**2024**	2023
	Rupees	Rupees	**Rupees**	Rupees
Total facilities	1,304,915,000	1,576,500,000	2,292,217,000	2,213,500,000
Utilized at the end of the year	677,396,148	558,710,663	1,929,723,343	1,851,171,790
Unutilized at the end of the year	627,518,852	1,017,789,337	362,493,657	362,328,210

52. UTILIZATION OF THE PROCEEDS OF THE INITIAL PUBLIC OFFER (IPO)

During the year ended 30 June 2016, the Company made an Initial Public Offer (IPO) through issue of 29,001,000 ordinary shares of Rupees 10 each at a price of Rupees 62.50 per share determined through book building process. Out of the total issue of 29,001,000 ordinary shares, 21,750,500 shares were subscribed through book building by High Net Worth Individuals and Institutional Investors, while the remaining 7,250,500 ordinary shares were subscribed by the General Public and the shares were duly allotted on 18 February 2016. On 01 March 2016, Pakistan Stock Exchange Limited approved the Company's application for formal listing of ordinary shares and trading of shares started on 03 March 2016.

Till 30 June 2017, the Company utilized the proceeds of the initial public offer of 29,001,000 ordinary shares for the purposes mentioned under heading 5.5 'Expansion Plan' in prospectus dated 28 December 2015, as per the following detail:

Purposes Mentioned Under Heading 5.5 'Expansion Plan' In Prospectus Dated 28 December 2015	Total amount		Total amount utilized till 30 June 2017
	Rupees		Rupees
Investment in HTLL			
Land	470,000,000		60,618,100
Building	128,000,000		12,486,445
Plant, machinery and equipment	139,000,000		2,719,201
Pre-operating costs	33,000,000		249,630
Working capital	842,562,500		739,126,208
	1,612,562,500		815,199,584
Investment in 100% owned subsidiary			
Additional filling lines for blending plant, Hi-Tech Blending (Private) Limited	200,000,000		-
Total	1,812,562,500	**B**	815,199,584
IPO proceeds (A)	1,812,562,500		
Amount un-utilized (A – B)	997,362,916		

As stated in the prospectus dated 28 December 2015, the Company planned to offer state of the art retail outlets across Pakistan with multitude of unique services and also planned to install additional filling lines at the blending plant of its subsidiary. The plan of the year 2015-16 covered 37 grand outlets openings in 11 major cities of Pakistan including Lahore, Gujranwala, Sialkot, Faisalabad, Multan, Islamabad, Rawalpindi, Karachi and Hyderabad. Over a period of 5 years, the Company planned to open 75 retail outlets (including 67 rented) across 16 major cities of Pakistan. As per quarterly progress report number 06 dated 14 July 2017, the Company informed all stakeholders the progress on implementation of project: Expansion through retail outlet: 1 owned service center under regulatory approval and out of the 10 rented service centers, 1 is operational, 3 are approved and under construction, 3 are under regulatory approvals and 3 are under negotiations. Accurate, effective and timely implementation of the above plans of the Company became a big challenge for the Company due to expensive lands and properties at key locations in almost all the cities for express service centers. Hence, the Company planned for incorporation of express centers into its fuel stations to be established under the umbrella of Oil Marketing Company (OMC) Project of the Company. In this regard, the Company obtained a financial feasibility report from KPMG Taseer Hadi & Co., Chartered Accountants regarding investment in OMC Project. In view of successful fulfilment of initial mandatory requirements of Oil and Gas Regulatory Authority (OGRA) for setting up of an OMC and future prospects of OMC in current international scenario as prospected under financial feasibility report, the shareholders of the Company in their 9th Annual General Meeting held on 29 September 2017 approved diversion and utilization of un-utilized IPO funds from HTL Express Centers and wholly owned subsidiary company to OMC Project of the Company keeping in view overall growth of the Company and ultimate benefit to all shareholders and stakeholders of the Company.

The Project envisages setting up 360 retail outlets across Punjab, Sindh and Khyber Pakhtunkhwa Provinces of Pakistan. The fuel stations will offer full range of services such as general store, tyre shop and a car shop amongst others. To support sales, the Company plans to invest in building storage capacities of 25,735 metric tons (Mogas and HSD) across the country over a period of 7 years.

During the year ended 30 June 2017, OGRA granted license to the Company to establish an Oil Marketing Company (OMC), subject to some conditions. During the year ended 30 June 2018, with reference to OMC Project of the Company, Oil and Gas Regulatory Authority (OGRA) has granted permission to proceed to apply/acquire No Objection Certificates (NOCs) from concerned departments including District Coordination Officer (DCO) for setting up of upto 26 retail outlets in Punjab Province with instructions that retail sales through petrol pumps can only be started after completion of necessary Storage Infrastructure, 3rd Party Inspector Report confirming that storage/depot meets OGRA's notified Technical Standards and OGRA's approval.

During the year ended 30 June 2018, the Company completed its oil storage site at Sahiwal. The Company also purchased land in Nowshera for oil storage site under OMC Project.

On 31 May 2019, Oil and Gas Regulatory Authority (OGRA) granted permission to the Company to operate new oil storage facility at Sahiwal and marketing of petroleum products in the Province of Punjab. The Company signed agreements with various dealers for setting up petrol pumps under the OMC Project and also started construction of another storage site at Nowshera, Khyber Pakhtunkhwa.

During the year ended on 30 June 2020, the Company started its OMC operations and expediently worked on completion of its Nowshera oil storage. During the year ended 30 June 2021, Company has completed its oil storage at Nowshera. On 09 August 2021, OGRA acknowledged the satisfactory completion of Nowshera oil storage based on third party inspection report. During the year ended 30 June 2022, the Company has started work on new oil storage facility at Shikarpur. On 16 March 2023, OGRA has granted permission to the Company to operate new storage facility at Nowshehra and marketing of petroleum products in the province of Khyber Pakhtunkhwa. Currently, the Company has seven operational HTL Express Centers, four in Lahore, two in Karachi and one in Rawalpindi. Further, the Company has fifty five retail outlets operational for sale of petroleum products as on 30 June 2024. Detail of payments out of IPO proceeds during the year ended 30 June 2024 is as follows:

	Rupees
Un-utilized IPO proceeds as at 01 July 2023	395,898,356
Add: Profit on term deposit receipts	29,946,368
Add: Profit on bank deposits	2,258,005
Add: Dividend on investments in mutual funds	41,333,595
Add: Gain on disposal of investment in mutual fund	338,810
Add: Unrealised gain on investments in mutual funds	1,069,581
Less: Payments made relating to OMC Project	(241,564,271)
Less: Withholding tax on profit	(4,830,656)
Less: Withholding tax on dividend from mutual funds	(6,200,039)
Less: Withholding tax on disposal of mutual funds	(127,701)
Less: Bank charges	(6,142)
Un-utilized IPO proceeds as at 30 June 2024	218,115,906

53. SEGMENT INFORMATION

The Company has two reportable segments. The following summary describes the operation in each of the Company's reportable segments:

Lubricants	Purchase and sale of lubricants, parts and rendering of services.
Petroleum products	Marketing and sale of petroleum products.

	LUBRICANTS		PETROLEUM PRODUCTS		UNALLOCATED		TOTAL - COMPANY	
	2024	2023	**2024**	2023	**2024**	2024	**2024**	2023
	Rupees							
Revenue from contracts with customers - net	8,055,521,978	7,381,321,745	15,960,960,352	8,150,370,310	-	-	24,016,482,330	15,531,692,055
Cost of sales	(7,002,008,113)	(6,027,947,711)	(15,569,807,897)	(7,917,035,699)	-	-	(22,571,816,010)	(13,944,983,410)
Gross profit	1,053,513,865	1,353,374,034	391,152,455	233,334,611	-	-	1,444,666,320	1,586,708,645
Distribution cost	(618,582,780)	(733,880,046)	(400,050,792)	(309,628,013)	-	-	(1,018,633,572)	(1,043,508,059)
Administrative expenses	(704,210,846)	(699,188,326)	(19,336,043)	(19,542,729)	-	-	(723,546,889)	(718,731,055)
Other expenses	(18,291,462)	(24,886,258)	(36,267,439)	(11,256,265)	-	-	(54,558,901)	(36,142,523)
	(1,341,085,088)	(1,457,954,630)	(455,654,274)	(340,427,007)	-	-	(1,796,739,362)	(1,798,381,637)
Other income	967,814,956	403,195,451	90,705,347	101,910,267	-	-	1,058,520,303	505,105,718
Profit / (loss) from operations	680,243,733	298,614,855	26,203,528	(5,182,129)	-	-	706,447,261	293,432,726
Finance cost	(432,102,926)	(376,034,509)	(111,943,694)	(98,582,345)	-	-	(544,046,620)	(474,616,854)
Profit / (loss) before taxation	248,140,807	(77,419,654)	(85,740,166)	(103,764,474)	-	-	162,400,641	(181,184,128)
Levy	-	-	-	-	(111,560,224)	(65,705,846)	(111,560,224)	(65,705,846)
Profit / (loss) before taxation	248,140,807	(77,419,654)	(85,740,166)	(103,764,474)	(111,560,224)	(65,705,846)	50,840,417	(246,889,974)
Taxation	-	-	-	-	60,563,380	153,477,452	60,563,380	153,477,452
Profit / (loss) after taxation	248,140,807	(77,419,654)	(85,740,166)	(103,764,474)	(50,996,844)	87,771,606	111,403,797	(93,412,522)

		LUBRICANTS		PETROLEUM PRODUCTS		TOTAL - COMPANY	
		2024	2023	2024	2023	2024	2023
		Rupees					
53.1	**Reconciliation of reportable segment assets and liabilities:**						
	Total assets for reportable segments	3,762,378,934	2,770,492,791	4,925,271,282	3,947,956,772	8,687,650,216	6,718,449,563
	Unallocated assets					322,769,341	676,568,277
	Total assets as per statement of financial position					9,010,419,557	7,395,017,840
	Total liabilities for reportable segments	1,622,410,722	456,486,909	1,905,651,627	233,897,003	3,528,062,349	690,383,912
	Unallocated liabilities					1,543,996,527	2,881,688,544
	Total liabilities as per statement of financial position					5,072,058,876	3,572,072,456

53.2 All of the sales of the Company relates to customers in Pakistan.

53.3 All non-current assets of the Company as at the reporting dates are located in Pakistan.

54. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors has proposed a cash dividend for the year ended 30 June 2024 of Rupees Nil per share (2023: Nil) at their meeting held on 20 Sep, 2024. However, this event has been considered as non-adjusting event under IAS 10 'Events after the Reporting Period' and has not been recognized in these financial statements.

55. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 20 Sep, 2024 by the Board of Directors of the Company.

56. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, except for reclassification as disclosed in note 2.16 to these financial statements, no significant rearrangements / reclassification have been made.

57. GENERAL

Figures have been rounded off to the nearest Rupee, unless otherwise stated.

Chief Executive | Director | Chief Financial Officer

CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

INDEPENDENT **AUDITOR'S REPORT**

To the members of Hi-Tech Lubricants Limited

Opinion

We have audited the annexed consolidated financial statements of Hi-Tech Lubricants Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 30 June 2024, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of the Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

Sr. No.	Key audit matters	How the matter was addressed in our audit
1	**Revenue recognition** The Group recognized net revenue of Rupees 24,317.223 million for the year ended 30 June 2024. We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Group and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets. For further information on revenue, refer to the following: - Material accounting policy information, Revenue recognition note 2.21 to the consolidated financial statements. - Net revenue from contracts with customers as shown on the face of consolidated statement of profit or loss.	Our procedures included, but were not limited to: • We obtained an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue. • We compared a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents. • We compared a sample of revenue transactions recorded around the year-end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period. • We tested the effectiveness of the Group's internal controls over the calculation and recognition of discounts. • We assessed whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers'. • We also considered the appropriateness of disclosures in the consolidated financial statements.

Sr. No.	Key audit matters	How the matter was addressed in our audit
2	**Stock-in-trade existence and valuation** Stock-in-trade as at 30 June 2024 amounted to Rupees 3,239.996 million and represented a material position in the consolidated statement of financial position. The business is characterized by high volume and the valuation and existence of stock-in-trade are significant to the business. Therefore, considered as one of the key audit matters. Stock-in-trade is stated at lower of cost and net realizable value. Cost is determined as per material accounting policy disclosed in note 2.8.2 to the consolidated financial statements. At year end, the valuation of stock-in-trade is reviewed by management and the cost of stock-in-trade is reduced where stock-in-trade is forecast to be sold below cost. For further information on stock-in-trade, refer to the following: - Material accounting policy information, Stock-in-trade note 2.8.2 to the consolidated financial statements. - Stock-in-trade note 22 to the consolidated financial statements.	Our procedures over existence and valuation of stock-in-trade included, but were not limited to: • To test the quantity of stock-in-trade at all locations, we assessed the corresponding stock-in-trade observation instructions and participated in stock-in-trade counts on sites. Based on samples, we performed test counts and compared the quantities counted by us with the results of the counts of the management. • For a sample of stock-in-trade items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets. • We tested that the ageing report used by management correctly aged stock-in-trade items by agreeing a sample of aged stock-in-trade items to the last recorded invoice. • On a sample basis, we tested the net realizable value of stock-in-trade items to recent selling prices and re-performed the calculation of the stock-in-trade write down, if any. • We assessed the percentage write down applied to older stock-in-trade with reference to historic stock-in-trade write downs and recoveries on slow moving stock-in-trade. • In the context of our testing of the calculation, we analysed individual cost components and traced them back to the corresponding underlying documents. We furthermore challenged changes in unit costs. • We also made inquires of management, including those outside of the finance function, and considered the results of our testing above to determine whether any specific write downs were required.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Atif Anjum.

RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore

Date: 23 September, 2024

UDIN: AR2024101324kuqbNpJY

CONSOLIDATED STATEMENT OF **FINANCIAL POSITION**

As at 30 June 2024

	Note	**2024 Rupees**	2023 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
150,000,000 (2023: 150,000,000)			
ordinary shares of Rupees 10 each		1,500,000,000	1,500,000,000
Issued, subscribed and paid-up share capital	4	1,392,048,000	1,392,048,000
Reserves	5	4,529,463,929	4,651,660,024
Total equity		5,921,511,929	6,043,708,024
LIABILITIES			
Non-current liabilities			
Long term financing	6	506,839,256	596,988,256
Lease liabilities	7	479,848,129	487,911,254
Long term deposits	8	15,000,000	16,500,000
Deferred liabilities	9	130,031,085	321,124,507
		1,131,718,470	1,422,524,017
Current liabilities			
Trade and other payables	10	3,922,081,945	1,926,226,196
Accrued mark-up	11	98,461,634	124,519,872
Short term borrowings	12	2,064,242,674	2,406,866,985
Current portion of non-current liabilities	13	263,618,482	233,041,322
Unclaimed dividend		5,689,417	5,830,744
		6,354,094,152	4,696,485,119
Total liabilities		7,485,812,622	6,119,009,136
Contingencies and commitments	14		
TOTAL EQUITY AND LIABILITIES		13,407,324,551	12,162,717,160
ASSETS			
Non–current assets			
Fixed assets	15	6,572,529,763	6,439,774,188
Right-of-use assets	16	596,393,130	635,782,031
Intangible assets	17	9,653,391	20,260,771
Investment property	18	-	135,000,000
Long term security deposits	19	43,313,369	63,700,448
Long term loan to an employee	20	2,050,936	2,985,100
		7,223,940,589	7,297,502,538
Current assets			
Stores	21	71,548,897	129,169,374
Stock-in-trade	22	3,239,996,513	3,210,734,081
Trade debts	23	1,101,435,544	233,969,194
Loans and advances	24	387,407,108	342,094,549
Short term deposits and prepayments	25	41,369,100	40,379,947
Other receivables	26	311,042,045	213,788,973
Advance income tax and prepaid levy - net	27	261,369,147	210,385,009
Accrued interest	28	186,102	7,032,985
Short term investments	29	222,717,061	222,582,946
Cash and bank balances	30	411,312,445	255,077,564
		6,048,383,962	4,865,214,622
Non-current asset classified as held for sale	31	135,000,000	-
		6,183,383,962	4,865,214,622
TOTAL ASSETS		13,407,324,551	12,162,717,160

The annexed notes form an integral part of these consolidated financial statements.

Chief Executive | Director | Chief Financial Officer

CONSOLIDATED STATEMENT OF **PROFIT OR LOSS**

For the year ended 30 June 2024

HTL LIMITED
Hi-Tech Lubricants Ltd

	Note	2024 Rupees	2023 Rupees
Gross Revenue From Contracts With Customers	32	27,114,204,101	17,616,699,583
Discounts		(628,306,843)	(339,727,263)
Sales tax		(2,168,673,908)	(1,666,576,970)
Net Revenue From Contracts With Customers		24,317,223,350	15,610,395,350
Cost of sales	33	(21,952,726,092)	(13,183,693,709)
Gross profit		2,364,497,258	2,426,701,641
Distribution cost	34	(1,075,662,872)	(1,075,020,746)
Administrative expenses	35	(924,260,349)	(900,037,654)
Other expenses	36	(99,132,656)	(230,619,927)
		(2,099,055,877)	(2,205,678,327)
Other income	37	357,580,703	178,456,916
Profit from operations		623,022,084	399,480,230
Finance cost	38	(800,962,232)	(721,939,877)
LOSS BEFORE TAXATION AND LEVY		(177,940,148)	(322,459,647)
LEVY	39	(128,674,168)	(73,357,435)
LOSS BEFORE TAXATION		(306,614,316)	(395,817,082)
Taxation	40	169,237,721	148,834,722
LOSS AFTER TAXATION		(137,376,595)	(246,982,360)
LOSS PER SHARE - BASIC AND DILUTED	41	(0.99)	(1.77)

The annexed notes form an integral part of these consolidated financial statements.

Chief Executive | Director | Chief Financial Officer

CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME

For the year ended 30 June 2024

	2024 Rupees	2023 Rupees
(Loss) / Profit after taxation	(137,376,595)	(246,982,360)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Surplus on revaluation of freehold land	15,180,500	314,692,250
	-	-
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the year	15,180,500	314,692,250
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR	(122,196,095)	67,709,890

The annexed notes form an integral part of these consolidated financial statements.

Chief Executive

Director

Chief Financial Officer

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

For the year ended 30 June 2024

	Share capital	Reserves				Total reserves	Total equity
		Capital reserve			Revenue reserve		
		Share premium	Surplus on revaluation of freehold land	Sub Total	Un–appropriated Profit		
	Rupees						
Balance as at 30 June 2022	1,392,048,000	1,441,697,946	1,783,101,998	3,224,799,944	1,637,559,790	4,862,359,734	6,254,407,734
Transactions with owners:							
Final dividend for the year ended 30 June 2023							
@ Rupees 2 per share	-	-	-	-	(278,409,600)	(278,409,600)	(278,409,600)
Loss for the year ended 30 June 2023	-	-	-	-	(246,982,360)	(246,982,360)	(246,982,360)
Other comprehensive income for the year ended 30 June 2023	-	-	314,692,250	314,692,250	-	314,692,250	314,692,250
	-	-	314,692,250	314,692,250	(246,982,360)	67,709,890	67,709,890
Balance as at 30 June 2023	1,392,048,000	1,441,697,946	2,097,794,248	3,539,492,194	1,112,167,830	4,651,660,024	6,043,708,024
Loss for the year ended 30 June 2024	-	-	-	-	(137,376,595)	(137,376,595)	(137,376,595)
Other comprehensive income for the year ended 30 June 2024	-	-	15,180,500	15,180,500	-	15,180,500	15,180,500
Total comprehensive income for the year ended 30 June 2024	-	-	15,180,500	15,180,500	(137,376,595)	(122,196,095)	(122,196,095)
Balance as at 30 June 2024	1,392,048,000	1,441,697,946	2,112,974,748	3,554,672,694	974,791,235	4,529,463,929	5,921,511,929

The annexed notes form an integral part of these consolidated financial statements.

Chief Executive

Director

Chief Financial Officer

CONSOLIDATED STATEMENT OF
CASH FLOWS
For the year ended 30 June 2024

	Note	2024 Rupees	2023 Rupees Restated
Cash flows from operating activities			
Cash generated from operations	42	1,988,858,341	591,261,161
Finance cost paid		(803,486,680)	(631,626,365)
Income tax paid		(179,658,306)	(125,901,296)
Net increase in long term loans to employees		934,164	(2,935,933)
Net decrease in long term security deposits		22,759,420	11,642,528
Decrease in long term deposits		(1,500,000)	(500,000)
Net cash generated from / (used in) operating activities		1,027,906,939	(158,059,905)
Cash flows from investing activities			
Capital expenditure on operating fixed assets		(371,234,321)	(487,133,452)
Capital expenditure on intangible assets		-	(8,700,000)
Proceeds from disposal of operating fixed assets		22,050,013	59,997,696
Short term investments - net		5,416,933	4,937,545
Dividends received		42,511,752	35,936,899
Profit on bank deposits and term deposit receipts received		35,120,772	22,813,380
Net cash used in investing activities		(266,134,851)	(372,147,932)
Cash flows from financing activities			
Short term borrowings - net		(342,624,311)	509,289,953
Dividend paid		(141,327)	(278,334,373)
Proceeds from long term financing		-	97,417,000
Repayment of long term financing		(70,665,676)	(63,004,463)
Repayment of lease liabilities		(192,105,893)	(140,512,316)
Net cash (used in) / from financing activities		(605,537,207)	124,855,801
Net increase / (decrease) in cash and cash equivalents		156,234,881	(405,352,036)
Cash and cash equivalents at beginning of the year		255,077,564	660,429,600
Cash and cash equivalents at end of the year	30	411,312,445	255,077,564

The annexed notes form an integral part of these consolidated financial statements.

Chief Executive

Director

Chief Financial Officer

1. THE GROUP AND ITS OPERATIONS

The Group consists of:

Holding Company

Hi-Tech Lubricants Limited

Subsidiary Company

Hi-Tech Blending (Private) Limited

1.1 Hi-Tech Lubricants Limited ("the Holding Company") was incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited. The registered office of the Holding Company is situated at 1-A, Danepur Road, GOR-1, Lahore. The principal activity of the Holding Company is to procure and distribute lubricants and petroleum products. During the year ended 30 June 2017, Oil and Gas Regulatory Authority (OGRA) granted license to the Holding Company to establish an Oil Marketing Company (OMC), subject to some conditions. On 31 May 2019, Oil and Gas Regulatory Authority (OGRA) has granted permission to the Holding Company to operate new storage facility at Sahiwal and marketing of petroleum products in the Province of Punjab. On 20 January 2020, the Holding Company has started marketing and sale of petroleum products. On 21 February 2020, OGRA has granted permission to the Holding Company to apply for No Objection Certificates (NOCs) from concerned departments to setup petrol pumps in Khyber Pakhtunkhwa Province. On 09 August 2021, OGRA has acknowledged the satisfactory completion of oil storage facility at Nowshera, Khyber Pakhtunkhwa . On 13 January 2022, OGRA has further extended / renewed the provisional license for setting up of an OMC upto 31 December 2023. On 16 March 2023, OGRA has granted permission to the Holding Company to operate new storage facility at Nowshehra and marketing of petroleum products in the province of Khyber Pakhtunkhwa. On 21 December 2023, OGRA has further extended / renewed the provisional license for setting up of an OMC upto 31 December 2025.

1.2 Hi-Tech Blending (Private) Limited

Hi-Tech Blending (Private) Limited ("the Subsidiary Company") was incorporated in Pakistan as a private company limited by shares on 13 March 2014 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The principal activity of the Subsidiary Company is to construct, own and operate lubricating oil blending plant and manufacturing and sale of plastic products. The registered office of the Subsidiary Company is situated at 1-A, Danepur Road, GOR-1, Lahore. The Subsidiary Company is a wholly owned subsidiary of Hi-Tech Lubricants Limited.

1.3 Geographical location and addresses of all business units are as follows:

Business units	Address
Registered and head office	1-A, Danepur Road, GOR-1, Lahore
Regional office – Karachi	C-6 /1, Street No. 3, Bath Island, Clifton, Karachi
Regional office – Islamabad	Suite No. 1402, 14th Floor, Green Trust Tower, Jinnah Avenue, Blue Area, Islamabad.
Regional office – Multan	House No. 95, Block C, Phase III, Model Town, Multan
Regional office – Peshawar	Office No. 280, 3rd Floor, Deans Trade Centre, Islamia Road, Peshawar
Warehouse	Property No. 35 A/M, Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore
Blending plant and warehouse	7-KM, Sundar Raiwind Road, Bhai Kot, Lahore.
Customs bonded warehouse	7-KM, Sundar Raiwind Road, Bhai Kot, Lahore
Warehouse	7-KM, Sundar Raiwind Road, Bhai Kot, Lahore
Oil Depot – OMC Project	Mouza No. 107/9L, Sahiwal
OMC Project office	House No. 57 C-1, Gulberg III, Lahore
Oil Depot – OMC Project	Mouza Aza Khel Bala, Nowshera
Oil Depot – Extension	Mouza Aza Khel Payan, Nowshera
HTL Express Centre	Dharampura, Lahore
HTL Express Centre	Garden Town, Lahore
HTL Express Centre	Block F, Gulshan-e-Ravi, Lahore
HTL Express Centre	Johar Town, Lahore
HTL Express Centre	Gulistan-e-Johar, Karachi
HTL Express Centre	Pakistan Employees Cooperative Housing Society, Karachi
HTL Express Centre	Askari XIV Sector – A, Rawalpindi

Business units	Address
Oil Boy Filling Station	Mouza Neel Kot, Head Muhammad Wala Road, Multan
Punjab Filling Station	Main Satyana Road, Faisalabad
Green Fuel CNG	1-KM, G.T. Road, Lalamusa
A.B. Petroleum Filling Station	Tehsil Liaqatpur, Rahim Yar Khan
Jillani CNG	Lehtrar Road, Islamabad
Dasti Filling Station	Jampur Road, Dera Ghazi Khan
Rehman Filling Station	Chistian Road, Hasilpur
Al-Fazal Filling Station	Sargodha Road, Jhang
Ibrahim Petroleum	Sialkot Road, Gujranwala
Karma Wala-1 Filling Station	Shahkot Road, Jaranwala
Raja Adeel Filling Station	Arifwala Road, Arifwala
Gondal Filling Station	Daska Road, Wazirabad
City Filling Station	Hujra Shah Muqeem, Okara
Al Karam Filling Station	Shamkey Bhattian, Lahore
Green City Fuel Station	Hasilpur Road, Bahalwalpur
Khokhar Fuel Station	Small Industrial Estate, Jinnah Road, Gujranwala
Minhas CNG	Multan Road, Lahore
One Stop	Main Ferozepur Road, Lahore
S&S	Toba Road, Jhang
Al Yousaf CNG	Khanewal Road, Multan
Rana Petroleum	Faisalabad Road, Okara
Mudassir Zulfiqar Filling Station	Vehari Road, Multan
Shahid & Company	Daska Road, Gujranwala
Benzina II Filling Station	Benazir Road, Okara
Nambardar Filling Station	Rawalpindi Road, Chakwal
Iftikhar Nadeem & Company	Mouza Jhawary, Dhamial Road, Rawalpindi Cantt.
Suntrust CNG	Millat Road, Faisalabad
Meezan Filling Station	Jhang Road, Toba Tek Singh
Bahadur Filling Station	Mouza Ismail Khani, Bannu
M Nawaz Filling Station	Main Daraban Road, Mouza Kotla Syedan, Dera Ismail khan
Imdad Mir Filling Station	Mouza Ghanda, Nawab Road, Mansehra
Rahat Filling Station	Saidu Shareef Road, Tehsil Babuzai, Swat
Arab Emirate Filling Station	Mouza Bandi, Tehsil Khawaja Khela, Swat
Rashid Filling Station	Mouza Qambar-192, Tehsil Babuzai, Swat
Al Rehman Filling Station	Mouza Ismail Khani, Bannu
Naik Muhammad Filling Station	Near Bybass Thana, District Malakand
Big Khan Filling Station	Hajiabad Malakand University Road, Chakdara
Ghuman Brothers Filling Station	Plot 105, Block K, Gulberg 3, Lahore
Khalifa Filling Station	Jhang Road, Gojra
Al Sheikh Filling Station	Main GT Road, Gujrat

Moon CNG Filling Station	Mouza Humak, Islamabad
Aabroo Petroleum & CNG	Jaranwala-Khurianwala Road, Jaranwala
Abbasi & Khan Traders	Gujjar Kohala, Dhirkot
AL Mustafa Filling Station	Qaziwala Road, Chishtian
Shah Sardar Petroleum	Mouza Dham Thor, Muree Road, Abbotabad
Shams Petroleum Service	E-35, Hazara Expressway
Roshan Filling Station	Sheikhupura-Sargodha Road
Chawinda Filling Station	Khawaja Sardar Road, Sialkot
Jan Muhammad Filling Station	Ekka Ghund, Mohammand
Phandu Filling Station/CNG	Phandu Chowk, Umar Road, Peshawar
Four Star CNG Filling Station	Mardan Swabi Road, Bughdada
Hussain Filling Station	Near Shah Alam Pull, Charsada Road, Peshawar
Attock CNG & Filling Station	Iqbal Chowk, Choi East Attock City, Attock
Masha Allah CNG	M.CC Kamra Road, Attock City, Attock

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The material accounting policy information applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated:

2.1 Basis of preparation

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

b) Accounting convention

These consolidated financial statements have been prepared under the historical cost convention except as otherwise stated in the respective accounting policies.

c) Critical accounting estimates and judgments

The preparation of consolidated financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the consolidated financial statements or where judgments were exercised in application of accounting policies are as follows:

Income Tax

In making the estimates for income tax and levy currently payable by the Group, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past. Instances where the Group's view differs from the view taken by the income tax department at the assessment stage and where the Group considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

Useful lives, pattern of economic benefits and impairment

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Group. Further, the Group reviews the value of the assets for possible impairments on an annual basis. If such indication exist assets recoverable amount is estimated in order to determine the extent of impairment loss, if any. Any change in the estimates in the future might affect the carrying amount of respective item of operating fixed assets, with a corresponding effect on the depreciation charge and impairment.

Inventories

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made on each reporting date on inventories for excess inventories, obsolescence and declines in net realisable value and an allowance is recorded against the inventory balances for any such declines.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Revenue from contracts with customers involving sale of goods

When recognizing revenue in relation to the sale of goods to customers, the key performance obligation of the Group is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Provisions

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the consolidated statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

Classification of investments

The management of the Group determines the appropriate classification of its investments at the time of purchase or increase in holding and classifies its investments in accordance with IFRS 9 “Financial Instruments”.

Contingencies

The Group reviews the status of all pending litigations and claims against the Group. Based on the judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the consolidated statement of financial position date.

Revaluation of freehold land and investment property

Fair values of freehold land and investment property are determined by independent valuer engaged by the Group. The key assumptions used to determine the fair values of freehold land and investment property are complex in nature. Further, determining adjustments for any differences in nature, location and condition of freehold land and investment property involves significant judgment. The effect of any changes in fair values are considered as estimate and are accounted for on a prospective basis.

d) Amendments to published approved accounting standards that are effective in current year and are relevant to the Group

Following amendments to published approved accounting standards are mandatory for the Group’s accounting periods beginning on or after 01 July 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 ‘Presentation of Financial Statements’ and IFRS Practice Statement 2 ‘Making Materiality Judgement’).
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 ‘Income Taxes’).
- Change in definition of Accounting Estimate (Amendments to IAS 8 ‘Accounting Policies, Changes in Accounting Estimates and Errors’).
- Amendments to IAS 12 ‘Income Taxes’ - International Tax Reform — Pillar Two Model Rules.

The above-mentioned amendments to approved accounting standards did not have any impact on the amounts recognised in prior period and are not expected to significantly affect the current or future periods.

e) Amendments to published approved accounting standards that are effective in current year but not relevant to the Group

There are amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2023 but are considered not to be relevant or do not have any significant impact on the Group's financial statements and are therefore not detailed in these financial statements.

f) Amendments to published approved accounting standards that are not yet effective but relevant to the Group

Following amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 01 July 2024 or later periods:

Classification of liabilities as current or non-current (Amendments to IAS 1 'Presentation of Financial Statements') effective for the annual period beginning on or after 01 January 2024. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

On 31 October 2022, the IASB issued 'Non-current Liabilities with Covenants (Amendments to IAS 1)' to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments are effective for reporting periods beginning on or after 01 January 2024.

On 22 September 2022, the IASB issued 'Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)' with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments are effective for annual periods beginning on or after 01 January 2024.

On 25 May 2023, the IASB issued 'Suppliers Finance Arrangements (Amendments to IAS 7 and IFRS 7)' to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangement. The amendments are effective for reporting period beginning on or after 01 January 2024.

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' (deferred indefinitely) to clarify the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 'Business Combinations'); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

Lack of Exchangeability (Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates'). The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments are effective for annual reporting periods beginning on or after 01 January 2025.

IFRS 18 'Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after 01 January 2027) with a focus on updates to the statement of profit or loss. The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The key new concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

The above amendments and improvements are likely to have no significant impact on the financial statements.

g) Standards and amendments to approved published standards that are not yet effective and not considered relevant to the Group

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2024 but are considered not to be relevant or do not have any significant impact on the consolidated financial statements and are therefore not detailed in these consolidated financial statements.

2.2 Consolidation

Subsidiary

Subsidiary is an entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiary is fully consolidated from the date on which control is transferred to the Group. It is deconsolidated from the date that control ceases.

The assets and liabilities of Subsidiary Company have been consolidated on a line by line basis and carrying value of investment held by the Holding Company is eliminated against Holding Company's share in paid up capital of the Subsidiary Company.

Intragroup balances, transactions and unrealized gains on transactions between Group companies have been eliminated.

2.3 Fixed assets

Operating fixed assets except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Cost of operating fixed assets consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable costs of bringing the asset to working condition. Freehold land is stated at revalued amount less any identified impairment loss. Capital work-in-progress are stated at cost less any recognized impairment loss. All expenditure connected with specific assets incurred during installation and construction periods are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to profit and loss account during the period in which they are incurred.

Increases in the carrying amounts arising on revaluation of freehold land are recognized, in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognized in the statement of profit or loss, the increase is first recognized in the statement of profit or loss. Decreases that reverse previous increase of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss.

Depreciation

Depreciation is charged to consolidated statement of profit or loss by applying the reducing balance method whereby cost of an asset is written off over its estimated useful life at the rates given in Note 15.1. Depreciation on additions is charged for the full month in which the asset is available for use and on deletion up to the month immediately preceding the deletion.

Useful life of assets is reviewed at each financial year end and if expectations differ from previous estimates the change is accounted for as change in accounting estimate in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

De-recognition

An item of operating fixed asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

2.4 Intangible assets

Intangible assets, which are non-monetary assets without physical substance, are recognized at cost, which comprise purchase price, non-refundable purchase taxes and other directly attributable expenditures relating to their implementation and customization. After initial recognition, an intangible asset is carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized from the month when these assets are available for use, using the straight line method, whereby the cost of the intangible asset is amortized over its estimated useful life over which economic benefits are expected to flow to the Group. The useful life and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

2.5 Right-of-use assets

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses (if any). Cost comprises of the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.
The Group has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are charged to income as incurred.

2.6 Lease liabilities

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of-use asset, or to consolidated statement of profit or loss if the carrying amount of the right-of-use asset is fully written down.

2.7 Foreign currency transactions and translation

All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are charged or credited to consolidated statement of profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Pak Rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into Pak Rupees at exchange rates prevailing at the date when fair values are determined.

2.8 Inventories

2.8.1 Stores

Useable stores are valued principally at moving average cost, while items considered obsolete are carried at Nil value. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

2.8.2 Stock-in-trade

Stock-in-trade, except for stock-in-transit, is stated at lower of weighted average cost and estimated net realizable value. Cost comprises of invoice value, charges like custom duties and similar levies and other direct costs.

Cost of raw material, work-in-process and finished goods are determined as follows:

(i) For raw material: Weighted average basis
(ii) For work-in-process and finished goods: Average manufacturing cost including a portion of production overheads.

Finished goods purchased for resale are stated at the lower of cost, determined using weighted average cost method, and net realizable value. Cost of finished goods purchased for resale comprises of invoice value, charges like custom duties and similar levies and other direct costs.

Stock in transit is valued at cost comprising invoice value plus other charges incurred thereon.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

2.9 Investments and other financial assets

a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

b) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of profit or loss.

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income / (other expenses) and impairment losses are presented as separate line item in the consolidated statement of profit or loss.

Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss

Changes in the fair value of equity investments at fair value through profit or loss are recognised in other income / (other expenses) in the consolidated statement of profit or loss as applicable.

Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

2.10 Financial Liabilities - classification and measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in consolidated statement of profit or loss. Any gain or loss on de-recognition is also included in profit or loss.

2.11 Impairment of financial assets

The Group recognizes loss allowances for Expected Credit Losses (ECLs) on:

- Financial assets measured at amortized cost;
- Debt investments measured at FVTOCI; and
- Contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and

- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The Group has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment including forward-looking information.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVTOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

2.12 De-recognition of financial assets and financial liabilities

a) Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Group is recognized as a separate asset or liability.

b) Financial liabilities

The Group derecognizes a financial liability (or a part of financial liability) from its consolidated statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

2.13 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each consolidated statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which assets carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Reversals of the impairment losses are restricted to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if impairment losses had not been recognized. An impairment loss or reversal of impairment loss is recognized in the consolidated statement of profit or loss.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

2.15 Provisions

A provision is recognized when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

2.16 Taxation

2.16.1 Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. Final taxes levied under the Income Tax Ordinance, 2001 and any excess over the amount designated as provision for current tax are charged as levy in consolidated statement of profit or loss. The charge for current tax and levy also includes adjustments, where considered necessary, to provision for tax and levy made in previous years arising from assessments framed during the year for such years. Previously, component representing levy was included in the provision for current tax and was not separately charged in consolidated statement of profit or loss. This change in accounting policy has been applied retrospectively in accordance with the provisions of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and resulted in following reclassification of corresponding figures:

Reclassified from	**Reclassified to**	**30 June 2023**
		Rupees
Consolidated statement of profit or loss:		
Taxation	Levy	73,357,435
Consolidated statement of financial position:		
Provision for taxation	Levy payable	83,537,154
Advance income tax	Prepaid levy	5,390,534

Had there been no change in the above referred accounting policy, amount of levy Rupees 128.674 million, prepaid levy 6.376 million and levy payable Rupees 128.674 million would have been presented as taxation expense, advance income tax and provision for taxation respectively in these consolidated financial statements for the year ended 30 June 2024. This change in accounting policy has no impact on earnings per share of the Group. Furthermore, the third consolidated statement of financial position has not been presented as at the beginning of the preceding period as the retrospective application does not have an effect on the information in the consolidated statement of financial position at the beginning of the preceding period.

Deferred

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the consolidated statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

Group taxation adjustments

Current and deferred taxes based on the consolidated results of the Group (under Section 59AA of the Income Tax Ordinance, 2001) are allocated within the Group on the basis of separate return method, modified for determining realizability of tax credits and tax losses which are assessed at Group level. Any adjustments in the current and deferred taxes of the Company on account of group taxation are credited or charged to consolidated statement of profit or loss in the year in which they arise.

2.17 Borrowings

Financing and borrowings are initially recognized at fair value of the consideration received, net of transaction costs. They are subsequently measured at amortized cost using the effective interest method.

2.18 Borrowing costs

Borrowing costs are recognized as expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of cost of that asset.

2.19 Trade and other receivables

Trade debts are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

2.20 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost and subsequently measured at amortized cost using the effective interest method.

2.21 Revenue recognition

(a) Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

(b) Interest

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(c) Dividend

Dividend on equity investments is recognized when right to receive the dividend is established.

(d) Rental income

The Group earns rental income on some of its property leased out. Rental income is recognized on accrual basis over the period of lease agreement as per the requirements of IFRS 16.

2.22 Contract assets

Contract assets arise when the Group performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due. Contract assets are treated as financial assets for impairment purposes.

2.23 Customer acquisition costs

Customer acquisition costs are capitalised as an asset where such costs are incremental to obtaining a contract with a customer and are expected to be recovered. Customer acquisition costs are amortised on a straight-line basis over the term of the contract.

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained or which are not otherwise recoverable from a customer are expensed as incurred to profit or loss. Incremental costs of obtaining a contract where the contract term is less than one year is immediately expensed to profit or loss.

2.24 Customer fulfilment costs

Customer fulfilment costs are capitalised as an asset when all the following are met: (i) the costs relate directly to the contract or specifically identifiable proposed contract; (ii) the costs generate or enhance resources of the Group that will be used to satisfy future performance obligations; and (iii) the costs are expected to be recovered. Customer fulfilment costs are amortised on a straight-line basis over the term of the contract.

2.25 Right of return assets

Right of return assets represents the right to recover inventory sold to customers and is based on an estimate of customers who may exercise their right to return the goods and claim a refund. Such rights are measured at the value at which the inventory was previously carried prior to sale, less expected recovery costs and any impairment.

2.26 Contract liabilities

Contract liability is the obligation of the Group to transfer goods to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group transfers goods, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Group performs its performance obligations under the contract.

2.27 Refund liabilities

Refund liabilities are recognised where the Group receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the Group does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

2.28 Contingent assets

Contingent liability is disclosed when the Group has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the consolidated financial statements.

2.29 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of fixed assets are included in non-current liabilities as deferred income and are credited to profit or loss over the expected lives of the related assets.

2.30 Segment reporting

Segment reporting is based on the operating (business) segments of the Group. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief executive officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the chief executive officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those incomes, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

The Group has following reportable business segments:

- Lubricants (Purchase, blend, package and sale of lubricants, parts and rendering of services).
- Petroleum products (Marketing and sale of petroleum products).
- Polymer (Manufacturing and sale of plastic bottles).

2.31 Contingent liabilities

Contingent liability is disclosed when the Company has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the financial statements.

2.32 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

3 SUMMARY OF OTHER ACCOUNTING POLICIES

3.1 Investment property

Land held for capital appreciation or to earn rental income is classified as investment property. Investment property is carried at fair value. Changes in fair value are presented in consolidated statement of profit or loss as part of other income.

Independent valuations are performed periodically, the carrying amounts are reviewed against there valuations and adjustments are made where there are material changes. Increases in the carrying amounts arising on revaluation of investment property are recognised, in the consolidated statement of profit or loss.

3.2 Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (the functional currency). The consolidated financial statements are presented in Pak Rupees, which is the Group's functional and presentation currency. Figures are rounded off to the nearest Pak Rupees.

3.3 Employee benefits

The Group operates contributory provident fund schemes covering all regular employees. Equal monthly contributions are made both by the employees and the employers to the funds at the rate of 10% of basic salary of employees. The Group's contributions to the funds are charged to consolidated statement of profit or loss.

3.4 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the consolidated financial statements when there is a legal enforceable right to set off and the Group intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

3.5 Ijarah contracts

Under the Ijarah contracts the Group obtains usufruct of an asset for an agreed period for an agreed consideration. The Group accounts for its Ijarah contracts in accordance with the requirements of IFAS 2 'Ijarah'. Accordingly, the Group as a Mustaj'ir (lessee) in the Ijarah contract recognises the Ujrah (lease) payments as an expense in the profit or loss on straight line basis over the Ijarah term.

3.6 Contingent assets

Contingent assets are disclosed when the Group has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are not recognized until their realization becomes certain.

3.7 Dividend and other appropriations

Dividend distribution to the shareholders is recognized as a liability in the consolidated financial statements in the period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

3.8 Earnings per share

The Group presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Holding Company by the weighted average number of ordinary shares outstanding during the year.

3.9 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax.

4. ISSUED, SUBSCRIBED AND PAID–UP SHARE CAPITAL

2024	2023		**2024**	2023
(Number of shares)			**Rupees**	Rupees
41,002,000	41,002,000	Ordinary shares of Rupees 10 each		
		fully paid-up in cash	410,020,000	410,020,000
25,000,000	25,000,000	Ordinary shares of Rupees 10 each		
		issued as fully paid for consideration		
		other than cash (Note 4.2)	250,000,000	250,000,000
73,202,800	73,202,800	Ordinary shares of Rupees 10 each		
		issued as fully paid bonus shares	732,028,000	732,028,000
139,204,800	139,204,800		1,392,048,000	1,392,048,000

4.1 993,330 (2023: 993,330) ordinary shares of the Holding Company are held by SK Enmove Co., Ltd. - principal supplier and long term partner.

4.2 On 01 July 2011, the Holding Company entered into 'Agreement for Takeover of Partnership Firm by Private Limited Company / Dissolution of Partnership' ("the Agreement") with partners of Hi-Tec Lubricants, a registered partnership firm ("the Firm") and took over all the business, assets and liabilities of the Firm, as per audited financial statements of Hi-Tec Lubricants for the year ended 30 June 2011, against consideration of issuance of shares of the Holding Company amounting to Rupees 250,000,000 divided into 2,500,000 ordinary shares of Rupees 100 each.

4.3 The principal shareholders of the Holding Company and SK Enmove Co., Ltd. have a shareholders agreement in place. The parties to the agreement have agreed on certain board of directors' unanimous resolution items such as direct or indirect engagement in lubricant products under the brand name of the Holding Company or any other party other than SK Enmove Co., Ltd. , engagement with other companies engaged in lubricants business, lubricants business reorganizations, etc. The principal shareholders have undertaken to hold, in aggregate, at all times 51% shares or more of the Holding Company.

	2024 Rupees	2023 Rupees
5. RESERVES		
Capital reserve		
Share premium (Note 5.1)	1,441,697,946	1,441,697,946
Surplus on revaluation of freehold land		
As at 01 July	2,097,794,248	1,783,101,998
Add: Surplus on revaluation of freehold land	15,180,500	314,692,250
As at 30 June	2,112,974,748	2,097,794,248
Revenue reserve		
Un-appropriated profit	974,791,235	1,112,167,830
	4,529,463,929	4,651,660,024

5.1 This reserve can be utilized only for the purposes specified in section 81 of the Companies Act, 2017.

	2024 Rupees	2023 Rupees
6. LONG TERM FINANCING		
From banking company - secured		
Holding company		
Subsidiary company		
Bank Al-Habib Limited (Note 6.2)	585,018,170	632,150,056
Less: Current portion shown under current liabilities (Note 13)	78,178,914	35,161,800
	506,839,256	596,988,256

LENDER	2023	2022	RATE OF INTEREST	NUMBER OF INSTALLMENTS	INTEREST REPRICING	INTEREST PAYABLE	SECURITY
6.1 Long term loans							
Subsidary Company							
Bank Al-Habib Limited (Note 6.1.1)	289,972,569	307,990,338	SBP rate for TERF + 2.00% and 3.00%	Two hundred and fourty nine unequal quarterly installments commenced from 08 May 2023 and ending on 01 November 2031.	-	Quarterly	These loans and short term borrowings are secured against first parri passu hypothecation charge for Rupees 1,067 million over current assets and Rupees 610 million over plant and machinery of the Subsidiary Company, first parri passu mortgage charge of Rupees 650 million over land and building of the Subsidiary Company, trust receipt, exclusive charge for Rupees 80 million over plant and machinery of solar power plant, exclusive charge for Rupees 163 million over imported plant and machinery of the Subsidiary Company, personal guarantees of all directors of the Subsidiary Company and corporate guarantee of Holding Company amounting to Rupees 2,000 million.
Bank Al-Habib Limited (Note 6.1.1)	157,217,920	162,593,026	SBP rate for TERF + 4.00%	Two hundred and ten unequal qaurterly installments commenced from 13 October 2023 and ending on 16 December 2031.	-	Quarterly	
	447,190,489	470,583,364					
Bank Al-Habib Limited (Note 6.1.2)	36,161,013	39,566,692	SBP rate for renewable energy financing scheme + 2.50%	Ninety six unequal quarterly installments commenced from 20 July 2022 and ending on 03 June 2032.	-	Quarterly	
Bank Al-Habib Limited (Note 6.1.3)	101,666,668	122,000,000	3 months KIBOR + 1.25% per annum	Twenty equal quarterly installments commenced from 23 May 2023 and ending on 23 February 2028.	-	Quarterly	
	585,018,170	632,150,056					

6.1.1 This loan has been obtained by the Subsidiary Company under SBP Temporary Economic Refinance Facility (TERF). It is recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment is recognized at discount rates ranging from 8.85% to 13.39% per annum.

6.1.2 This loan has been obtained by the Subsidiary Company under SBP Renewable Energy Refinance Scheme. It is recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment is recognized at discount rates ranging from 11.93% to 16.52% per annum.

6.1.3 Effective rate of mark-up charged during the year ranged from 22.71% to 24.15% (2023: 16.4% to 23.33%) per annum.

		2024 Rupees	2023 Rupees
7.	**LEASE LIABILITIES**		
	Total lease liabilities	643,392,513	662,217,503
	Less: Current portion shown under current liabilities (Note 13)	(163,544,384)	(174,306,249)
		479,848,129	487,911,254
7.1	**Reconciliation of lease liabilities is as follows:**		
	Opening balance	662,217,503	624,517,326
	Add: Additions during the year	162,958,870	142,903,481
	Add: Interest accrued during the year (Note 38)	87,216,860	69,703,493
	Add: Impact of lease modifications during the year	10,367,143	66,903,337
	Less: Impact of lease reassessment during the year	(45,110)	-
	Less: Impact of lease terminations during the year	-	(30,608,025)
	Less: Payments made during the year	(279,322,753)	(211,202,109)
		643,392,513	662,217,503
	Less: Current portion shown under current liabilities (Note 12)	(163,544,384)	(174,306,249)
		479,848,129	487,911,254
7.2	**Maturity analysis of lease liabilities is as follows:**		
	Upto 6 months	132,409,361	107,389,212
	6-12 months	94,935,663	102,513,217
	1-2 years	164,213,004	176,329,452
	More than 2 years	691,428,965	329,201,160
		1,082,986,993	715,433,041
	Less: Future finance cost	439,594,480	53,215,538
	Present value of lease liabilities	643,392,513	662,217,503
7.3	**Amounts recognised in the consolidated statement of profit or loss:**		
	Interest accrued during the year (Note 38)	87,216,860	69,703,493
	Expense relating to short term and low value leases (included in administrative expenses)	1,478,759	1,144,332
	Expense relating to leases of low-value assets (included in distribution cost)	3,628,183	1,961,644
	Total amount recognised in consolidated statement of profit or loss	92,323,802	72,809,469

7.4 Implicit rates against lease liabilities range from 7.40% to 25.93% (2023: 7.40% to 23.69%) per annum.

7.5 Leases from banking companies are secured against the leased assets, personal guarantees of directors of the Holding Company and Subsidiary Company, corporate guarantee of the Holding Company and security deposits of Rupees 44.016 million (2023: Rupees 67.402 million).

8. LONG TERM DEPOSITS

These are unsecured, interest free and repayable on termination of agreements. These security deposits have been utilized for the purpose of business in accordance with under process amendments to the terms of written agreements.

		2024 Rupees	2023 Rupees
9.	**DEFFERED LIABILITIES**		
	Deferred income tax liability - net (Note 9.1)	58,379,546	227,617,267
	Deferred income - Government grant (Note 9.2)	71,651,539	93,507,240
		130,031,085	321,124,507
9.1	**Deferred income tax liability**		
	The liability for deferred taxation comprises taxable / (deductible) temporary differences relating to:		
	Deferred income tax liabilities		
	Deferred income tax assets		
	Available unused tax losses	14,714,778	102,279,334
	Unabsorbed tax depreciation	189,041,680	41,202,898
	Allowance for expected credit losses	5,295,357	10,319,125
	Provision for doubtful advances to suppliers	913,305	793,171
	Provision for slow moving and obsolete store items	200,081,733	-
	Provision for slow moving and obsolete stock-in-trade	1,963,691	873,614
	Lease liabilities	12,273,992	8,115,499
		191,938,266	197,570,108
	Net deferred income tax liability	616,222,802	361,153,749
	Taxable temporary differences		
	Accelerated tax depreciation and amortization	(419,340,621)	(399,782,874)
	Right-of-use assets	(177,210,642)	(188,988,142)
		(596,551,263)	(588,771,016)
	Net Deferred income tax asset / (liability)	19,671,539	(227,617,267)
	Deferred income tax asset not recognized in these financial statements	(78,051,085)	-
	Deferred income tax liability recognized in these financial statements	(58,379,546)	(227,617,267)

9.1.1 Movement in deferred income tax balances during the year is as follows:

	2024		
	Opening balance	Recognised in statement of profit or loss	Closing balance
		Rupees	
Accelerated tax depreciation and amortization	(399,782,874)	(19,557,747)	(419,340,621)
Right-of-use assets	(188,988,142)	11,777,500	(177,210,642)
Unabsorbed tax depriciation	41,202,898	147,838,782	189,041,680
Available unused tax losses	102,279,334	(87,564,556)	14,714,778
Allowance for expected credit losses	10,319,125	(5,023,768)	5,295,357
Provision for doubtful advances to suppliers	793,171	120,134	913,305
Provision for slow moving and obsolete store items	873,614	1,090,077	1,963,691
Provision for slow moving and obsolete stock-in-trade	8,115,499	4,158,493	12,273,992
Lease liabilities	197,570,108	(5,631,842)	191,938,266
Turnover tax carry forward			
Available	-	200,081,733	200,081,733
Movement in deferred income tax not recognized	-	(78,051,085)	(78,051,085)
Deferred income tax recognized	-	122,030,648	122,030,648
	(227,617,267)	169,237,721	(58,379,546)

	2023		
	Opening Balance	Recognised in Statement of Profit or Loss	Closing Balance
		Rupees	
Accelerated tax depreciation and amortization	(407,550,413)	7,767,539	(399,782,874)
Right-of-use assets	(200,675,121)	11,686,979	(188,988,142)
Unabsorbed tax depriciation	-	41,202,898	41,202,898
Available unused tax losses	-	102,279,334	102,279,334
Allowance for expected credit losses	11,542,280	(1,223,155)	10,319,125
Provision for doubtful advances to suppliers	1,562,789	(769,618)	793,171
Provision for slow moving and obsolete store items	1,159,013	(285,399)	873,614
Provision for slow moving and obsolete stock-in-trade	4,957,037	3,158,462	8,115,499
Lease liabilities	212,552,426	(14,982,318)	197,570,108
	(376,451,989)	148,834,722	(227,617,267)

9.2 Deferred income tax asset has been recognised to the extent that the realization of related tax benefits is probable from future taxable profits. It is probable that sufficient taxable profits will be available for utilization of recognised deferred income tax asset. Detail of recognised deferred income tax asset on available unused tax losses, unabsorbed tax depreciation and turnover tax carried forward and unrecognised deferred income tax asset on turnover tax carried forward is given as follows:

	Accounting year to which the tax credit relates	Amount Rupees	Accounting year in which tax credit will expire
Turnover tax carried forward	2023	78,051,085	2026
	2024	122,030,648	2027
		200,081,733	

	Accounting year to which the tax loss relates	Amount Rupees	Accounting year in which tax loss will expire
Unabsorbed tax depreciation	2023	421,688,370	Unlimited
	2024	230,179,491	Unlimited
		651,867,861	

	Accounting year to which the tax loss relates	Amount Rupees	Accounting year in which tax loss will expire
Available unused tax losses	2023	50,740,613	2028

		2024 **Rupees**	2023 Rupees
9.3	**Deferred income - Government grant**		
	Opening balance	117,080,513	137,763,697
	Add: Recognized during the year	-	2,231,950
	Less: Amortized during the year (Note 37)	23,533,790	22,915,134
	Closing balance	93,546,723	117,080,513
	Less: Current portion shown under current liabilities (Note 13)	21,895,184	23,573,273
		71,651,539	93,507,240

9.3.1 'The State Bank of Pakistan (SBP), through its Circular No. 01 of 2020 dated 17 March 2020 introduced a Temporary Economic Refinance Facility (TERF) for setting of new industrial units. The refinance was available through Banks / DFIs. One of the key feature of the refinance facility was that borrowers could obtain loan at mark-up rates that are below normal lending rates. As per International Accounting Standard (IAS) 20 'Accounting for Government Grants and Disclosure of Government Assistance', the benefit of a Government loan at a below-market rate of interest is treated as a Government Grant. The Subsidiary Company has obtained this loan as disclosed in note 6 to the consolidated financial statements. In accordance with IFRS 9 'Financial Instruments' loan obtained under the refinance facility was initially recognized at fair value which is the present value of loan proceeds received, discounted using prevailing market rates of interest for a similar instrument. Hence, the benefit of the below-market rate of interest has been measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received. This benefit is accounted for and presented as deferred grant in accordance with IAS 20. The grant is being amortized in the consolidated statement of profit or loss, in line with the recognition of interest expense the grant is compensating.

	2024 Rupees	2023 Rupees
10. TRADE AND OTHER PAYABLES		
Creditors (Note 10.1)	2,811,515,418	1,040,828,062
Accrued liabilities (Note 10.2)	122,730,637	107,058,662
Infrastructure development cess payable (Note 10.3)	175,002,601	175,002,601
Contract liabilities - unsecured	57,048,672	57,014,208
Retention money payable	18,251,825	22,861,709
Customs duty and other charges payable	453,221,994	278,828,890
Income tax deducted at source	31,744,298	28,663,904
Payable to employees' provident fund trust	1,310,177	4,979,216
Workers' profit participation fund payable (Note 10.4)	204,019,336	170,106,672
Workers' welfare fund payable (Note 10.5)	47,236,987	40,882,272
	3,922,081,945	1,926,226,196

10.1 These include Rupees 1,168.518 million (2023: Rupees 617.034 million) payable to SK Enmove Co., Ltd. - principal supplier and long term partner.

10.2 This includes Rupees 56.143 million (2023: Rupees 28.239 million) payable against royalty to SK Enmove Co., Ltd. - principal supplier and long term partner.

10.3 Movement in the provision for infrastructure development cess during the year is as follows:

	2024 Rupees	2023 Rupees
Opening balance	175,002,601	172,436,755
Add: Provision made during the year	-	2,565,846
Closing balance	175,002,601	175,002,601
10.4 Workers' profit participation fund		
Balance as on 01 July	170,106,672	140,754,939
Add: Provision for the year (Note 36)	18,604,049	-
Add: Interest for the year (Note 38)	43,243,950	29,351,733
	231,954,671	170,106,672
Less: Payments made during the year	(27,935,335)	-
Balance as on 30 June	204,019,336	170,106,672

10.4.1 The Group retains workers' profit participation fund for its business operations till the date of allocation to workers. Interest is paid at prescribed rate under the Companies Profit (Workers' Participation) Act, 1968 on funds utilized by the Group till the date of allocation to workers.

	2024 Rupees	2023 Rupees
10.5 Workers' welfare fund		
Opening balance	40,882,272	40,417,056
Add: Allocation for the year (Note 34)	6,354,715	465,216
Closing balance	47,236,987	40,882,272
11. ACCRUED MARK-UP		
Long term financing	9,088,735	13,897,859
Short term borrowings	89,372,899	110,622,013
	98,461,634	124,519,872

	2024 Rupees	2023 Rupees
12. SHORT TERM BORROWINGS		
From banking companies - secured		
- Holding Company		
Short term finances (Note 12.1 and Note 12.2)	1,777,187,767	1,851,556,185
- Subsidiary Company		
Short term finances (Note 12.3 and Note 12.4)	287,054,907	555,310,800
	2,064,242,674	2,406,866,985

12.1 These finances are obtained from banking companies under mark-up arrangements and are secured against trust receipts, first joint pari passu hypothecation charge over present and future current assets of the Holding Company, personal guarantees of sponsor directors of the Holding Company and hypothecation charge over land, building and plant and machinery of Subsidiary Company.

12.2 The effective rates of mark-up ranged from 21.19% to 28% (2023: 14.14% to 23.24%) per annum.

12.3 These finances are obtained from banking companies under mark-up arrangements. These short term borrowings and long term financing are secured against trust receipts, first pari passu hypothecation charge and ranking charge over current assets and plant and machinery of the Subsidiary Company, first pari passu mortgage charge over land and building of the Subsidiary Company, personal guarantees of directors of the Subsidiary Company and corporate guarantees of the Holding Company.

12.4 The effective rates of mark-up ranged from 21.75% to 24.40% (2023: 12.89% to 23.17%) per annum.

	2024 Rupees	2023 Rupees
13. CURRENT PORTION OF NON-CURRENT LIABILITIES		
Long term financing (Note 6)	78,178,914	35,161,800
Lease liabilities (Note 7)	163,544,384	174,306,249
Deferred income - Government grant (Note 9.2)	21,895,184	23,573,273
	263,618,482	233,041,322

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

14.1.1 Deputy Commissioner Inland Revenue (DCIR) passed an order under section 122(1) and 122(5A) of the Income Tax Ordinance, 2001 for tax year 2013 whereby a demand of Rupees 83.595 million has been raised against the Holding Company. On 26 October 2018, the Holding Company filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] against the order of DCIR. CIR(A) vide order dated 18 December 2018 upheld some of the additions made by DCIR and also directed the DCIR to give opportunity of hearing to the Holding Company in one of the said matters. Being aggrieved by the order of CIR(A), the Holding Company filed appeal before the Appellate Tribunal Inland Revenue (ATIR) on 19 May 2021. ATIR decided the case in favour of the Holding Company. The tax authorities have filed an income tax reference before Honourable Lahore High Court, Lahore against the order of the ATIR which is pending for adjudication. No provision against the case has been made in these consolidated financial statements, as the management, based on the advice of the legal counsel, is confident of favorable outcome of litigation.

14.1.2 During the year ended 30 June 2018, assessment under section 161 and section 205 of the Income Tax Ordinance, 2001 for the tax year 2014 was finalized by the Deputy Commissioner Inland Revenue (DCIR) creating a demand of Rupees 18.207 million against the Holding Company. Being aggrieved, the Holding Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] on 14 November 2017 who decided the case in favor of the Holding Company and reduced the total demand to Rupees 0.191 million. However, the department filed an appeal against the order of CIR(A) before the Appellate Tribunal Inland Revenue (ATIR) on 31 March 2018. On 09 April 2024, ATIR granted partial relief to the Holding Company and confirmed demand of Rupees 0.563 million. Further, ATIR remanded back the issue relating to default surcharge to assessing officer for fresh calculation. No remand back proceedings have been initiated by the department yet. No provision has been recognized in these consolidated financial statements, as the management, based on advice of the tax advisor, is confident of favorable outcome of the matter.

14.1.3 Deputy Commissioner Inland Revenue (DCIR) passed an assessment order on 28 November 2018 under section 161 and section 205 of the Income Tax Ordinance, 2001 for the tax year 2015 whereby a demand of Rupees 22.358 million has been raised against the Holding Company. On 21 December 2018, the Holding Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] against the order of DCIR. CIR(A) accepted the Holding Company's stance on certain issues assailed in appeal and reduced the aggregate demand to Rupees 10.735 million. Being aggrieved by the order of CIR(A), the Holding Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) which is pending adjudication. No provision against this demand has been recognized in these consolidated financial statements, as the management, based on advice of the tax advisor, is confident of favorable outcome of the matter.

14.1.4 On 27 June 2022, Deputy Commissioner Inland Revenue (DCIR) passed an assessment order under section 161 and section 205 of the Income Tax Ordinance, 2001 for the tax year 2016 whereby a demand of Rupees 5.467 million including default surcharge has been raised against the Holding Company on account of non / short deduction of withholding tax in respect of certain payments. The Holding Company filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] against the order of DCIR. On 17 November 2022, CIR(A) decided the appeal in favor of the Holding Company. On 12 January 2023, the tax department has filed appeal before the Appellate Tribunal Inland Revenue (ATIR) against the order passed by CIR(A) which is pending adjudication. No provision against this demand has been recognized in these consolidated financial statements, as the management, based on advice of the tax advisor, is confident of favorable outcome of the matter.

14.1.5 On 24 March 2022, the Deputy Commissioner Inland Revenue (DCIR) has issued an amended assessment order under section 122(1) of the Income Tax Ordinance, 2001 for the tax year 2018 creating a demand of Rupees 1,115.673 million on account of various issues against the Holding Company. Against the aforesaid order, the Holding Company preferred an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] on 19 April 2022. On 29 August 2022, CIR(A) vacated the entire tax demand. However, in respect of various issues, the matter has been remanded back to the department for fresh consideration. Against the order of CIR(A), the Holding Company has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR), which is pending for hearing. The management, based on the advice of the tax advisor, is confident of favourable outcome of the matter. Therefore, no provision has been recognized in these consolidated financial statements.

14.1.6 On 26 February 2022, Deputy Commissioner Inland Revenue (DCIR) passed an assessment order under section 177 and section 122(1) of the Income Tax Ordinance, 2001 for the tax year 2019 whereby a demand of Rupees 843.451 million has been raised against the Holding Company on various issues. Against the order of DCIR, the Holding Company preferred an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] on 22 March 2022. On 16 May 2022, CIR(A) vacated the tax demand. However, in respect of certain issues, the case has been remanded back to assessing officer for fresh consideration. On 13 July 2022, the tax authorities have filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the order of CIR(A) which is pending adjudication. The management, based on the advise of the tax advisor, is confident of favourable outcome of the matter. Therefore, no provision has been recognized in these consolidated financial statements.

14.1.7 During the year ended 30 June 2020, Deputy Commissioner Inland Revenue (DCIR) issued a notice to recover an amount of Rupees 21.124 million against super tax for the tax year 2019 under section 4B of the Income Tax Ordinance, 2001 against the Holding Company. The Holding Company through its tax advisor submitted its reply that liability on account of super tax did not arise for subject year. However, on 29 September 2021, DCIR confirmed the matter and re-issued an order to recover Rupees 21.124 million against super tax for the tax year 2019 under section 4B of the Income Tax Ordinance, 2001. Against the aforesaid order, the Holding Company preferred an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)]. On 25 February 2022, CIR(A) remanded back the case to department for fresh consideration. However, these remand back proceedings have not been initiated yet. The management, based on advise of the tax advisor, is confident of favourable outcome of the matter. Therefore, no provision has been recognized in these consolidated financial statements.

14.1.8 On 28 February 2022, Deputy Commissioner Inland Revenue (DCIR) issued an order for tax periods from July 2016 to June 2017 creating a demand of Rupees 1,353.135 million alongwith penalty and default surcharge on various issues under relevant provisions of the Sales Tax Act, 1990 against the Holding Company. Against the aforesaid order, the Holding Company preferred an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] on 22 March 2022. On 27 May 2022, CIR(A) provided partial relief to the Holding Company. However, sales tax default in respect of certain issues was upheld by CIR(A). Being aggrieved with the order of CIR(A), the Holding Company and tax department filed appeals before Appellate Tribunal Inland Revenue (ATIR). On 07 December 2022, ATIR accepted the Holding Company's stance in respect of all matters except for imposition of penalty and default surcharge relating to late filing of sales tax returns and late payment of due sales tax liability. However, appeal filed by the tax department is yet to be heard. The management, based on advise of the tax advisor, is confident of favourable outcome of the matter. Therefore, no provision has been recognized in these consolidated financial statements.

14.1.9 On 15 March 2022, Deputy Commissioner Inland Revenue (DCIR) issued an order for tax periods from July 2018 to June 2019 creating a demand of Rupees 901.257 million alongwith penalty and default surcharge on various issues under relevant provisions of the Sales Tax Act, 1990 against the Holding Company. Against the aforesaid order, the Holding Company preferred an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] on 11 April 2022. On 31 May 2022, CIR(A) provided partial relief to the Holding Company. However, sales tax default in respect of certain issues was upheld by CIR(A). Being aggrieved with the order of CIR(A), the Holding Company and tax deparment filed appeals before Appellate Tribunal Inland Revenue (ATIR). On 07 December 2022, ATIR accepted the Holding Company's stance in respect of all matters except for imposition of penalty and default surcharge relating to late filing of sales tax returns and late payment of due sales tax liability. However, appeal filed by the tax department is yet to be heard. The management, based on advise of the tax advisor, is confident of favourable outcome of the matter. Therefore, no provision has been recognized in these consolidated financial statements.

14.1.10 On 30 May 2023, Deputy Commissioner Inland Revenue (DCIR) passed an assessment order under section 161 and section 205 of the Income Tax Ordinance, 2001 for the tax year 2017 whereby a demand of Rupees 22.545 million including default surcharge has been raised against the Holding Company on account of non / short deduction of withholding tax in respect of certain payments. On 25 June 2023, the Holding Company filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)]. On 01 January 2024, CIR(A) granted partial relief to the Holding Company and accepted the Holding Company's stance in respect of certain matters. Further, CIR(A) remanded back certain matters to assessing officer for verification of Holding Company's position. However, the department has not yet initiated the remand back proceedings. The management, based on advise of tax advisor, is confident of favorable outcome of the matter. Therefore, no provision has been recognized in these consolidated financial statements.

14.1.11 On 06 February 2019, Deputy Commissioner Inland Revenue (DCIR) passed an assessment order under section 4B of the Income Tax Ordinance, 2001 for the tax year 2018 whereby a demand of Rupees 29.323 million was raised against the Holding Company. Being aggrieved with the order, the Holding Company preferred an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] on 04 March 2019. On 16 May 2019, CIR(A) upheld the order of DCIR. Being aggrieved with the order of CIR(A), the Holding Company filed an appeal before Appellate Tribunal Inland Revenue (ATIR) on 29 May 2019. On 17 April 2024, ATIR passed an order and upheld the decision of CIR(A). Being aggrieved with the order, the Holding Company is in the process of filing Income Tax Reference before Lahore High Court, Lahore. The management, based on advise of legal advisor, is confident of favorable outcome of the matter. Therefore, no provision has been recognized in these consolidated financial statements.

14.1.12 On 01 March 2024, Deputy Commissioner Inland Revenue (DCIR) passed an assessment order under section 161 and section 205 of the Income Tax Ordinance, 2001 for the tax year 2020 to recover an amount of Rupees 43.575 million in respect of withholding tax default along with default surcharge of Rupees 19.168 million against the Holding Company. The Holding Company filed an application before Commissioner Inland Revenue (CIR) on the grounds that the order was passed without considering the documents / records submitted by the Holding Company. On 07 March 2024, CIR set aside the order of DCIR and remanded back the case to assessing officer. The remand back proceedings hasve not been initiated yet. The management, based on advise of tax advisor, is confident of favorable outcome of the matter. Therefore, no provision has been recognized in these Consolidated financial statements.

14.1.13 On 18 March 2024, Deputy Commissioner Inland Revenue (DCIR) passes an order under section 11 of the Sales Tax Act, 1990 for tax periods from July 2018 to June 2019 creating a demand of Rupees 405.983 million along with default surcharge and penalty on the issue of difference between value of closing stocks as per Holding Company's financial statements and the amount adopted in sales tax declaration. Against the aforesaid order, the Holding Company preferred an appeal before Commissioner Inland Revenue (Appeal) [CIR(A)] which is pending for hearing. The management, based on advice of the tax advisor, is confident of favorable outcome of the matter. Therefore, no provision has been recognized in these consolidated financial statements.

14.1.14 During the year ended 30 June 2022, Additional Commissioner Inland Revenue (ACIR) issued amended assessment orders against the Subsidiary Company under section 122(5A) of the Income Tax Ordinance, 2001 for the tax years 2017, 2018, 2019, 2020 and 2021 raising demands aggregating to Rupees 533.277 million on various issues. Against the aforesaid orders, the Subsidiary Company preferred appeals before Commissioner Inland Revenue (Appeals) [CIR(A)] on 15 October 2021, 06 January 2022, 21 February 2022, 15 March 2022 and on 16 June 2022 respectively. On 04 November 2021, CIR(A) passed an order whereby the order of ACIR was annulled in respect of all matters relating to tax year 2017 except in the matters of Workers' Profit Participation Fund (WPPF) which was remanded back to ACIR for consideration in view of judgement passed by Honorable Lahore Court, Lahore. Remand back proceedings by ACIR have not been initiated against the Subsidiary Company. During the year ended 30 June 2023, CIR (A) decided most of the matters in favour of the Subsidiary Company, while remanded back the case on certain matters to ACIR for tax years 2018, 2019, 2020 and 2021 to the tune of Rupees 290.311 million. Further, demand in respect of donation amounting to Rupees 1 million for tax year 2021 was confirmed which was duly provided for in these consolidated financial statements for the year ended 30 June 2023. However, remand back proceedings have not been initiated against the Subsidiary Company. Against the orders of CIR(A), the department has filed appeals before Appellate Tribunal Inland Revenue (ATIR) on 20 October 2022 for the tax year 2018 and on 12 October 2022 for the tax year 2019 and 2020 which are pending adjudication. Based on the opinion of tax advisor, the management has strong grounds to believe that the cases will be decided in favor of the Subsidiary Company. Therefore, no provision has been made in these consolidated financial statements.

14.1.15 On 04 February 2022, Deputy Commissioner Inland Revenue (DCIR) passed an order under section 11 of the Sales Tax Act, 1990 for the tax periods November 2019 and March 2020 creating a demand of Rupees 2.046 million on account of disallowance of input sales tax on building materials alongwith default surcharge and penalty against the Subsidiary Company. The Subsidiary Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] on 02 March 2022 against the order of DCIR. CIR(A) through its order dated 31 May 2022 upheld the decision of DCIR. Being aggrieved with the order of CIR(A), the Subsidiary Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) 08 June 2022 who vide its order dated 17 November 2022 decided the case against the Subsidiary Company. However, the Subsidiary Company filed a rectification application against the aforesaid decision of ATIR on account of Subsidiary Company's name wrongly mentioned in the decision alongwith challenging the grounds of decision addressed by ATIR. On 15 June 2023, ATIR accepted the Subsidiary Company's stance in rectification application and also directed to re-start the proceedings afresh.However, the proceedings against the Subsidiary Company have not been started yet. The management, based on the advice of its legal counsel, has strong grounds to believe that the case will be decided in favor of the Subsidiary Company. Therefore, no provision has been made in these consolidated financial statements.

14.1.16 The Subsidiary Company has filed application to Federal Board of Revenue ("the Board") to condone the time limits for issuance of adjustment orders on account of advance payment amounting to Rupees 4.092 million in excess of sales tax liability for tax period August 2016 and excess payment amounting to Rupees 2.422 million due to rectification of sales tax liability for tax periods June 2017 and September 2017. The Subsidiary Company's stance is verifiable from the record of tax department. Based on the advice of the tax advisor, the management expects favorable outcome of the matter. Hence, no provision has been made in these consolidated financial statements.

14.1.17 The Subsidiary Company identified certain sales tax invoices relating to tax period July 2021 wherein the Subsidiary Company has duly discharged the liabilities in respect of input sales tax at the time of imports amounting to Rupees 10.086 million. However, the same input sales tax has not been adjusted against the output sales tax of the respective tax period due to the tax department's system mal-functioning. The Subsidiary Company filed application to the department to condone the time limits regarding the above explained matter as the Subsidiary Company's stance is verifiable from the department's record. On 12 July 2024, subsequent to the reporting period, the Board has condoned the time limit to adjust the aforementioned input sales tax amounting to Rupees 10.086 million.

14.1.18 On 18 September 2023, Deputy Commissioner Inland Revenue (DCIR) passed an order under section 11 of the Sales Tax Act, 1990 for the tax periods July 2017 to June 2018 creating a demand of Rupees 80.602 million on account of various issues under relevant provisions of the Act. Being aggrieved with the order, the Subsidiary Company preferred an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] on 12 October 2023. CIR(A) through its order dated 25 April 2024 granted partial relief to the Subsidiary Company whereas defualt surcharge on various issues was upheld. Being aggrieved with the order of CIR(A), the Subsidiary Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) on 15 May 2024 except for defualt surcharge in respect of short declaration of taxable supplies amounting to Rupees 0.110 million. Subsidiary Company's appeal before ATIR has not been taken up for hearing yet. The management, based on the advice of tax advisor, has strong grounds to believe that the case will be decided in favor of the Subsidiary Company. Therefore, no provision has been made in these consolidated financial statements.

14.1.19 Corporate guarantees of Rupees 2,967.5 million (2023: Rupees 2,967.5 million) have been given by the Holding Company to the banks in respect of financing to Subsidiary Company.

14.1.20 Guarantees of Rupees 123 million (2023: Rupees 123 million) are given by the bank of the Group to Director Excise and Taxation, Karachi against disputed amount of infrastructure cess.

14.1.21 Guarantees of Rupees 66.314 million (2023: Rupees 66 million) are given by the bank of the Group to Chairman, Punjab Revenue Authority, Lahore against disputed amount of infrastructure cess.

14.1.22 Guarantees of Rupees 17.700 million (2023: Rupees 17.700 million) and Rupees 2.25 million (2023: Rupees 2.25 million) are given by the banks of the Group to Total Parco Pakistan Limited and Pakistan State Oil Company Limited respectively against fuel cards obtained by the Group for its employees.

	2024 Rupees	2023 Rupees
14.2 Commitments		
14.2.1 For capital expenditures	34,265,983	46,143,062
14.2.2 Letters of credit other than capital expenditures	366,300,016	493,096,138

15. FIXED ASSETS

Operating fixed assets (Note 14.1)	6,408,880,218	6,309,226,999
Capital work-in-progress (Note 14.2)	163,649,545	130,547,189
	6,572,529,763	6,439,774,188

NOTES TO THE CONSOLIDATED **FINANCIAL STATEMENTS**
For the year ended 30 June 2024

15.1 Reconciliations of carrying amounts of operating fixed assets at the beginning and at the end of the year is as follows:

Description	Freehold land	Buildings on freehold land	Buildings on leasehold land	Plant and machinery	Tanks and pipelines	Dispensing pumps	Electric installation	Furniture and fittings	Moulds	Vehicles	Leasehold improvements	Office equipment	Computers	Total
	Categories													
	Rupees													
At 30 June 2022														
Cost / revalued amount	2,480,649,000	1,154,245,859	218,243,520	1,851,185,922	250,636,205	36,111,951	166,335,052	39,244,926	-	294,497,984	4,463,125	188,769,332	55,076,952	6,739,459,828
Accumulated depreciation	-	(225,718,352)	(107,492,225)	(301,176,743)	(37,525,175)	(3,894,537)	(34,063,193)	(18,805,888)	-	(206,480,226)	(1,159,122)	(56,056,783)	(30,646,002)	(1,023,018,246)
Net book value	2,480,649,000	928,527,507	110,751,295	1,550,009,179	213,111,030	32,217,414	132,271,859	20,439,038	-	88,017,758	3,304,003	132,712,549	24,430,950	5,716,441,582
Year ended 30 June 2022														
Opening net book value	2,480,649,000	928,527,507	110,751,295	1,550,009,179	213,111,030	32,217,414	132,271,859	20,439,038	-	88,017,758	3,304,003	132,712,549	24,430,950	5,716,441,582
Additions	-	120,363,492	42,056,824	286,908,016	3,409,167	20,156,420	45,183,722	1,242,535	12,667,000	51,157,053	-	3,571,830	13,099,363	599,815,422
Revaluation surplus	314,692,250	-	-	-	-	-	-	-	-	-	-	-	-	314,692,250
Transferred from right-of-use assets:														
Cost	-	-	-	-	-	-	-	-	-	3,862,420	-	-	-	3,862,420
Accumulated depreciation	-	-	-	-	-	-	-	-	-	(2,287,712)	-	-	-	(2,287,712)
	-	-	-	-	-	-	-	-	-	1,574,708	-	-	-	1,574,708
Disposals:														
Cost	-	-	-	-	-	-	-	-	-	(60,066,853)	-	-	(1,789,076)	(61,855,929)
Accumulated depreciation	-	-	-	-	-	-	-	-	-	7,515,935	-	-	1,150,395	8,666,330
	-	-	-	-	-	-	-	-	-	(52,550,918)	-	-	(638,681)	(53,189,599)
Depreciation	-	(59,395,963)	(31,875,898)	(95,197,739)	(17,162,522)	(4,922,728)	(16,467,889)	(2,143,200)	(2,271,775)	(17,495,193)	(660,801)	(13,506,673)	(9,006,985)	(270,107,366)
Closing net book value	2,795,341,250	989,495,036	120,932,221	1,741,719,456	199,357,675	47,451,106	160,987,692	19,538,373	10,395,225	70,703,408	2,643,202	122,777,706	27,884,647	6,309,226,997
At 30 June 2023														
Cost / revalued amount	2,795,341,250	1,274,609,351	260,300,344	2,138,093,938	254,045,372	56,268,371	211,518,774	40,487,461	12,667,000	289,450,604	4,463,125	192,341,162	66,387,239	7,595,973,991
Accumulated depreciation	-	(285,114,315)	(139,368,123)	(396,374,482)	(54,687,697)	(8,817,265)	(50,531,082)	(20,949,088)	(2,271,775)	(218,747,196)	(1,819,923)	(69,563,456)	(38,502,592)	(1,286,746,994)
Net book value	2,795,341,250	989,495,036	120,932,221	1,741,719,456	199,357,675	47,451,106	160,987,692	19,538,373	10,395,225	70,703,408	2,643,202	122,777,706	27,884,647	6,309,226,997
Year ended 30 June 2024														
Opening net book value	2,795,341,250	989,495,036	120,932,221	1,741,719,456	199,357,675	47,451,106	160,987,692	19,538,373	10,395,225	70,703,408	2,643,202	122,777,706	27,884,647	6,309,226,997
Additions	-	-	143,874,264	30,535,853	47,146,502	39,978,545	-	1,960,722	42,190,440	8,000,973	-	2,529,407	18,548,380	334,765,086
Revaluation surplus	15,180,500	-	-	-	-	-	-	-	-	-	-	-	-	15,180,500
Transferred from right-of-use assets:														
Cost	-	-	-	-	-	-	-	-	-	126,739,838	-	-	-	126,739,838
Accumulated depreciation	-	-	-	-	-	-	-	-	-	(60,923,491)	-	-	-	(60,923,491)
	-	-	-	-	-	-	-	-	-	65,816,347	-	-	-	65,816,347
Disposals:														
Cost	-	-	(3,834,385)	-	(1,926,050)	-	-	-	-	(17,786,026)	-	-	(7,781,194)	(31,327,655)
Accumulated depreciation	-	-	1,373,735	-	572,638	-	-	-	-	7,637,327	-	-	4,895,799	14,479,499
	-	-	(2,460,650)	-	(1,353,412)	-	-	-	-	(10,148,699)	-	-	(2,885,395)	(16,848,156)
Writen-off:														
Cost	-	(2,503,363)	(7,085,938)	-	-	-	-	-	-	-	-	-	-	(9,589,301)
Accumulated depreciation	-	695,270	2,818,435	-	-	-	-	-	-	-	-	-	-	3,513,705
	-	(1,808,093)	(4,267,503)	-	-	-	-	-	-	-	-	-	-	(6,075,596)
Depreciation	-	(57,816,601)	(37,724,783)	(104,827,427)	(17,451,912)	(6,742,444)	(16,098,769)	(2,092,593)	(9,932,023)	(17,104,095)	(528,640)	(12,394,524)	(10,471,149)	(293,184,960)
Closing net book value	2,810,521,750	929,870,342	220,353,549	1,667,427,882	227,698,853	80,687,207	144,888,923	19,406,502	42,653,642	117,267,934	2,114,562	112,912,589	33,076,483	6,408,880,218
At 30 June 2023														
Cost / revalued amount	2,810,521,750	1,272,105,988	393,254,285	2,168,629,791	299,265,824	96,246,916	211,518,774	42,448,183	54,857,440	406,405,389	4,463,125	194,870,569	77,154,425	8,031,742,459
Accumulated depreciation	-	(342,235,646)	(172,900,736)	(501,201,909)	(71,566,971)	(15,559,709)	(66,629,851)	(23,041,681)	(12,203,798)	(289,137,455)	(2,348,563)	(81,957,980)	(44,077,942)	(1,622,862,241)
Net book value	2,810,521,750	929,870,342	220,353,549	1,667,427,882	227,698,853	80,687,207	144,888,923	19,406,502	42,653,642	117,267,934	2,114,562	112,912,589	33,076,483	6,408,880,218
Annual rate of depreciation (%)		5 - 10	10	5 - 10	8	10	10	10	33	20	20	10	30	

15.1.1 Detail of operating fixed assets exceeding the book value of Rupees 500,000 disposed of during the year is as follows:

Description	Quantity Nos.	Cost	Accumulated depreciation	Net book value	Sale Proceeds	Gain / (loss)	Mode of disposal	Particulars of purchasers
		Rupees						
Vehicles								
Toyota Fortuner - ACC-614	1	9,838,240	4,647,147	5,191,093	9,500,000	4,308,907	Group's policy	Mr. Sohail Hashmi
Proton SAGA - AQU-057	1	4,187,560	69,793	4,117,767	3,600,000	(517,767)	Negotiation	Shabir Ahmad, Lahore
Tanks and Pipelines								
Storage tank	1	1,926,050	572,638	1,353,412	1,483,113	129,701	Negotiation	Lali Son's, Lalian
Building on leasehold land								
Steel Canopy	1	3,067,050	1,102,270	1,964,780	2,153,069	188,289	Negotiation	Lali Son's, Lalian
		19,018,900	6,391,848	12,627,052	16,736,182	4,109,130		
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000		12,308,755	8,087,651	4,221,104	1,895,931	(2,325,173)		
		31,327,655	14,479,499	16,848,156	18,632,113	1,783,957		
Capital work-in-progress:								
Storage tank	1	2,272,778	-	2,272,778	3,417,900	1,145,122	Negotiation	Gasoline CNG, Kasur
		33,600,433	14,479,499	19,120,934	22,050,013	2,929,079		

15.1.2 The depreciation charge on operating fixed assets for the year has been allocated as follows:

	2024	2023
	Rupees	Rupees
Cost of sales (Note 33.1)	131,567,785	111,351,042
Distribution cost (Note 34)	107,868,799	104,919,540
Administrative expenses (Note 35)	53,748,376	53,836,784
	293,184,960	270,107,366

15.1.3 Land and building of the Subsidiary Company amounting to Rupees 752.57 million (2023: Rupees 752.57 million) and plant and machinery of the Subsidiary Company amounting to Rupees 610 million (2023: Rupees 610 million) have been mortgaged in favour of the lender of Holding Company.

15.1.4 Particulars of immovable properties including capital work-in-progress (i.e. land and buildings) are as follows:

Location	Usage of Immovable Property	Total area of land	Covered area of building
		Acres	Square feet
Property No. 35 A/M, Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore	Warehouse	0.69	21,965
Mouza No. 107/9L, Sahiwal	Oil depot	6.70	199,513
Mouza Aza Khel Bala, Nowshera	Oil depot	7.55	9,257
Mouza Ali Murad Kalhoro, Indus Highway, Shikarpur (under construction)	Oil depot	8.50	56,307
I&A Fuel Station - Plot No. 2, Block K, Main Boulevard, Gulberg-II, Lahore (Under Construction)	Company Finance	0.39	1,847
Mouza Aza Khel Payan, Nowshera	Oil depot extension	1.34	-
7-KM, Sundar Raiwind Road, Bhai Kot, Lahore	Warehouse - 1	-	49,658
7-KM, Sundar Raiwind Road, Bhai Kot, Lahore	Warehouse - 2	-	53,348
Oil Boy Filling Station - Mouza Neel Kot, Head Muhammad Wala Road, Multan	Dealer of retail outlet	-	2,818

Location	Usage of Immovable Property	Total area of land	Covered area of buildings
		Acres	Square feet
Punjab Filling Station - Main Satiana Road, Faisalabad	Dealer of retail outlet	-	2,821
Green Fuel CNG - 1-KM, G.T. Road, Lalamusa	Dealer of retail outlet	-	4,981
A.B. Petroleum Filling Station - Tehsil Liaqatpur, Rahim Yar Khan	Dealer of retail outlet	-	3,054
Jillani CNG - Lehtrar Road, Islamabad	Dealer of retail outlet	-	2,650
Dasti Filling Station - Jampur Road, Dera Ghazi Khan	Dealer of retail outlet	-	1,815
Rehman Filling Station - Chistian Road, Hasilpur	Dealer of retail outlet	-	2,525
Al-Fazal Filling Station - Sargodha Road, Jhang	Dealer of retail outlet	-	2,121
Ibrahim Petroleum - Sialkot Road, Gujranwala	Dealer of retail outlet	-	3,185
Karma Wala-1 Filling Station - Shahkot Road, Jaranwala	Dealer of retail outlet	-	2,059
Raja Adeel Filling Station - Arifwala Road, Arifwala	Dealer of retail outlet	-	2,892
Gondal Filling Station - Daska Road, Wazirabad	Dealer of retail outlet	-	1,493
City Filling Station - Hujra Shah Muqeem, Okara	Dealer of retail outlet	-	962
Al-Karam Filling Station - Shamkay Bhattian, Lahore	Dealer of retail outlet	-	6,633
Green City Fuel Station - Hasilpur Road, Bahawalpur	Dealer of retail outlet	-	1,289
Khokhar Fuel Station - Small Industrial Estate, Jinnah Road, Gujranwala	Dealer of retail outlet	-	1,175
Minhas CNG - Multan Road, Lahore	Dealer of retail outlet	-	841
One Stop - Main Ferozepur Road, Lahore	Dealer of retail outlet	-	1,970
S&S - Toba Road, Jhang	Dealer of retail outlet	-	3,310
Al-Yousaf CNG - Khanewal Road, Multan	Dealer of retail outlet	-	1,793
Rana Petroleum - Faisalabad Road, Okara	Dealer of retail outlet	-	2,633
Mudassir Zulfiqar Filling Station - Vehari Road, Multan	Dealer of retail outlet	-	8,084
Shahid & Company - Daska Road, Gujranwala	Dealer of retail outlet	-	6,396
Benzina II Filling Station - Benazir Road, Okara	Dealer of retail outlet	-	4,709
Nambardar Filling Station - Rawalpindi Road, Chakwal	Dealer of retail outlet	-	5,875
Iftikhar Nadeem & Company - Mouza Jhawary, Dhamyal Road, Rawalpindi Cantt.	Dealer of retail outlet	-	5,162
Suntrust CNG - Millat Road, Faisalabad	Dealer of retail outlet	-	4,086
Meezan Filling Station - Jhang Road, Toba Tek Singh	Dealer of retail outlet	-	6,227
M Nawaz Filling Station - Main Darban Road, Kotla Syedan, Dera Ismail Khan	Dealer of retail outlet	-	8,966
Big Khan Filling Station - Hajiabad Malakand University Road, Chakdara	Dealer of retail outlet	-	4,872
Imdad Mir Filling Station - Mouza Ghanda, Nawab Road, Mansehra	Dealer of retail outlet	-	3,368
Bahadur Fuel Station - Mouza Ismail Khani, Bannu	Dealer of retail outlet	-	1,527
Arab Emirat Filling Station - Mouza Bandi, Tehsil Khawaja Khela, Swat	Dealer of retail outlet	-	4,580
Rashid Fuel Station - Mouza Qambar-192, Tehsil Babuzai,Swat	Dealer of retail outlet	-	1,369
Al - Rehman Fuel Station - Mouza Ismail Khani, Bannu	Dealer of retail outlet	-	2,022
Naik Muhammad Fuel Station - Near Bybass Thana, District Malakand	Dealer of retail outlet	-	1,620
Ghuman Brothers - Plot 105, Block K, Gulberg 3, Lahore	Dealer of retail outlet	-	1,667
Khalifa Fuel Station - Jhang Road, Gojra	Dealer of retail outlet	-	2,120
Al-Sheikh Fuel Station - Main G.T Road, Gujrat	Dealer of retail outlet	-	4,030
Moon CNG Filling Station - Mouza Humak, Islamabad	Dealer of retail outlet	-	1,893

Location	Usage of Immovable Property	Total area of land	Covered area of buildings
		Acres	Square feet
Aabroo Petroleum & CNG - Jaranwala - Khurianwala Road, Jaranwala	Dealer of retail outlet	-	4,692
Abbasi & Khan Traders - Gujjar Kohala, Dhirkot	Dealer of retail outlet	-	1,284
Al-Mustafa Fuel Station - Qaziwala Road, Chishtian	Dealer of retail outlet	-	1,981
Shah Sardar Petroleum - Mouza Dham Thor, Murree Road, Abbottabad	Dealer of retail outlet	-	3,301
Shams Petroleum Service - E-35, Hazara Expressway	Dealer of retail outlet	-	1,320
Roshan Fuel Station - Sheikhupura - Sargodha Road	Dealer of retail outlet	-	2,645
Chawinda Fuel Station - Khawaja Sardar Road, Sialkot	Dealer of retail outlet	-	6,876
Jan Muhammad Filling Station - Ekka Ghund, Mohammand	Dealer of retail outlet	-	1,038
Phandu Filling Station/CNG - Phandu Chowk, Umar Road, Peshawar	Dealer of retail outlet	-	3,941
Four Star CNG Filling Station - Mardan Swabi Road, Bughdada	Dealer of retail outlet	-	1,503
Hussain Filling Station - Near Shah Alam Pull, Charsada Road, Peshawar	Dealer of retail outlet	-	3,565
Attock CNG & Filling Station - Iqbal Chowk, Choi East Attock City, Attock	Dealer of retail outlet	-	1,318
Rahat Fuel Station - Saidu Shareef Road, Tehsil Babuzai, Swat	Dealer of retail outlet	-	252
Masha Allah CNG - M.C.S Kamra Road, Attock City, Attock	Dealer of retail outlet	-	2,125
Dharampura, Lahore	HTL Express Centre	-	1,436
Garden Town, Lahore	HTL Express Centre	-	1,789
Block F, Gulshan-e-Ravi, Lahore	HTL Express Centre	-	2,444
Johar Town, Lahore	HTL Express Centre	-	4,500
Gulistan-e-Johar, Karachi	HTL Express Centre	-	3,149
Pakistan Employees Cooperative Housing Society, Karachi	HTL Express Centre	-	2,700
Askari XIV, Sector-A, Rawalpindi	HTL Express Centre	-	881
Subsidiary Company			
7-KM, Sundar Raiwind Road, Bhai Kot, Lahore.	Blending Plant and Plastic Products Manufacturing	22.30	180,839

15.1.5 Cost of fixed assets (including capital work-in-progress) held by dealers of retail outlets and operators of HTL Express Centres of the Group are as follows:

Description	Catagories							
	Buildings on leasehold land	Tanks and pipelines	Dispens-ing pumps	Machinery	Furniture and fittings	Office equipment	Computers	Total
	Rupees							
Oil Boy Filling Station - Mouza Neel Kot, Head Muhammad Wala Road, Multan	3,180,469	1,608,000	1,911,655	-	-	-	-	6,700,124
Punjab Filling Station - Main Satiana Road, Faisalabad	2,898,584	877,100	2,490,793	-	-	-	-	6,266,477
Ittehad Filling Station - Circular Road, Daska	-	877,100	-	-	-	-	-	877,100
Green Fuel CNG - 1 - KM G.T. Road, Lalamusa	2,725,893	1,132,550	-	-	-	-	-	3,858,443
A.B. Petroleum Filling Station - Tehsil Liaqatpur, Rahim Yar Khan	4,623,288	1,480,589	1,958,750	-	-	-	-	8,062,627
Jillani CNG - Lehtrar Road, Islamabad	7,147,011	1,386,830	842,830	-	-	-	-	9,376,671
Dasti Filling Station - Jampur Road, Dera Ghazi Khan	1,919,332	808,290	2,754,484	-	-	-	-	5,482,106
Rehman Filling Station - Chistian Road, Hasilpur	2,013,421	-	-	-	-	-	-	2,013,421
Al-Fazal Filling Station - Sargodha Road, Jhang	3,163,859	-	2,227,102	-	-	-	-	5,390,961
Ibrahim Petroleum - Sialkot Road, Gujranwala	1,962,962	-	-	-	-	-	-	1,962,962
Karma Wala-1 Filling Station - Shahkot Road, Jaranwala	2,532,005	-	-	-	-	-	-	2,532,005
Raja Adeel Filling Station - Arifwala Road, Arifwala	1,853,000	-	-	-	-	-	-	1,853,000
Gondal Filling Station - Daska Road, Wazirabad	2,204,744	-	1,421,968	-	-	-	-	3,626,712
City Filling Station - Hujra Shah Muqeem, Okara	1,504,906	-	-	-	-	-	-	1,504,906
Al-Karam Filling Station - Shamkay Bhattian, Lahore	3,556,882	-	3,244,171	-	-	-	-	6,801,053
Green City Fuel Station - Hasilpur Road, Bahawalpur	9,954,398	1,377,706	1,911,655	-	-	-	-	13,243,759
Khokhar Fuel Station - Small Industrial Estate, Jinnah Road, Gujranwala	2,101,400	1,377,706	3,212,099	-	-	-	-	6,691,205
Minhas CNG - Multan Road, Lahore	4,749,486	-	1,421,968	-	-	-	-	6,171,454
One Stop - Main Ferozepur Road, Lahore	17,757,318	2,102,230	2,482,580	-	-	-	-	22,342,128
S&S - Toba Road, Jhang	2,549,650	-	-	-	-	-	-	2,549,650
Al-Yousaf CNG - Khanewal Road, Multan	1,651,843	578,690	1,558,512	-	-	-	-	3,789,045
Rana Petroleum - Faisalabad Road, Okara	2,439,500	-	-	-	-	-	-	2,439,500
Mudassir Zulfiqar Filling Station - Vehari Road, Multan	2,176,375	-	-	-	-	-	-	2,176,375
Shahid & Company - Daska Road, Gujranwala	1,828,249	-	4,722,091	-	-	-	-	6,550,340
Benzina II Filling Station - Benazir Road, Okara	2,318,142	3,037,269	8,036,682	-	-	-	-	13,392,093
Nambardar Filling Station - Rawalpindi Road, Chakwal	926,830	-	-	-	-	-	-	926,830
Iftikhar Nadeem & Company - Mouza Jhawary, Dhamyal Road, Rawalpindi Cantt.	1,571,303	2,763,529	4,477,015	-	-	-	-	8,811,847
Suntrust CNG - Millat Road, Faisalabad	40,743,349	3,409,167	4,937,988	-	-	-	-	49,090,504
Meezan Filling Station - Jhang Road, Toba Tek Singh	1,313,475	-	-	-	-	-	-	1,313,475
"M Nawaz Filling Station - Main Darban Road, Mouza Kotla Sayedan, Dera Ismail Khan"	3,274,200	1,269,700	2,452,163	-	-	-	-	6,996,063
Big Khan Filling Station - Hajiabad University Road, Chakdara	7,169,410	2,481,646	1,862,255	-	-	-	-	11,513,311
Imdad Mir Filling Station - Mouza Ghanda, Nawab Road, Mansehra	13,361,573	1,469,223	1,334,850	-	-	-	-	16,165,646
Toru Fuel Station - Mardan Road , Nowshera (under construction)	-	2,859,022	-	-	-	-	-	2,859,022
Abro Petroleun & CNG - Jaranwala-Kurdiawala Road, Jaranwala	2,989,711	3,551,259	1,172,755	-	-	-	-	7,713,725
Khalifa Filling Station - Jhang Road, Gojra	3,164,915	4,406,779	1,435,500	-	-	-	-	9,007,194
Al-Sheikh Filling Station - Main G.T Road, Gujrat	11,563,910	4,429,207	1,708,511	-	-	-	-	17,701,628
Moon CNG Filling Station - Mouza Humak, Islamabad	3,014,908	3,551,259	2,272,869	-	-	-	-	8,839,036
Abbasi & Khan Traders - Gujjar Kohala, Dhirkot	2,621,313	3,445,266	1,435,500	-	-	-	-	7,502,079
Ghuman Brothers - Plot 105, Block K, Gulberg III, Lahore	2,733,451	3,203,581	2,762,556	-	-	-	-	8,699,588
Attock CNG & Filling Station - Iqbal Chowk, Choi East Attock City, Attock	1,843,506	3,342,818	1,283,255	-	-	-	-	6,469,579
Shah Sardar Petroleum - Mouza Dham Thor, Murree Road, Abbottabad	10,388,121	6,812,887	4,212,608	-	-	-	-	21,413,616
Bahadur Filling Station - Mouza Ismail Khani, Bannu	2,887,200	-	1,222,256	-	-	-	-	4,109,456
Rahat Fuel Station - Saidu Shareef Road, Tehsil Babuzai, Swat	2,465,200	-	1,649,362	-	-	-	-	4,114,562
Arab Emirates Filling Station - Mouza Bandi, Tehsil Khawaja Khela, Swat	2,910,500	-	-	-	-	-	-	2,910,500
Rashid Filling Station - Mouza Qambar-192, Tehsil Babuzai, Swat	2,839,100	-	1,779,800	-	-	-	-	4,618,900
Al - Rehman Filling Station - Mouza Ismail Khani, Bannu	2,825,950	-	-	-	-	-	-	2,825,950
Naik Muhammad Filling Station - Near Bybass Thana, District Malakand	2,683,374	-	-	-	-	-	-	2,683,374
AL - Mustafa Filling Station - Qaziwala Road Chishtian	2,236,124	-	-	-	-	-	-	2,236,124
Shams Petroleum Service - E - 35, Hazara Expressway	2,609,871	-	1,514,000	-	-	-	-	4,123,871
Roshan Filling Station - Sheikhupura - Sargodha Road	7,617,792	-	1,330,012	-	-	-	-	8,947,804
Chawinda Filling Station - Khawaja Sardar Road, Sialkot	15,121,957	5,729,531	8,027,707	-	-	-	-	28,879,195
Jan Muhammad Filling Station - Ekka Ghund, Mohammand	2,205,230	-	-	-	-	-	-	2,205,230
Phandu Filling Station / CNG - Phandu Chowk, Umar Road, Peshawar	2,244,646	-	-	-	-	-	-	2,244,646
Four Star CNG Filling Station - Mardan Swabi Road, Bughdada	1,857,799	-	-	-	-	-	-	1,857,799

Description	Buildings on leasehold land	Tanks and pipelines	Dispens-ing pumps	Machinery	Furniture and fittings	Office equipment	Computers	Total
	Catagories							
	Rupees							
Hussain Filling Station - Near Shah Alam Pull, Charsada Road, Peshawar	3,196,519	-	-	-	-	-	-	3,196,519
Masha Allah CNG - M.C.S Kamra Road, Attock City, Attock	2,071,234	3,453,346	2,032,898	-	-	-	-	7,557,478
HTL Express Centre - Dharampura, Lahore	27,571,142	-	-	3,197,442	145,431	478,583	-	31,392,598
HTL Express Centre - Garden Town, Lahore	7,442,541	-	-	2,471,843	56,796	1,741,346	-	11,712,526
HTL Express Centre - Block F, Gulshan-e-Ravi, Lahore	16,220,083	-	-	5,308,603	56,796	2,602,702	14,040	24,202,224
HTL Express Centre - Johar Town, Lahore	16,713,760	-	-	7,727,402	153,621	-	24,000	24,618,783
HTL Express Centre - DHA, Karachi (Discontinued)	-	-	-	4,019,037	669,727	97,044	-	4,785,808
HTL Express Centre - Gulistan-E-Johar, Karachi	11,978,196	-	-	6,117,945	1,115,829	811,290	-	20,023,260
HTL Express Centre - Pakistan Employees Cooperative Housing Society, Karachi	20,357,427	-	-	1,524,751	126,500	841,438	-	22,850,116
HTL Express Centre - Askari XIV, Sector-A, Rawalpindi	9,133,147	-	-	4,419,000	854,206	2,808,753	-	17,215,106
	360,681,484	72,822,280	89,101,200	34,786,023	3,178,906	9,381,156	38,040	569,989,089

The above assets are not in possession of the Group as these have been provided to dealers of retail outlets and operators of HTL Express Centres to facilitate them to promote and sell Group's products.

15.1.6 This includes apartment amounting to Rupees 25.976 million in Grand Hayatt (the "Project") at 1-Constitution Avenue, Islamabad. On 29 July 2016, Capital Development Authority (CDA) cancelled the leased deed of BNP (Private) Limited on the grounds of violating the terms and conditions of the said lease and sealed the Project. Against the alleged order, BNP (Private) Limited filed a writ petition before the Honorable Islamabad High Court ("IHC") challenging the cancellation of said lease. IHC dismissed the writ petition of BNP (Private) Limited. However, the honorable judge of IHC ruled that it is a duty of the Federal Government to ensure that the purchasers do not suffer due to Government's own wrongful actions and omissions, particularly when the regulatory failure of the CDA stands admitted. The Holding Company and others filed appeals against the aforesaid judgment of IHC before Honorable Supreme Court of Pakistan. On 09 January 2019, Honorable Supreme Court of Pakistan has passed order whereby the Court has ordered BNP (Private) Limited to pay Rupees 17.5 billion in eight years to CDA to revive the original lease together with all approvals and permissions already granted. The Court has further ordered that BNP (Private) Limited shall complete the entire project within a reasonable time. CDA and BNP (Private) Limited have filed review petitions against the order of the Supreme Court of Pakistan which are still pending for review. Supreme Court of Pakistan referred the matter to the Public Accounts Committee (PAC) and asked them to submit its recommendation on the subject matter. During the year ended 30 June 2021, PAC endorsed the amount of Rupees 17.5 billion to be paid to CDA in six years for the revival of lease and de-sealing of the Project in accordance with the settlement held between CDA and BNP (Private) Limited. On 06 January 2021, on the directives of PAC and payment of first installment of settlement amount by BNP (Private) Limited, CDA de-sealed the Project. Pursuant to the settlement of the matter as stated above and de-sealing of the Project, BNP (Private) Limited and the Holding Company started negotiations to finalize the terms and conditions of "Undertaking and Indemnity Agreement" to take the possession of the apartment. However, in March 2023, CDA has cancelled the lease deed of BNP (Private) Limited once again due to non-payment of due installment of settlement amount of Rupees 17.5 billion and taken the possession of the Project. BNP (Private) Limited filed petition before IHC against the cancellation of lease deed by CDA who decided the case against BNP (Private) Limited. Subsequently, BNP (Private) Limited filed petition before Supreme Court of Pakistan who also dismissed the petition and upheld the decisions of the Apex courts. On 15 April 2024, CDA handed over the possession of the apartment to the Holding Company. However, BNP (Private) Limited has again started litigation against CDA in IHC.

		2024 Rupees	2023 Rupees
15.2	**Capital work-in-progress**		
	Civil works	116,438,207	44,199,846
	Tanks and pipelines	31,224,679	50,594,702
	Dispensing pumps	15,986,659	8,681,790
	Advance for purchase of apartment	-	25,976,750
	Mobilization advance	-	1,094,101
		163,649,545	130,547,189

15.2.1 Movement in capital work in progress is as follows:

	Categories					
	Civil works	**Dispensing pumps**	**Advance against purchase of apartment**	**Tanks and pipelines**	**Mobilization advances**	**Total**
At 30 June 2022	83,539,912	20,799,838	20,752,020	25,976,750	5,281,323	243,229,159
Add: Additions during the year	123,080,250	33,204,031	2,770,000	-	-	407,234,852
Add: Transferred from inventory during the year	-	-	5,316,190	-	-	5,316,190
Less: Mobilization advances adjusted during the year	-	-	-	-	4,187,222	4,187,222
Less: Transferred to operating fixed assets during the year	162,420,316	3,409,167	20,156,420	-	-	521,045,790
At 30 June 2023	44,199,846	50,594,702	8,681,790	25,976,750	1,094,101	130,547,189
Add: Additions during the year	190,135,875	30,049,257	27,917,503	-	-	248,102,635
Add / (less): Adjustments made during the year	-	(2,272,778)	(4,107,256)	-	-	(6,380,034)
Add: Transferred from inventory during the year	-	-	23,473,167	-	-	23,473,167
Less: Mobilization advances written off during the year	-	-	-	-	1,094,101	1,094,101
Less: Transferred to operating fixed assets during the year	117,897,514	47,146,502	39,978,545	25,976,750	-	230,999,311
At 30 June 2024	116,438,207	31,224,679	15,986,659	-	-	163,649,545

16 . RIGHT-OF-USE ASSETS

	Land	Buildings	Vehicles	Total
		Rupees		
At 30 June 2022	353,457,871	46,625,762	190,898,405	590,982,038
Add: Additions during the year	18,557,113	45,328,092	77,658,685	141,543,890
Less: Impact of lease modification	(1,845,647)	69,122,276	-	67,276,629
Less: Impact of lease termination	25,059,314	-	-	25,059,314
Less: Book value of assets transferred to operating fixed assets - during the year	-	-	1,574,708	1,574,708
Less: Depreciation expense for the year (Note 16.2)	58,939,232	34,768,030	43,679,242	137,386,504
At 30 June 2023	286,170,791	126,308,100	223,303,140	635,782,030
Add: Additions during the year	146,309,901	16,648,969	-	162,958,870
Add: Impact of lease modifications	2,486,841	7,880,302	-	10,367,143
Less: Impact of lease termination	10,991,411	(11,036,521)	-	(45,110)
Less: Book value of assets transferred to operating fixed assets - during the year	-	-	65,816,347	65,816,347
Less: Depreciation expense for the year (Note 16.2)	57,250,181	49,091,992	40,511,283	146,853,456
At 30 June 2024	366,725,941	112,781,900	116,975,510	596,393,130

Lease of land

The Holding Company obtained land on lease for its service centers, filling stations and storage warehouses. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Lease periods range from five to twenty five years.

Lease of buildings

The Holding Company obtained buildings on lease for its offices. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Lease periods range from two to five years.

Lease of vehicles

The Group obtained vehicles on lease for employees and director of the Holding Company. The average contract duration is three years.

16.1 There is no impairment against right-of-use assets.

	2024 Rupees	2023 Rupees
16.2 Depreciation charge for the year has been allocated as follows:		
Distribution cost (Note 34)	138,361,618	125,856,800
Administrative expenses (Note 35)	8,491,838	11,529,704
	146,853,456	137,386,504

		2024 Rupees	2023 Rupees
17.	**INTANGIBLE ASSETS - Computer softwares**		
	Opening net book value	20,260,771	21,760,517
	Add: Cost of additions during the year	-	8,700,000
	Less: Written off during the year		
	Cost	(262,830)	-
	Accumulated amortization	236,547	-
		(26,283)	-
	Less: Amortization charged during the year (Note 33)	10,581,097	10,199,746
	Closing net book value	9,653,391	20,260,771
17.1	Cost as at 30 June	74,722,910	74,985,740
	Accumulated amortization	(65,069,519)	(54,724,969)
	Net book value as at 30 June	9,653,391	20,260,771

17.2 Intangible assets - computer softwares have been amortized at the rate of 30% (2023: 30%) per annum.

17.3 Intangible assets costing Rupees 41.26 million (2023: Rupees 31.637 million) are fully amortized and are still in use of the Group.

		2024 Rupees	2023 Rupees
18.	**INVESTEMENT PROPERTY**		
18.1	**Land - at fair value**		
	Opening book value	135,000,000	130,000,000
	Add: Fair value gain (Note 37)	-	5,000,000
	Less: Reclassified to non-current asset held for sale (Note 31)	(135,000,000)	-
	Closing book value	-	135,000,000

18.2 The fair value of investment property was determined by an independent valuer M/s Anderson Consulting (Private) Limited as at 30 June 2023. Forced sale value of investment property as at 30 June 2023 was Rupees 114.750 million.

18.3 Particulars of investment property (i.e. land) were as follows:

Description and address	Area of land
	Kanals
Land - 22 - A, Zafar Ali Road, Lahore	1.25

		2024 Rupees	2023 Rupees
19.	**LONG TERM SECURITY DEPOSITS**		
	Security deposits against leased assets	44,615,139	67,401,559
	Security deposits - other	18,960,950	18,933,950
		63,576,089	86,335,509
	Less: Current portion shown under current assets (Note 25)	20,262,720	22,635,061
		43,313,369	63,700,448

		2024 Rupees	2023 Rupees
20	**LONG TERM LOANS TO EMPLOYEES**		
	Considered good:		-
	Loans to employees - interest free and unsecured	2,985,102	3,919,266
	Less: Current portion shown under current assets (Note 24)	934,166	934,166
		2,050,936	2,985,100

20.1 These represent interest free and unsecured loans given to employees of Holding Company, receivable in maximum 60 monthly instalments in accordance with the Holding Company's policy. Fair value adjustment in accordance with the requirements of IFRS 9 'Financial Instruments' arising in respect of staff loans is not considered material and hence not recognized.

		2024 Rupees	2023 Rupees
21.	**STORES**		
	Stores	78,320,245	132,181,836
	Less: Provision for slow moving and obsolete store items (Note 21.1)	6,771,348	3,012,462
		71,548,897	129,169,374
21.1	**Provision for slow moving and obsolete store items:**		
	Opening balance	3,012,462	3,512,160
	Add: Provision made during the year (Note 36)	5,161,751	-
	Less: Reversal of provision during the year (Note 37)	1,402,865	499,698
	Closing balance	6,771,348	3,012,462
22	**STOCK-IN-TRADE**		
	Raw materials (Note 22.1)	1,012,548,704	1,650,353,383
	Work-in-process	77,857,504	94,122,182
		1,090,406,208	1,744,475,565
	Lubricants and parts (Note 22.2 and Note 22.3)	795,841,776	656,437,964
	Less: Provision for slow moving and damaged stock items (Note 22.4)	42,324,111	27,984,479
		753,517,665	628,453,485
	Petroleum products		
	- Stock in hand (Note 22.5)	316,614,901	139,978,203
	- Stock in pipeline system (Note 22.6)	1,045,532,295	638,125,434
		1,362,147,196	778,103,637
	Dispensing pumps and other installations (Note 22.7)	33,925,444	59,701,394
		3,239,996,513	3,210,734,081

22.1 These includes raw materials in transit amounting to Rupees 452.011 million (2023: Rupees 121.813 million) and raw materials amounting to Rupees 17.259 million (2023: Rupees 1,119.587 million) lying at customs bonded warehouse.

22.2 This includes stock amounting to Rupees 118.898 million (2023: Rupees 70.612 million) lying at customs bonded warehouse.

22.3 Finished goods amounting to Rupees 65.177 million (2023: Rupees 13.099 million) are being carried at net realizable value and the aggregate amount of write-down of inventories to net realizable value recognised as an expense during the year is Rupees 4.303 million (2023: Rupees 0.535 million).

		2024 Rupees	2023 Rupees
22.4	**Provision for slow moving and damaged stock items**		
	Opening balance	27,984,479	15,021,325
	Add: Provision recognized during the year (Note 36)	17,557,550	12,963,154
	Less: Written off against provision during the year	3,217,918	-
		14,339,632	12,963,154
	Closing balance	42,324,111	27,984,479

22.5 This includes stock of petroleum products in possession of third parties as follows:

	2024 Rupees	2023 Rupees
Askar Oil Services (Private) Limited	2,395,911	2,425,987
Be Energy Limited	23,153,653	36,668,049
Al-Rahim Trading Company (Private) Limited	-	459,393
Gas and Oil Pakistan Limited	4,888,641	3,410,459
Karachi Hydrocorban Terminal Limited	257,496,950	4,756,350
Z.Y. & Co. Bulk Terminals (Private) Limited	2,955,252	-
	290,890,407	47,720,238

22.6 This represents the Holding Company's share of pipeline stock of High Speed Diesel and Petroleum Motor Gasoline amounting to Rupees 355.458 million (2023: Rupees 469.131 million) and Rupees 687.248 million (2023: Rupees 168.995 million) respectively held by Pak-Arab Pipeline Company Limited.

22.7 These dispensing pumps and other installations have been purchased by the Holding Company for resale to service and filling station dealers as part of OMC operations.

		2024 Rupees	2023 Rupees
23.	**TRADE DEBTS**		
	Unsecured:		
	Others - considered good	1,119,695,397	269,552,385
	Less: Allowance for expected credit losses (Note 23.2)	18,259,853	35,583,191
		1,101,435,544	233,969,194

23.1 As at the reporting date, trade debts of Rupees 199.378 million (2023: Rupees 103.351 million) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The ageing analysis of trade debts is as follows:

	2024 Rupees	2023 Rupees
Neither past due nor impaired	920,316,607	166,201,439
Past due but not impaired		
1 to 6 months	178,831,728	68,941,107
6 months to 1 year	18,267,422	34,409,839
More than 1 year	2,279,640	-
	199,378,790	103,350,946
	1,119,695,397	269,552,385

		2024 Rupees	2023 Rupees
23.2	**Allowance for expected credit losses**		
	Opening balance	35,583,191	34,976,606
	Add: Recognized during the year (Note 36)	7,524,293	606,585
	Less: Written off during the year	24,847,631	-
	Closing balance	18,259,853	35,583,191

24. LOANS AND ADVANCES

	Considered good, unsecured		
	Loans to employees - interest free against salaries		
	- Executives	13,614,340	8,623,129
	- Other employees	7,767,276	3,793,641
		21,381,616	12,416,770
	Current portion of long term loans to employees (Note 20)	934,166	934,166
	Advances to employees against expenses	2,691,708	3,363,189
	Advances to suppliers (Note 24.1)	284,920,830	197,896,120
	Advances against letter of credits	499,788	1,056,362
	Margin against letter of credits	38,229,000	87,677,942
	Margin against bank guarantees	38,750,000	38,750,000
		387,407,108	342,094,549
24.1	**Advances to suppliers**		
	Unsecured:		
	Considered good	284,920,830	197,896,120
	Considered doubtful	3,149,327	2,735,072
		288,070,157	200,631,192
	Less : Provision for doubtful advances to suppliers (Note 24.1.1)	3,149,327	2,735,072
		284,920,830	197,896,120
24.1.1	**Provision for doubtful advances to suppliers**		
	Opening balance	2,735,072	4,735,725
	Add: Provision recognized during the year (Note 36)	414,255	-
	Less: Reversal of provision during the year (Note 35)	-	1,250,720
	Less: Advances to suppliers written off against provision	-	749,933
	Closing balance	3,149,327	2,735,072

25. SHORT TERM DEPOSITS AND PREPAYMENTS

	Current portion of long term security deposits (Note 19)	20,262,720	22,635,061
	Short term security deposits	7,637,880	2,449,880
	Prepaid expenses	827,406	827,406
	Prepaid insurance	9,199,956	8,061,250
	Prepaid rent	3,441,138	6,406,350
		41,369,100	40,379,947

26. OTHER RECEIVABLES

	Receivable from MAS Associates (Private) Limited - associated company (Note 26.1)	347,497	444,154
	Receivable from SK Enmove Co., Ltd. - (Note 26.2)	69,585,301	-
	Sales tax receivable	210,367,052	192,923,266
	Inland freight equalization margin	27,171,584	16,760,468
	Others	3,570,611	3,661,085
		311,042,045	213,788,973

26.1 It is neither past due nor impaired. The maximum aggregate amount receivable from associated company at the end of any month during the year was Rupees 0.672 million (2023: Rupees 0.754 million).

26.2 This represents promotional incentive receivable from SK Enmove Co., Ltd. - principal supplier and long term partner. The maximum aggregate amount receivable from SK Enmove Co., Ltd. - principal supplier and long term partner at the end of any month during the year was Rupees 177.597 million (2023: Rupees 181.400 million).

	2024 Rupees	2023 Rupees
27. ADVANCE INCOME TAX - NET OF PROVISION FOR TAXATION		
Advance income tax	383,666,552	288,531,629
Provision for taxation	-	-
	383,666,552	288,531,629
Prepaid levy - net		
Prepaid levy	6,376,763	5,390,534
Less: Levy	(128,674,168)	(83,537,154)
	(122,297,405)	(78,146,620)
	261,369,147	210,385,009

27.1 The Group has opted for group taxation as one fiscal unit under section 59AA of the Income Tax Ordinance, 2001.

	2024 Rupees	2023 Rupees
28. ACCRUED INTEREST		
On bank deposits	186,102	9,013
On term deposit receipt	-	7,023,972
	186,102	7,032,985

	2024 Rupees	2023 Rupees

29. SHORT TERM INVESTMENTS

29.1 Equity instruments

Fair value through profit or loss		
Quoted - other than related party:		
Engro Fertilizer Limited		
49,500 (2023: 49,500) fully paid ordinary shares of Rupees 10 each	4,085,235	4,387,680
First Habib Cash Fund		
2,068,832.1513 (2023: 2,125,858.6099) units	209,515,390	214,608,551
NBP Islamic Daily Dividend Fund		
55,802.3031 (2023: 37,955.7549) units	558,023	379,557
UBL Liquidity Plus Fund - Class 'C'		
23,901.8786 (2023: 20,187.0219) units	2,418,565	2,045,041
MCB Cash Management Optimizer		
5,176.0518 (2023: 4,378.7994) units	525,355	443,593
Meezan Rozana Amdani Fund		
8,045.0943 (2023: 6,812.5239) units	402,255	340,625
	217,504,823	222,205,047
Unrealized gain on remeasurement of investments at fair value through profit or loss - net	5,212,238	377,899
	222,717,061	222,582,946

29.1.1 The fair value of listed securities is based on quoted market prices on Pakistan Stock Exchange (PSX) at reporting date. The fair values of funds are based on the Net Asset Value (NAV) being the current bid price at reporting date as quoted by the respective Asset Management Company.

	2024 Rupees	2023 Rupees

30. CASH AND BANK BALANCES

Cash in hand	1,247,985	2,000,551
Cash at banks:		
- Saving accounts (Note 30.1)	48,549,022	7,873,895
- Current accounts	361,515,438	70,203,118
	410,064,460	78,077,013
Term deposit receipt (Note 30.3)	-	175,000,000
	411,312,445	255,077,564

30.1 Saving accounts carry profit at the rate of 20.5% (2023: 12.25% to 21.80%) per annum.

30.2 Bank balances (including term deposit receipt) of Rupees 3.627 million (2023: Rupees 177.401 million) and short term investments of Rupees 214.489 million (2023: Rupees 218.497 million) represents un-utilized proceeds of the initial public offer of Holding Company.

30.3 As at the reporting date, term deposit receipt of Rupees Nil (2023: Rupess 175 million) was having maturity of three months. Effective rate of interest on term deposit receipt during the year ranges from 19.45% to 21.15% (2023: 10.93% to 19.50%) per annum.

31. NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE

On 27 October 2023, shareholders of the Holding Company accorded approval to sell investment property (land) measuring 01 kanal and 05 marlas situated at 22-A, Zafar Ali Road, Lahore. The management of the Holding Company anticipates that disposal will be completed subsequent to the reporting period. Fair value less costs to sell is expected to be higher than the carrying amount of the related asset.

		2024 Rupees	2023 Rupees
32.	**GROSS REVENUE FROM CONTRACTS WITH CUSTOMERS**		
	Lubricants	10,345,759,999	9,153,605,779
	Petroleum products	16,259,445,090	8,212,223,924
	Polymer	462,117,790	215,636,116
	Others (Note 32.1)	46,881,222	35,233,764
		27,114,204,101	17,616,699,583
32.1	**Others**		
	Dispensing pumps	8,112,354	3,629,355
	Franchise and joining fee	38,768,868	31,604,409
		46,881,222	35,233,764

32.2 Revenue is recognised at point in time as per the terms and conditions of underlying contracts with customers.

32.3 The amount of Rupees 55.442 million included in contract liabilities (Note 10) at 30 June 2023 has been recognised as revenue during the year ended 30 June 2024.

		2024 Rupees	2023 Rupees
33.	**COST OF SALES**		
	Cost of sales - lubricants and other items (Note 33.1)	6,093,085,712	5,225,211,883
	Cost of sales - petroleum products (Note 33.2)	15,859,640,380	7,958,481,826
		21,952,726,092	13,183,693,709
33.1	**Cost of sales - lubricants and other items**		
	Raw materials consumed (Note 33.1.1)	4,824,916,404	3,616,609,767
	Packing materials consumed	155,639,323	100,154,900
	Salaries and other benefits (Note 33.1.2)	156,105,879	140,811,349
	Fuel and power	76,655,206	40,425,735
	Repair and maintenance	29,664,497	46,879,415
	Insurance	11,129,786	9,305,060
	Security charges	8,254,560	8,250,409
	Telephone	208,649	308,620
	Depreciation on operating fixed assets (Note 15.1.2)	131,567,785	111,351,042
	Miscellaneous	37,953,974	25,598,087
		5,432,096,063	4,099,694,384

	2024 Rupees	2023 Rupees
Work-in-process		
Opening stock	94,122,182	49,019,068
Closing stock	(77,857,504)	(94,122,182)
	16,264,678	(45,103,114)
Cost of goods manufactured	5,448,360,741	4,054,591,270
Finished goods		
Opening stock	716,139,358	1,417,256,776
Add: Lubricants and other items purchased for resale	758,352,833	469,503,195
Closing stock	(829,767,220)	(716,139,358)
	644,724,971	1,170,620,613
	6,093,085,712	5,225,211,883
33.1.1 Raw materials consumed		
Opening stock	1,650,353,383	1,170,447,477
Add: Purchased during the year	4,187,111,725	4,096,515,673
	5,837,465,108	5,266,963,150
Less: Closing stock	1,012,548,704	1,650,353,383
	4,824,916,404	3,616,609,767

33.1.2 Salaries, wages and other benefits include provident fund contribution of Rupees 5.001 million (2023: Rupees 3.995 million) by the Group.

	2024 Rupees	2023 Rupees
33.2 Cost of sales - petroleum products		
Opening stock of petroleum products	778,103,637	1,319,558,797
Petroleum products purchased during the year	12,482,859,347	6,127,519,591
Petroleum development levy	3,672,736,684	1,226,148,575
Inland freight equalization margin	288,087,908	63,358,500
	16,443,683,939	7,417,026,666
Closing stock of petroleum products	1,362,147,196	778,103,637
	15,859,640,380	7,958,481,826

	2024 Rupees	2023 Rupees
34. DISTRIBUTION COST		
Salaries and other benefits (Note 34.1)	422,598,281	499,141,943
Sales promotion and advertisements - net (Note 34.2)	35,695,242	13,880,511
Freight outward	51,954,235	37,689,754
Rent, rates and taxes	6,646,869	3,555,668
Travelling and conveyance	53,454,963	65,328,659
Insurance	29,251,839	23,965,207
Utilities	25,903,867	18,399,959
Repair and maintenance	30,855,357	20,400,104
Vehicles' running and maintenance	69,568,541	67,815,577
Communication	12,324,137	9,620,312
Entertainment	12,831,481	12,122,167
Depreciation on fixed assets (Note 15.1.2)	107,868,799	104,919,540
Depreciation on right-of-use assets (Note 16.2)	138,361,618	125,856,800
Hospitality charges	12,307,730	8,607,862
Printing and stationery	1,080,301	1,642,903
Miscellaneous	24,634,870	33,834,870
Royalty (Note 34.3 and 34.4)	40,324,742	28,238,910
	1,075,662,872	1,075,020,746

34.1 Salaries other benefits include provident fund contribution of Rupees 16.141 million (2023: Rupees 13.240 million) by the Group.

34.2 These are net off incentives in the shape of reimbursement against sales promotion expenses and advertisements amounting to Rupees 62.416 million (2023: Rupees 181.400 million) from SK Enmove Co., Ltd. - principal supplier and long term partner.

34.3 Particulars of royalty are as follows:

Name	Address	Relationship with the Group or directors	2024 Rupees	2023 Rupees
SK Enmove Co., Ltd. (Formerly SK Lubricants Co., Ltd.)	26, Jong-ro, Jongno-gu, Seoul 03188, Republic of Korea	Principal supplier and long term partner	40,324,742	28,238,910

34.4 Royalty expense relates to sale of certain products of Rupees 1,317.993 million (2023: Rupees 707.160 million) manufactured during the year by the Subsidiary Company under the “Brand License Agreement” with SK Enmove Co., Ltd. - principal supplier and long term partner.

	2024 Rupees	2023 Rupees
35. ADMINISTRATIVE EXPENSES		
Salaries, wages and other benefits (Note 35.1)	570,567,724	552,250,110
Consultancy charges	10,197,886	10,680,121
Rent, rates and taxes	4,053,040	2,184,731
Travelling and conveyance	52,256,339	61,872,459
Insurance	28,810,921	21,031,550
Vehicles' running and maintenance	43,823,917	37,404,502
Utilities	13,548,780	9,768,100
Repair and maintenance	7,526,372	9,602,290
Fee and subscription	27,116,053	21,929,524
Printing and stationery	1,444,209	2,115,132
Communication	9,526,548	6,001,728
Entertainment	33,945,321	35,161,252
Legal and professional	31,322,119	38,596,440
Auditor's remuneration (Note 35.2)	7,815,862	6,660,556
Depreciation on operating fixed assets (Note 15.1.2)	53,748,376	53,836,784
Depreciation on right-of-use assets (Note 16.2)	8,491,838	11,529,704
Amortization on intangible assets (Note 17)	10,581,097	10,199,746
Miscellaneous	9,483,947	9,212,925
	924,260,349	900,037,654

35.1 Salaries and other benefits include provident fund contribution of Rupees 15.900 million (2023: Rupees 13.240 million) by the Group.

	2024 Rupees	2023 Rupees
35.2 Auditor's remuneration		
Annual audit fee	4,270,732	3,593,680
Certifications	1,507,930	1,311,032
Half year review	1,453,200	1,263,654
Reimbursable expenses	584,000	492,190
	7,815,862	6,660,556

		2024 Rupees	2023 Rupees
36.	**OTHER EXPENSES**		
	Allowance for expected credit losses (Note 23.2)	7,524,293	606,585
	Exchange loss - net	-	189,224,984
	Sales tax receivable written off	6,453,593	-
	Charities and donations (Note 36.1)	19,038,480	22,737,093
	Intangible assets written off (Note 17)	26,283	-
	Long term security deposit written off	-	325,000
	Advances to suppliers written off (Note 24.1)	8,814,444	-
	Fixed assets written off	6,075,596	-
	Mobilzation advances written off	1,094,101	-
	Loan to employees written off	84,068	-
	Workers' profit participation fund (Note 10.4)	18,604,049	-
	Workers' welfare fund (Note 10.5)	6,354,715	465,216
	Provision for doubtful advances to suppliers (Note 24.1.1)	414,255	-
	Provision for slow moving and obsolete store items (Note 21.1)	5,161,751	-
	Provision for slow moving and damaged stock items (Note 22.4)	17,557,550	12,963,154
	Penalty	1,881,892	4,237,757
	Miscellaneous	47,586	60,138
		99,132,656	230,619,927

36.1 These include amount of Rupees 18 million (2023: Rupees 18 million) paid to Sabra Hamida Trust, 1-A, Danepur Road, GOR-1, Lahore, in which Mr. Hassan Tahir - Chief Executive, Mr. Shaukat Hassan - Director, Mr. Tahir Azam - deceased Director and Mr. Ali Hassan - Director of the Holding Company are trustees.

	2024 Rupees	2023 Rupees
37. OTHER INCOME		
Income from financial assets:		
Dividend income	42,511,752	35,936,899
Profit on bank deposits and short term investments	28,273,889	29,275,783
Gain on disposal of short term investment	338,810	338,180
Unrealized gain on remeasurement of investment at fair value through profit or loss - net	5,212,238	377,899
Credit Balances Written Back	201,554	10,541,826
Income from non-financial assets:		
Gain on disposal of operating fixed assets (Note 15.1.1)	2,929,079	6,808,097
Fair value gain on investment property (Note 18.1)	-	5,000,000
Testing Fee	-	35,460
Gain on termination of leases	-	5,548,712
Reversal of provision for slow moving and obsolete store items (Note 21.1)	1,402,865	499,698
Reversal against provision for doubtful advances to supplier (Note 24.1.1)	-	1,250,720
Amortization of deferred income - Government grant (Note 9.2)	23,533,790	22,915,134
Income from handling and storage services	29,050,833	19,261,960
Common facility charges	1,881,780	521,400
Scrap sales	93,967	1,260,451
Insurance claim	-	3,421,000
Promotional incentive (Note 37.1)	184,705,857	-
Miscellaneous	494,665	5,065,947
Others:		
Exchange gain - net	5,875,648	-
Rental income from HTL Express Centres	31,073,976	30,397,750
	357,580,703	178,456,916

37.1 This is from SK Enmove Co., Ltd. - principal supplier and long term partner.

38. FINANCE COST

	2024 Rupees	2023 Rupees
Mark-up on long term financing	76,613,349	70,004,854
Mark-up on short term borrowings	563,005,289	541,787,387
Interest expense on lease liabilities (Note 7.1)	87,216,860	69,703,493
Interest on workers' profit participation fund (Note 10.4)	43,243,950	29,351,733
Bank charges and commission	30,882,784	11,092,410
	800,962,232	721,939,877

39. LEVY

	2024 Rupees	2023 Rupees
Minimum Tax (Note 39.1)	128,535,117	83,537,154
Prior year adjustment	139,051	(10,179,719)
	128,674,168	73,357,435

39.1 Levy represents minimum tax (excess over the amount designated as provision for current tax) on local sales under section 113 of the Income Tax Ordinance, 2001.

	2024 Rupees	2023 Rupees
40. TAXATION		
Deferred tax	169,237,721	148,834,722

40.1 The Group has opted for group taxation as one fiscal unit under section 59AA of the Income Tax Ordinance, 2001 and the provision for current taxation has been made accordingly. The numerical reconciliation between the average tax rate and the applicable tax rate has been given as follows:

	2024 Rupees	2023 Rupees
Relationship between tax expense and accounting profit		
Profit before taxation and levy	(177,940,148)	(322,459,647)
Tax at the applicable rate of 29% (2023: 29%)	(51,602,643)	(93,513,298)
Effect of minimum tax on turnover taxed at lower rate	122,158,354	78,051,977
Effect of dividend income taxed at a lower rate	6,376,763	5,390,535
Effect of inadmissible income	51,602,643	93,513,298
Effect of change in prior year's tax	139,051	(10,179,719)
Effect arising as a consequence of recognition of deferred income tax	(169,237,721)	(148,834,722)
	(40,563,553)	(75,477,287)

	2024	2023
41. LOSS PER SHARE - BASIC AND DILUTED		
There is no dilutive effect on the basic earnings per share which based on:		
Loss after taxation attributable to ordinary shareholders (Rupees)	(137,376,595)	(246,982,360)
Weighted average number of shares (Number)	139,204,800	139,204,800
Loss per share - basic and diluted (Rupees)	(0.99)	(1.77)

	2024 Rupees	2023 Rupees
42. CASH GENERATED FROM OPERATIONS		
Loss before taxation and levy	(177,940,148)	(322,459,647)
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets (Note 15.1.2)	293,184,960	270,107,366
Depreciation on right-of-use assets (Note 16)	146,853,456	137,386,504
Amortization of intangible assets (Note 17)	10,581,097	10,199,746
Amortization of deferred income - Government grant (Note 9.2)	(23,533,790)	(22,915,134)
Allowance for expected credit losses (Note 36)	7,524,293	606,585
Provision for slow moving and damaged stock items (Note 22.4)	17,557,550	12,963,154
Provision for slow moving and obsolete store items (Note 21.1)	(1,402,865)	(499,698)
Reversal of provision for doubtful advances to suppliers(Note 24.1)	-	(1,250,720)
Credit balances written back (Note 37)	(201,554)	(10,541,826)
Gain on disposal of operating fixed assets (Note 37)	(2,929,079)	(6,808,097)
Dividend income (Note 37)	(42,511,752)	(35,936,899)
Profit on bank deposits and term deposit receipt (Note 37)	(28,273,889)	(29,275,783)
Unrealized gain on remeasurement of investments carried at fair value through profit or loss - net (Note 37)	(5,212,238)	(377,899)
Gain on disposal of short term investments (Note 37)	(338,810)	(338,180)
Fair value gain on investment property	-	(5,000,000)
Gain on termination of leases	-	(5,548,712)
Finance cost (Note 38)	800,962,232	721,939,877
Exchange (gain) / loss - net	(5,875,648)	189,224,984
Provision for workers' profit participation fund (Note 10.4)	18,604,049	-
Provision for workers' welfare fund (Note 10.5)	6,354,715	465,216
Fixed assets written off (Note 36)	6,075,596	-
Intangible asset written off (Note 36)	26,283	-
Mobilzation advances written off (Note 36)	1,094,101	-
Long term security deposits written off	-	325,000
Sales tax written off (Note 36)	6,453,593	-
Advances to suppliers written off (Note 36)	8,814,444	-
Loan to employees written off (Note 36)	84,068	-
Provision for doubtful advances to suppliers (Note 36)	414,255	-
Provision for slow moving and obsolete store items (Note 36)	5,161,751	-
Working capital changes (Note 42.1)	947,331,671	(311,004,676)
	1,988,858,341	591,261,161

42.1 Working capital changes		
(Increase) / decrease in current assets:		
Stores	53,861,591	(40,362,830)
Stock-in-trade	(46,819,979)	717,563,558
Trade debts	(874,990,643)	(125,549,258)
Loans and advances	(54,625,326)	(79,092,248)
Short term deposits and prepayments	(3,361,494)	(25,751,457)
Other receivables	(103,706,665)	227,527,492
	(1,029,642,516)	674,335,257
Increase / (decrease) in trade and other payables	1,976,974,187	(985,339,933)
	947,331,671	(311,004,676)

42.2 Reconciliation of movement of liabilities to cash flows arising from financing activities:

	2024				
	Liabilities from financing activities				
	Long term financing	Lease liabilities	Short term borrowings	Unclaimed dividend	Total
	Rupees				
Balance as at 01 July 2023	632,150,056	662,217,503	2,406,866,985	5,830,744	3,707,065,288
Financing obtained	-	-	27,101,328,014	-	27,101,328,014
Repayment of financing	(70,665,676)	-	(27,443,952,325)	-	(27,514,618,001)
Acquisitions - finance leases	-	162,958,870	-	-	162,958,870
Other change - non-cash movement	23,533,790	10,322,033	-	-	33,855,823
Repayment of lease liabilities	-	(192,105,893)	-	-	(192,105,893)
Dividend paid	-	-	-	(141,327)	(141,327)
Balance as at 30 June 2024	585,018,170	643,392,513	2,064,242,674	5,689,417	3,298,342,774

	2023				
	Liabilities from financing activities				
	Long term financing	Lease liabilities	Short term borrowings	Unclaimed dividend	Total
	Rupees				
Balance as at 01 July 2022	577,054,335	624,517,326	1,897,577,032	5,755,517	3,104,904,210
Financing obtained	97,417,000	-	16,658,225,431	-	16,755,642,431
Repayment of financing	(63,004,463)	-	(16,148,935,478)	-	(16,211,939,941)
Acquisitions - finance leases	-	142,903,481	-	-	142,903,481
Other change - non-cash movement	20,683,184	35,119,062	-	-	55,802,246
Repayment of lease liabilities	-	(140,322,366)	-	-	(140,322,366)
Dividend declared	-	-	-	278,409,600	278,409,600
Dividend paid	-	-	-	(278,334,373)	(278,334,373)
Balance as at 30 June 2023	632,150,056	662,217,503	2,406,866,985	5,830,744	3,707,065,288

	2024 Rupees	2023 Rupees
42.3 Non-cash financing activities		
Acquisition of right-of-use assets	162,958,870	142,903,481

43. PROVIDENT FUND

Investments, out of provident fund, have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

44. PLANT CAPACITY AND ACTUAL PRODUCTION

Considering the nature of the Holding Company's business, the information regarding production has no relevance whereas product storage capacities at Holding Company's facility during the current year is detailed below:

	Storage Capacity		
	Metric Tons		
Description	**SKO**	**PMG**	**HSD**
Sahiwal depot	198	2,040	1,858
Nowshera depot	-	1,401	1,551

The plant capacity and actual production of Subsidiary Company is as follows:

	Unit of measurement	2024 Capacity	2024 Production	2023 Capacity	2023 Production
Blending division:					
Bottles	Numbers	14,446,080	3,351,571	16,420,800	2,867,062
Caps	Numbers	21,244,236	3,286,419	23,760,000	2,292,438
Filling	Litres	94,274,800	7,406,258	94,274,800	6,284,595
Blending	Litres	30,000,000	7,626,258	30,000,000	1,730,213
Polymer division:					
Bottles	Numbers	8,195,691	3,947,378	4,368,000	2,784,808
Caps	Numbers	5,002,105	4,777,051	5,940,000	3,015,336
Injection moulding parts	Numbers	393,300	208,234	198,000	114,514

Under utilization of available capacity is mainly due to limited sales orders.

45. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated undertakings, other related parties, key management personnel and provident fund trusts. The Group in the normal course of business carries out transactions with various related parties. Detail of significant transactions with related parties, other than those which have been disclosed elsewhere in these consolidated financial statements, are as follows:

Relationship	Nature of transaction	2024 Rupees	2023 Rupees
Associated companies			
MAS Associates (Private) Limited	Share of common expenses	1,881,780	1,452,548
Other related parties			
SK Enmove Co., Ltd. (Formerly SK Lubricants Co., Ltd.)	Purchase of lubricants	2,757,566,899	3,176,714,890
	Incentives	247,122,001	181,400,000
	Dividend paid	-	1,986,660
Hi-Tech Lubricants Limited Employees Provident Fund Trust	Contribution	30,574,917	25,429,262
Hi-Tech Blending (Private) Limited Employees Provident Fund Trust	Contribution	6,467,014	5,046,647
Sabra Hamida Trust	Donations	18,000,000	18,000,000
Directors of Holding Company			
Mr. Shaukat Hassan	Dividend paid	-	721,200
Mr. Muhammad Ali Hassan	Dividend paid	-	18,000,720
Mr. Hassan Tahir	Dividend paid	-	18,000,720
Ms. Mavira Tahir	Dividend paid	-	12,000,360
Mr. Tahir Azam (Late)*	Dividend paid	-	721,200
Mr. Faraz Akhtar Zaidi	Dividend paid	-	1,200
Dr. Safdar Ali Butt	Dividend paid	-	1,200
Mr. Shafiq Ur Rehman	Dividend paid	-	1,200
Mr. Syed Asad Abbas Hussain	Dividend paid	-	1,200

*Ceased to be the director of the Holding Company with effect from 09 June 2024

45 .1 Following are the related parties with whom the Group had entered into transactions or have arrangements / agreements in place:

Name of related party	Basis of relationship	Transactions entered or agreements and / or arrangements in place during the financial year	% age of shareholding held by the Group
MAS Associates (Private) Limited	Common directorship	Yes	None
SK Enmove Co., Ltd.	Principal supplier and long term partner	Yes	None
Sabra Hamida Trust	Common trusteeship of directors	Yes	None
Hi-Tech Energy (Private) Limited	Common directorship	No	None
MAS Infosoft (Private) Limited	Common directorship	No	None
MAS Services	Common partnership of directors	No	None
Haut Buys (Private) Limited	Common directorship	No	None
WASL Investment Finance Limited	Common directorship	No	None
Alliance Francaise De Lahore Foundation	Common trusteeship of directors	No	None
Pakistan France Business Alliance	Common trusteeship of directors	No	None
Food Check (Private) Limited	Common directorship	No	None
Pak Agro Packaging (Private) Limited	Common directorship	No	None
Ujala Education Foundation	Common trusteeship of directors	No	None
MAS Associates Employees Provident Fund Trust	Common trusteeship of directors	No	None
Hi-Tech Lubricants Limited Employees Provident Fund Trust	Common trusteeship of directors	Yes	None
Hi-Tech Blending (Private) Limited Employees Provident Fund Trust	Common trusteeship of directors	Yes	None
MAS Services Employees Provident Fund Trust	Common trusteeship of directors	No	None
Haut Notch (Private) Limited	Common directorship	No	None
Gulf Rubber Works (Private) Limited	Common directorship	No	None
ANALI	Common partnership of director	No	None
Chenab Energy (Private) Limited	Common directorship	No	None
JSSR Consulting, Pakistan	Common partnership of director	No	None
14th Gate Restructuring Company Limited	Common directorship	No	None
Mr. Shaukat Hassan	Director of the Holding Company	Yes	None
Mr. Muhammad Ali Hassan	Director of the Holding Company	Yes	None
Mr. Hassan Tahir	Director of the Holding Company	Yes	None
Ms. Mavira Tahir	Director of the Holding Company	Yes	None
Mr. Tahir Azam (Late)*	Director of the Holding Company	Yes	None
Mr. Faraz Akhtar Zaidi	Director of the Holding Company	Yes	None
Dr. Safdar Ali Butt	Director of the Holding Company	Yes	None
Mr. Shafiq Ur Rehman	Director of the Holding Company	Yes	None
Mr. Sanghyuk Seo**	Director of the Holding Company	No	None
Mr. Syed Asad Abbas Hussain	Director of the Holding Company	Yes	None
Mr. Wonjin Yoon***	Director of the Holding Company	No	None
Ms. Mehvish Khan ****	Director of the Holding Company	No	None

*Ceased to be the director of the Holding Company with effect from 09 June 2024.

**Ceased to be the director of the Holding Company with effect from 28 February 2024.

***Appointed as director of the Holding Company with effect from 28 February 2024.

****Appointed as director of the Holding Company with effect from 22 August 2024, subsequent to the reporting period, on casual vacancy arising due to sad demise of Mr. Tahir Azam.

45 .2 Detail of compensation to key management personnel comprising of chief executive officer and executives is disclosed in note 46.

46. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in these consolidated financial statements in respect of remuneration, including all benefits to the chief executive, directors and executives of the Holding Company are as follows:

	2024				2023			
		Directors				Directors		
	Chief Executive	Executives	Non-Executives	Executives	Chief Executive	Executives	Non-Executives	Executives
	Rupees							
Managerial remuneration	15,483,871	13,935,484	45,483,870	160,464,282	15,180,645	13,645,161	45,161,292	133,306,711
Bonus	2,000,000	1,800,000	-	19,592,012	2,765,000	2,475,000	-	17,750,265
Allowances								
House rent	6,967,742	6,270,968	20,467,741	72,208,917	6,831,290	6,140,322	20,322,581	59,988,020
Medical	1,548,384	1,393,548	4,548,378	16,046,483	1,518,065	1,364,516	4,516,129	13,330,671
Travelling	3,000,000	3,000,000	10,000,000	868,850	3,000,000	3,000,000	10,000,000	891,950
Other	-	-	-	22,106,652	6,157,513	6,137,513	2,000,000	77,884,355
Contribution to provident fund trust	-	-	-	14,367,723	-	-	-	11,336,955
Leave fare assistance	-	-	-	14,122,404	-	-	-	8,321,586
	28,999,997	26,400,000	80,499,989	319,777,323	35,452,513	32,762,512	82,000,002	322,810,513
	1	**1**	**4**	**68**	**1**	**1**	**4**	**64**

46.1 Chief executive, five directors (other than independent directors) and certain executives of the Holding Company are provided with fully maintained vehicles.

46.2 Aggregate amount charged in these consolidated financial statements for meeting fee to three directors (2023: three directors) is Rupees 5.2 million (2023: Rupees 6.1 million).

47. NUMBER OF EMPLOYEES

	2024		2023	
	Permanent	Contractual	Permanent	Contractual
Total number of employees as on 30 June	613	107	576	115
Average number of employees during the year	602	108	592	113

48. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table.

Recurring fair value measurements at 30 June 2024	Level 1	Level 2	Level 3	Total
		Rupees		
Financial assets				
Financial assets at fair value through profit or loss	222,717,061	-	-	222,717,061

Recurring fair value measurements at 30 June 2023	Level 1	Level 2	Level 3	Total
		Rupees		
Financial assets				
Financial assets at fair value through profit or loss	222,582,946	-	-	222,582,946

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further there was no transfer in and out of level 3 measurements.

The Group's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(ii) Valuation techniques used to determine fair values

Specific valuation technique used to value financial instruments is the use of quoted market prices on Pakistan Stock Exchange and for funds, Net Asset Value (NAV) of respective Asset Management Company.

49. SEGMENT INFORMATION

The Group has two reportable segments. The following summary describes the operation in each of the Group's reportable segments:

Lubricants	Purchase and sale of lubricants, parts and rendering of services.
Petroleum products	Marketing and sale of petroleum products.
Polymer	Manufacturing and sale of plastic bottles

	LUBRICANTS		PETROLEUM PRODUCTS		POLYMER		UNALLOCATED		TOTAL - GROUP	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
	Rupees									
Revenue from contracts with customers - net	7,964,688,205	7,276,934,978	15,960,960,352	8,150,370,310	391,574,793	183,090,062	-	-	24,317,223,350	15,610,395,350
Cost of sales	(6,078,113,375)	(5,096,241,527)	(15,569,807,897)	(7,917,035,700)	(304,804,819)	(170,416,482)	-	-	(21,952,726,092)	(13,183,693,709)
Gross profit	1,886,574,829	2,180,693,451	391,152,455	233,334,610	86,769,974	12,673,580	-	-	2,364,497,258	2,426,701,641
Distribution cost	(666,137,123)	(760,895,784)	(400,050,792)	(309,628,014)	(9,474,957)	(4,496,948)	-	-	(1,075,662,872)	(1,075,020,746)
Administrative expenses	(902,361,015)	(876,880,754)	(19,336,043)	(19,542,730)	(2,563,291)	(3,614,170)	-	-	(924,260,349)	(900,037,654)
Other expenses	(58,714,139)	(219,363,661)	(36,267,439)	(11,256,266)	(4,151,078)	-	-	-	(99,132,656)	(230,619,927)
	(1,627,212,277)	(1,857,140,199)	(455,654,274)	(340,427,010)	(16,189,326)	(8,111,118)	-	-	(2,099,055,877)	(2,205,678,327)
Other income	266,875,356	76,546,648	90,705,347	101,910,268	-	-	-	-	357,580,703	178,456,916
Profit / (loss) from operations	526,237,908	400,099,900	26,203,528	(5,182,132)	70,580,648	4,562,462	-	-	623,022,084	399,480,230
Finance cost	(559,518,247)	(536,838,907)	(111,943,694)	(98,582,346)	(129,500,291)	(86,518,624)	-	-	(800,962,232)	(721,939,877)
Loss before taxation and levy	(33,280,339)	(136,739,007)	(85,740,166)	(103,764,478)	(58,919,643)	(81,956,162)	-	-	(177,940,148)	(322,459,647)
Levy	-	-	-	-	-	-	(128,674,168)	(73,357,435)	(128,674,168)	(73,357,435)
Loss before taxation	(33,280,339)	(136,739,007)	(85,740,166)	(103,764,478)	(58,919,643)	(81,956,162)	(128,674,168)	(73,357,435)	(306,614,316)	(395,817,082)
Taxation	-	-	-	-	-	-	169,237,721	148,834,722	169,237,721	148,834,722
Loss profit after taxation	(33,280,339)	(136,739,007)	(85,740,166)	(103,764,478)	(58,919,643)	(81,956,162)	40,563,553	75,477,287	(137,376,595)	(246,982,360)

49.1 Reconciliation of reportable segment assets and liabilities:

	LUBRICANTS		PETROLEUM PRODUCTS		POLYMER		TOTAL - GROUP	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	Rupees							
Total assets for reportable segments	7,352,869,179	6,722,267,004	4,925,271,282	3,947,956,772	806,414,749	815,925,107	13,084,555,210	11,486,148,883
Unallocated assets							322,769,341	676,568,277
Total assets as per consolidated statement of financial position							13,407,324,551	12,162,717,160
Total liabilities for reportable segments	3,602,415,185	2,526,927,666	1,905,651,627	233,897,003	433,749,283	475,910,407	5,941,816,095	3,236,735,076
Unallocated liabilities							1,543,996,527	2,882,274,060
Total liabilities as per consolidated statement of financial position							7,485,812,622	6,119,009,136

49.2 All of the sales of the Group relates to customers in Pakistan.

49.3 All non-current assets of the Group as at the reporting dates are located in Pakistan.

50. FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

Judgments and estimates are made in determining the fair value of non-financial assets that are recognized and measured at fair value in these consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its non-financial assets into the following three levels.

At 30 June 2024	Level 1	Level 2	Level 3	Total
		Rupees		
Freehold land	-	2,810,521,750	-	2,810,521,750

At 30 June 2023	Level 1	Level 2	Level 3	Total
		Rupees		
Freehold land	-	2,795,341,250	-	2,795,341,250
Investment property - land	-	135,000,000	-	135,000,000
	-	2,930,341,250	-	2,930,341,250

The Group's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further, there was no transfer in and out of level 3 measurements.

(ii) Valuation techniques used to determine level 2 fair values

The Group obtains independent valuations for its freehold land (classified as fixed assets) at least annually. At the end of reporting period, the management of the Group updates the assessment of the fair value of property, taking into account the most recent independent valuations. The management determines a property's value within a range of reasonable fair value estimate. The best evidence of fair value is current prices in an active market for similar lands.

Valuation processes

The Group engages external, independent and qualified valuers to determine the fair value of the Group's freehold land at the end of every financial year. As at 30 June 2024, the fair value of the freehold land has been determined by M/s Unicorn International Surveyors , an independent valuer.

Changes in fair values are analyzed at each reporting date during the annual valuation process between the Chief Financial Officer and the valuer. As part of this discussion the team presents a report that explains the reason for the fair value movements.

51. FINANCIAL RISK MANAGEMENT

51.1 Financial risk factors

The Group's activities exposes it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Risk management is carried out by the Group's finance department. The Group's finance department has provided 'Risk Management Policy' covering specific areas such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity. All treasury related transactions are carried out within the parameters of this policy.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Group is exposed to currency risk arising from the United States Dollar (USD). As on reporting date, the Group's foreign exchange risk exposure is restricted to the amounts payable to a foreign entity. The Group's exposure to currency risk is as follows:

	2024 USD	2023 USD
Trade and other payables	(4,280,741)	(2,150,309)
	250,000	-
	(4,030,741)	(2,150,309)

The following significant exchange rates were applied during the year:

	Rupees per US Dollar	
Average rate	283.70	253.08
Reporting date rate	278.80	287.10

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD with all other variables held constant, the impact on Group's loss after taxation for the year would have been Rupees 52.396 million (2023: Rupees 24.884 million) higher / lower, mainly as a result of exchange losses / gains on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. The sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Group is exposed to equity securities price risk because of short term investments held by the Group and classified at fair value through profit or loss. The Group is not exposed to commodity price risk since it does not hold any financial instruments based on commodity prices.

Sensitivity analysis

The table below summarizes the impact of increase / decrease in the Pakistan Stock Exchange (PSX) Index on the Group's loss after taxation for the year. The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Group's equity instruments moved according to the historical correlation with the index:

	Impact on Group's loss after taxation	
Index	**2024 Rupees**	2023 Rupees
PSX 100 (5% increase)	(411,395)	(204,262)
PSX 100 (5% decrease)	411,395	204,262

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group has no long term interest bearing asset. The Group's interest rate risk arises from bank balances on saving accounts, long term financing, lease liabilities and short term borrowings. Financial instruments at variable rates expose the Group to cash flow interest rate risk. Financial instruments, if any, at fixed rate expose the Group to fair value interest rate risk.

At the reporting date, the interest rate profile of the Group's interest bearing financial instruments was as follows:

	2024 Rupees	2023 Rupees
Fixed rate instruments		
Financial assets		
Term deposit receipt	-	175,000,000
Financial liabilities		
Long term financing	483,351,502	510,150,056
Lease liabilities	548,397,202	467,952,255
Floating rate instruments		
Financial assets		
Bank balances - saving accounts	48,549,022	7,873,895
Financial liabilities		
Long term financing	101,666,668	122,000,000
Lease liabilities	94,995,311	194,265,248
Short term borrowings	2,064,242,674	2,406,866,985
	2,260,904,653	2,723,132,233

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Group.

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the reporting date, fluctuates by 1% higher / lower with all other variables held constant, Group's loss after taxation for the year would have been Rupees 21.841 million (2023: Rupees 26.610 million) higher / lower mainly as a result of higher / lower interest expense on lease liabilities, short term borrowings and bank balances. This analysis is prepared assuming the amounts of assets and liabilities outstanding at reporting dates were outstanding for the whole year.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2024 Rupees	2023 Rupees
Long term security deposits	18,960,950	18,933,950
Long term loans to employees	2,985,102	3,919,266
Short term deposits	7,637,880	2,449,880
Trade debts	1,101,435,544	233,969,194
Loans and advances	99,294,782	138,844,712
Other receivables	100,674,993	20,865,707
Accrued interest	186,102	7,032,985
Short term investments	222,717,061	222,582,946
Bank balances	410,064,460	253,077,013
	1,963,956,874	901,675,653

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (If available) or to historical information about counterparty default rate:

	Rating Short term	Rating Long term	Agency	2024 Rupees	2023 Rupees
Short term investments					
Engro Fertilizer Limited	A1+	AA	PACRA	8,227,890	4,085,235
First Habib Cash Fund		AA+(f)	VIS	210,578,977	215,290,591
NBP Islamic Daily Dividend Fund		AA(f)	PACRA	558,023	379,557
UBL Liquidity Plus Fund - Class 'C'		AA+(f)	VIS	2,422,647	2,042,658
MCB Cash Management Optimizer		AA+(f)	PACRA	527,269	444,282
Meezan Rozana Amdani Fund		AA+(f)	VIS	402,255	340,625
				222,717,061	222,582,948
Banks					
Bank Alfalah Limited	A1+	AAA	PACRA	215,539,881	8,411,749
Bank AL-Habib Limited	A1+	AAA	PACRA	58,291,214	16,028,254
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	2,501,704	175,559,977
MCB Bank Limited	A1+	AAA	PACRA	5,101,165	12,765,615
National Bank of Pakistan	A1+	AAA	PACRA	1,281,553	1,195,805
The Bank of Punjab	A1+	AA+	PACRA	-	115,450
Habib Bank Limited	A-1+	AAA	VIS	46,880,754	65,132
Askari Bank Limited	A1+	AA+	PACRA	110,548	848,155
United Bank Limited	A-1+	AAA	VIS	18,318,856	4,928,558
JS Bank Limited	A1+	AA	PACRA	287,137	287,110
Albaraka Bank (Pakistan) Limited	A-1	A+	VIS	238,399	238,399
Meezan Bank Limited	A-1+	AAA	VIS	50,851,960	27,195,432
Dubai Islamic Bank Pakistan Limited	A-1+	AA	VIS	108,520	108,520
Faysal Bank Limited	A1+	AA	PACRA	6,061,666	4,671,404
Bank Makramah Limited (Formerly Summit Bank Limited)	A-3	BBB-	VIS	7,246	7,246
Summit Bank Limited	A1+	AA-	PACRA	-	-
Soneri Bank Limited	A1	AA	PACRA	647,432	650,207
Samba Bank Limited	A1	A	PACRA	3,836,425	-
				410,064,460	253,077,013
				632,781,521	475,659,961

Due to the Group's business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Group. Accordingly the credit risk is minimal.

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade debts.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. These trade receivables are netted off with the collateral obtained from these customers to calculate the net exposure towards these customers.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2024 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Gross Domestic Product, unemployment, interest, and the inflation Index of the country in which it majorly sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at 30 June 2024 and 30 June 2023 was determined as follows:

	Sales		
	Expected loss rate	Trade debts	Loss allowance
	%	Rupees	
At 30 June 2024			
Up to 30 days	0.00%	386,686,494	-
30 to 180 days	14.71%	71,969,290	10,585,420
181 to 360 days	37.81%	14,267,422	5,394,793
Above 360 days	100.00%	2,279,640	2,279,640
		475,202,846	18,259,853
Trade debts which are not subject to risk of default		644,492,551	-
		1,119,695,397	18,259,853

	Sales		
	Expected loss rate	Trade debts	Loss allowance
	%	Rupees	
At 30 June 2023			
Up to 30 days	7.11%	11,358,580	807,735
30 to 180 days	68.50%	778,230	533,084
181 to 360 days	96.75%	5,154,272	4,986,669
Above 360 days	100.00%	29,255,603	29,255,603
		46,546,685	35,583,091
Trade debts which are not subject to risk of default		223,005,700	-
		269,552,385	35,583,091

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk by maintaining sufficient cash and bank balances and the availability of funding through an adequate amount of committed credit facilities. As 30 June 2024, the Group had Rupees 549.070 million (2023: Rupees 2,421.517 million) available borrowing limits from financial institutions and Rupees 411.312 million (2023: Rupees 255.078 million) cash and bank balances. Management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amounts disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2024:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 years
			Rupees			
Non-derivative financial liabilities:						
Long term financing	585,018,170	733,571,783	64,727,369	60,561,086	120,343,606	487,939,723
Lease liabilities	643,392,513	1,082,986,993	132,409,361	94,935,663	164,213,004	691,428,965
Long term deposits	15,000,000	15,000,000	-	-	-	15,000,000
Trade and other payables	2,952,497,880	2,952,497,880	2,952,497,880	-	-	-
Accrued mark-up	98,461,634	98,461,634	98,461,634	-	-	-
Short term borrowings	2,064,242,674	2,448,658,716	794,195,096	1,654,463,620	-	-
Unclaimed dividend	5,689,417	5,689,417	5,689,417	-	-	-
	6,364,302,288	7,336,866,423	4,047,980,757	1,809,960,369	284,556,610	1,194,368,688

Contractual maturities of financial liabilities as at 30 June 2023:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 years
			Rupees			
Non-derivative financial liabilities:						
Long term financing	632,150,056	814,547,642	39,361,329	63,666,031	123,909,463	587,610,820
Lease liabilities	662,217,503	715,433,041	107,389,212	102,513,217	176,329,452	329,201,160
Long term deposits	16,500,000	16,500,000	-	-	-	16,500,000
Trade and other payables	1,170,748,433	1,170,748,433	1,170,748,433	-	-	-
Accrued mark-up	124,519,872	124,519,872	124,519,872	-	-	-
Short term borrowings	2,406,866,985	3,128,722,055	540,195,415	2,588,526,640	-	-
Unclaimed dividend	5,830,744	5,830,744	5,830,744	-	-	-
	5,018,833,593	5,976,301,787	1,988,045,005	2,754,705,888	300,238,915	933,311,980

51.2 Financial instruments by categories

	2024		
	At amortized cost	At fair value through profit or loss	Total
		Rupees	
Financial assets			
Long term security deposits	18,960,950	-	18,960,950
Long term loans to employees	2,985,102	-	2,985,102
Short term deposits	7,637,880	-	7,637,880
Trade debts	1,101,435,544	-	1,101,435,544
Loans and advances	99,294,782	-	99,294,782
Other receivables	100,674,993	-	100,674,993
Accrued interest	186,102	-	186,102
Short term investments	-	222,717,061	222,717,061
Cash and bank balances	411,312,445	-	411,312,445
	1,742,487,798	222,717,061	1,965,204,859

	2023		
	At amortized cost	At fair value through profit or loss	Total
		Rupees	
Financial assets			
Long term security deposits	18,933,950	-	18,933,950
Long term loans to employees	3,919,266	-	3,919,266
Short term deposits	2,449,880	-	2,449,880
Trade debts	233,969,194	-	233,969,194
Loans and advances	138,844,712	-	138,844,712
Other receivables	20,865,707	-	20,865,707
Accrued interest	7,032,985	-	7,032,985
Short term investments	-	222,582,946	222,582,946
Cash and bank balances	255,077,564	-	255,077,564
	681,093,258	222,582,946	903,676,204

	At Amortized Cost	
	2024 Rupees	2023 Rupees
Financial liabilities		
Long term financing	585,018,170	632,150,056
Lease liabilities	643,392,513	662,217,503
Long term deposits	15,000,000	16,500,000
Trade and other payables	2,952,497,880	1,170,748,433
Short term borrowings	2,064,242,674	2,406,866,985
Accrued mark-up	98,461,634	124,519,872
Unclaimed dividend	5,689,417	5,830,744
	6,364,302,288	5,018,833,593

51.2.1 Reconciliation to the line items presented in the consolidated statement of financial position is as follows:

	2024		
	Financial assets	**Non-financial assets**	**Assets as per consolidated statement of financial position**
		Rupees	
Financial assets			
Long term security deposits	18,960,950	24,352,419	43,313,369
Long term loans to employees	2,985,102	-	2,985,102
Short term deposits and prepayments	7,637,880	33,731,220	41,369,100
Trade debts	1,101,435,544	-	1,101,435,544
Loans and advances	99,294,782	288,112,326	387,407,108
Other receivables	100,674,993	210,367,052	311,042,045
Accrued interest	186,102	-	186,102
Short term investments	222,717,061	-	222,717,061
Cash and bank balances	411,312,445	-	411,312,445
	1,965,204,859	556,563,017	2,521,767,876

	2024		
	Financial liabilities	**Non-financial liabilities**	**Liabilities as per consolidated statement of financial position**
		Rupees	
Liabilities			
Long term financing	585,018,170	-	585,018,170
Lease liabilities	643,392,513	-	643,392,513
Long term deposits	15,000,000	-	15,000,000
Trade and other payables	2,952,497,880	969,584,065	3,922,081,945
Short term borrowings	2,064,242,674	-	2,064,242,674
Accrued mark-up	98,461,634	-	98,461,634
Unclaimed dividend	5,689,417	-	5,689,417
	6,364,302,288	969,584,065	7,333,886,353

	2023		
	Financial assets	Non-financial assets	Assets as per consolidated statement of financial position
		Rupees	
Assets			
Long term security deposits	18,933,950	44,766,498	63,700,448
Long term loans to employees	3,919,266	-	3,919,266
Short term deposits and prepayments	2,449,880	37,930,067	40,379,947
Trade debts	233,969,194	-	233,969,194
Loans and advances	138,844,712	203,249,837	342,094,549
Other receivables	20,865,707	192,923,266	213,788,973
Accrued interest	7,032,985	-	7,032,985
Short term investments	222,582,946	-	222,582,946
Cash and bank balances	255,077,564	-	255,077,564
	903,676,204	478,869,668	1,382,545,872

	2023		
	Financial liabilities	Non-financial liabilities	Liabilities as per consolidated statement of financial position
		Rupees	
Liabilities			
Long term financing	632,150,056	-	632,150,056
Lease liabilities	662,217,503	-	662,217,503
Long term deposits	16,500,000	-	16,500,000
Trade and other payables	1,170,748,433	755,477,763	1,926,226,196
Short term borrowings	2,406,866,985	-	2,406,866,985
Accrued mark-up	124,519,872	-	124,519,872
Unclaimed dividend	5,830,744	-	5,830,744
	5,018,833,593	755,477,763	5,774,311,356

51.3 Offsetting financial assets and financial liabilities

As on reporting date, recongnized financial instruments are not subject to off setting as there are no enforceable master netting arrangements and similar agreements.

52. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares. Consistent with others in the industry, and the requirements of the lenders, the Group monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent long term financing, lease liabilities and short term borrowings as referred to in note 6, 7 and 12 to the consolidated financial statements. Total capital employed includes 'total equity' as shown in the consolidated statement of financial position plus 'borrowings'.

		2024	2023
Borrowings	Rupees	2,837,802,878	3,350,362,802
Total equity	Rupees	5,921,511,929	6,043,708,024
Total capital employed	Rupees	8,759,314,807	9,394,070,826
Gearing ratio	Percentage	32.40%	35.66%

The increase in gearing ratio is mainly due to increase in short term borrowings.

53. UNUTILIZED CREDIT FACILITIES

	Non-funded		**Funded**	
	2024	2023	**2024**	2023
	Rupees	Rupees	**Rupees**	Rupees
Total facilities	2,953,510,000	3,479,200,000	3,462,677,000	6,069,836,740
Utilized at the end of the year	1,940,473,446	1,999,741,272	2,913,606,635	3,648,319,860
Unutilized at the end of the year	1,013,036,554	1,479,458,728	549,070,365	2,421,516,880

54. UTILIZATION OF THE PROCEEDS OF THE INITIAL PUBLIC OFFER (IPO)

During the year ended 30 June 2016, the Holding Company made an Initial Public Offer (IPO) through issue of 29,001,000 ordinary shares of Rupees 10 each at a price of Rupees 62.50 per share determined through book building process. Out of the total issue of 29,001,000 ordinary shares, 21,750,500 shares were subscribed through book building by High Net Worth Individuals and Institutional Investors, while the remaining 7,250,500 ordinary shares were subscribed by the General Public and the shares were duly allotted on 18 February 2016. On 01 March 2016, Pakistan Stock Exchange Limited approved the Holding Company's application for formal listing of ordinary shares and trading of shares started on 03 March 2016.

Till 30 June 2017, the Holding Company utilized the proceeds of the initial public offer of 29,001,000 ordinary shares for the purposes mentioned under heading 5.5 'Expansion Plan' in prospectus dated 28 December 2015, as per the following detail:

Purposes Mentioned Under Heading 5.5 'Expansion Plan' In Prospectus Dated 28 December 2015	Total amount		Total amount utilized till 30 June 2017
	Rupees		Rupees
Investment in HTLL			
Land	470,000,000		60,618,100
Building	128,000,000		12,486,445
Plant, machinery and equipment	139,000,000		2,719,201
Pre-operating costs	33,000,000		249,630
Working capital	842,562,500		739,126,208
	1,612,562,500		815,199,584
Investment in 100% owned subsidiary			
Additional filling lines for blending plant, Hi-Tech Blending (Private) Limited - Subsidiary Company	200,000,000		-
Total	1,812,562,500	B	815,199,584
IPO proceeds (A)	1,812,562,500		
Amount un-utilized (A – B)	997,362,916		

As stated in the prospectus dated 28 December 2015, the Holding Company planned to offer state of the art retail outlets across Pakistan with multitude of unique services and also planned to install additional filling lines at the blending plant of its Subsidiary Company. The plan of the year 2015-16 covered 37 grand outlets openings in 11 major cities of Pakistan including Lahore, Gujranwala, Sialkot, Faisalabad, Multan, Islamabad, Rawalpindi, Karachi and Hyderabad. Over a period of 5 years, the Holding Company planned to open 75 retail outlets (including 67 rented) across 16 major cities of Pakistan. As per quarterly progress report number 06 dated 14 July 2017, the Holding Company informed all stakeholders the progress on implementation of project: Expansion through retail outlet: 1 owned service center under regulatory approval and out of the 10 rented service centers, 1 is operational, 3 are approved and under construction, 3 are under regulatory approvals and 3 are under negotiations. Accurate, effective and timely implementation of the above plans of the Holding Company became a big challenge for the Holding Company due to expensive lands and properties at key locations in almost all the cities for express service centers. Hence, the Holding Company planned for incorporation of express centers into its fuel stations to be established under the umbrella of Oil Marketing Company (OMC) Project of the Holding Company. In this regard, the Holding Company obtained a financial feasibility report from KPMG Taseer Hadi & Co., Chartered Accountants regarding investment in OMC Project. In view of successful fulfillment of initial mandatory requirements of Oil and Gas Regulatory Authority (OGRA) for setting up of an OMC and future prospects of OMC in current international scenario as prospected under financial feasibility report, the shareholders of the Holding Company in their 9th Annual General Meeting held on 29 September 2017 approved diversion and utilization of un-utilized IPO funds from HTL express centers and wholly owned Subsidiary Company to OMC Project of the Holding Company keeping in view overall growth of the Holding Company and ultimate benefit to all shareholders and stakeholders of the Holding Company.

The Project envisages setting up 360 retail outlets across Punjab, Sindh and Khyber Pakhtunkhwa Provinces of Pakistan. The fuel stations will offer full range of services such as general store, tyre shop and a car shop amongst others. To support sales, the Holding Company plans to invest in building storage capacities of 25,735 metric tons (Mogas and HSD) across the country over a period of 7 years.

During the year ended 30 June 2017, OGRA granted license to the Holding Company to establish an Oil Marketing Company (OMC), subject to some conditions. During the year ended 30 June 2018, with reference to OMC Project of the Holding Company, Oil and Gas Regulatory Authority (OGRA) has granted permission to proceed to apply/acquire No Objection Certificates (NOCs) from concerned departments including District Coordination Officer (DCO) for setting up of upto 26 retail outlets in Punjab Province with instructions that retail sales through petrol pumps can only be started after completion of necessary Storage Infrastructure, 3rd Party Inspector Report confirming that storage/depot meets OGRA's notified Technical Standards and OGRA's approval.

During the year ended 30 June 2018, the Holding Company completed its oil storage site at Sahiwal. The Holding Company also purchased land in Nowshera for oil storage site under OMC project.

On 31 May 2019, Oil and Gas Regulatory Authority (OGRA) has granted permission to the Holding Company to operate new oil storage facility at Sahiwal and marketing of petroleum products in the Province of Punjab. The Holding Company has signed agreements with various dealers for setting up petrol pumps under the OMC project and also started construction of another storage site at Nowshera, Khyber Pakhtunkhwa.

During the year ended on 30 June 2020, the Holding Company started its OMC operations and expediently worked on completion of its Nowshera oil storage. During the year ended 30 June 2021, Holding Company has completed its oil storage at Nowshera. On 09 August 2021, OGRA acknowledged the satisfactory completion of Nowshera oil storage based on third party inspection report. During the year ended 30 June 2022, the Holding Company has started work on new oil storage facility at Shikarpur. On 16 March 2023, OGRA has granted permission to the Holding Company to operate new storage facility at Nowshehra and marketing of petroleum products in the province of Khyber Pakhtunkhwa. Currently, the Holding Company has seven operational HTL Express Centers, four in Lahore, two in Karachi and one in Rawalpindi. Further, the Holding Company has fifty five retail outlets operational for sale of petroleum products as on 30 June 2024. Detail of payments out of IPO proceeds during the year ended 30 June 2024 is as follows:

	Rupees
Un-utilized IPO proceeds as at 01 July 2023	395,898,356
Add: Profit on term deposit receipt	29,946,368
Add: Profit on bank deposits	2,258,005
Add: Dividend on investment in mutual funds	41,333,595
Add: Gain on disposal of investment in mutual fund	338,810
Add: Unrealised gain on investment in mutual funds	1,069,581
Less: Payments made relating to OMC Project	(241,564,271)
Less: Withholding tax on profit	(4,830,656)
Less: Withholding tax on dividend from mutual funds	(6,200,039)
Less: Withholding tax on disposal of mutual funds	(127,701)
Less: Bank charges	(6,142)
	218,115,906

The un-utilized proceeds of the public offer have been kept by the Holding Company in the shape of bank balances and mutual funds.

55. DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue on 20 September 2024 by the Board of Directors of the Holding Company.

56. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, except for reclassification as disclosed in note 2.16 to these consolidated financial statements, no significant rearrangements / reclassification have been made.

57. GENERAL

Figures have been rounded off to the nearest Rupee, unless otherwise stated.

Chief Executive	Director	Chief Financial Officer

ہے، جس سے ہمارے اسٹیک ہولڈرز، بشمول ڈسٹری بیوٹرز، اداروں، صارفین، ملازمین، سپلائرز، اور جن کمیونٹیز کی ہم خدمت کرتے ہیں، کے ساتھ دیرپا تعلقات استوار کرنے میں ہماری مدد کرتے ہیں۔ اس عزم کے ذریعے، ہم اپنے کاروبار سے منسلک تمام لوگوں کے ساتھ طویل مدتی کامیابی اور اعتماد کو فروغ دینا چاہتے ہیں۔

خطرات کی مینجمنٹ

بورڈ، اپنی خطرات و پائیداری کمیٹی کے تعاون سے، کمپنی کے رسک مینجمنٹ کی نگرانی کا ذمہ دار ہے۔ خطرات و پائیداری کمیٹی کلیدی اور ابھرتے ہوئے خطرات کی نگرانی، انتظام اور ان میں تخفیف کرتے ہوئے بورڈ کی مدد کرتی ہے، جبکہ بورڈ اور سینئر انتظامیہ کو کمپنی کی خطرے کی بھوک، رواداری، اور حکمت عملی کے بارے میں مشورہ دیتی ہے۔ بورڈ مختلف آپریشنل اور مالیاتی رپورٹس کے ذریعے رسک مینجمنٹ اپ ڈیٹس اور خطرے میں کسی بھی اہم تبدیلی کا باقاعدگی سے جائزہ لیتا ہے، بشمول رسک اسیسمنٹس اور اندرونی اور بیرونی آڈٹ رپورٹس۔ انتظامیہ کو موثر کنٹرول کو نافذ کرنے اور برقرار رکھنے کا کام سونپا گیا ہے۔ بورڈ نے ان خطرات کی شناخت اور ان سے نمٹنے کے لیے ایک مکمل خطرے کا جائزہ لیا ہے۔

مستقبل کا تصور کرنا

مالیاتی استحکام، مالیاتی سختی، جغرافیائی سیاسی تناؤ، اور مسلسل بلند افراط زر کے چیلنجوں کے باوجود، حکومت کے موثر پالیسی اقدام کی وجہ سے مالی سال ۲۰۲۴ء میں معیشت میں معمولی بحالی دیکھنے میں آئی ہے۔

پاکستان میکرو اکنامک استحکام کے راستے پر ثابت قدم ہے، پائیدار اور جامع ترقی کے دور کی طرف گامزن ہے۔ حکومت نے آئی ٹی، ایس ایم ایز، کانوں اور معدنیات، سیاحت، برآمدات اور زراعت جیسے اعلیٰ صلاحیت والے شعبوں پر اپنی توجہ نئے سرے سے مرکوز کی ہے۔ معاشی سرگرمیاں بتدریج بہتری کا مظاہرہ کر رہی ہیں، افراط زر کی شرح میں کمی آ رہی ہے، اور بیرونی عوامل مستحکم ہو گئے ہیں۔ آگے بڑھتے ہوئے، معیشت کے لیے سازگار بیرونی اور گھریلو اقتصادی امکانات کی توقع ہے۔ آئی ایم ایف کے ساتھ اسٹینڈ بائی اریجمنٹ، جس پر حکومت نے مالی سال ۲۰۲۴ء کے آغاز میں دستخط کیے تھے، کامیابی کے ساتھ مکمل ہو گیا تھا کیونکہ پاکستان اب ایک وسیع استحکام اور گھریلو ترقی کے پروگرام کا منتظر ہے۔

آخر میں، میں اس موقع پر اپنے قابل قدر کسٹمرز کا شکریہ ادا کرتا ہوں کہ وہ ہم پر جو بھروسہ کرتے رہتے ہیں، انتظامیہ کی ٹیم اور ملازمین کا ان کی مخلصانہ کوششوں کے لیے، بورڈ آف ڈائریکٹرز کا ان کی رہنمائی کے لیے اور تمام اسٹیک ہولڈرز کا مسلسل تعاون کے لیے۔

شوکت حسن

چیئرمین

کریں گے۔

علم گاہ سکولز پسماندہ کمیونٹیز کو کمپیوٹر کی پیشہ ورانہ تربیت بھی فراہم کرتے ہیں۔ کورسز میں کمپیوٹرز، مائیکروسافٹ آفس، انٹرنیٹ، C++، اور گرافک ڈیزائن کی بنیادی باتیں شامل ہیں۔ نو بیچز مکمل ہوئے، جن میں ۱۰۰ سے ذیادہ افراد تربیت یافتہ ہیں، جن میں ۲۰۲۴ء میں ۷۷ شامل ہیں، مستقبل کے مواقع کے لیے ڈیجیٹل مہارتوں کو بڑھا رہے ہیں۔

ہم پارکس اینڈ ہارٹیکلچر اتھارٹی (PHA) کے ساتھ اپنی شراکت داری کے ذریعے ماحولیاتی پائیداری کی بھی حمایت کرتے ہیں۔ ہم سبز جگہوں کو بڑھانے اور ماحولیاتی توازن کو فروغ دینے کے لیے پی ایچ اے کے شجرکاری کے اقدامات کو فنڈ دیتے ہیں۔ ۲۰۲۴ء میں، ہم نے PHA کے ساتھ ۵۰۰۰ درخت لگائے، ایک سرسبز ماحول کو فروغ دیا اور طویل مدتی پائیداری کے اہداف کی حمایت کی۔

ہم اپنے اسکول اور ہائی ٹیک بلینڈنگ سہولت دونوں جگہ سبزیوں کے باغات قائم کر کے ماحول دوست اقدامات کو فروغ دینے کے لیے پرعزم ہیں۔ یہ پروجیکٹس سیکھنے کے مواقع فراہم کرتے ہیں جو ماحولیاتی بیداری کو فروغ دیتے ہیں اور طلباء اور عملے کے درمیان یکساں طور پر پائیدار طریقوں کو فروغ دیتے ہیں۔

صابرہ حمیدہ ٹرسٹ قواعد و ضوابط کی مکمل تعمیل میں کام کرتا ہے، انکم ٹیکس آرڈیننس مجریہ ۲۰۰۱ء کے تحت فخر کے ساتھ تسلیم کرتا ہے، اور پاکستان سینٹر فار فلانتھراپی سے ایکریڈیشن حاصل کرتا ہے۔ یہ پاکستان کے تعلیمی منظر نامے کو بڑھانے اور سب کے لیے ایک روشن مستقبل بنانے کے لیے اس کے پختہ عزم کو ظاہر کرتا ہے۔

HTL بامعنی طریقوں سے کمیونٹی کو واپس دینے کے لیے پرعزم ہے۔ اس عزم کو واضح طور پر HTL گروپ کے روپے کے فراخدلانہ عطیہ سے واضح کیا گیا ہے۔ مختلف خیراتی اداروں کو ۴۷.۲۲ ملین روپے، جو سماجی ذمہ داری کے لیے ہماری غیر متزلزل لگن کو ظاہر کرتا ہے۔ یہ اہم شراکت نہ صرف انسان دوستی اور کمیونٹی سپورٹ کی ہماری بنیادی اقدار کی عکاسی کرتی ہے بلکہ معاشرے میں مثبت تبدیلی پیدا کرنے کے ہمارے ہدف پر بھی زور دیتی ہے۔ ہمیں یقین ہے کہ اپنی کمیونٹی میں سرمایہ کاری کر کے، ہم اس میں شامل ہر فرد کے لیے ایک روشن مستقبل کو فروغ دینے میں مدد کر سکتے ہیں۔

پائیداری، فلاح و بہبود اور حفاظت

HTL مختلف اقتصادی، ماحولیاتی، سماجی، اور گورننس (EESG) کے مسائل کو حل کر کے اپنے بنیادی کاروباری طریقوں میں پائیداری کو ضم کرتا ہے۔ کمپنی کا نقطہ نظر جامع ہے، جدت، آپریشنل لچک، اور اس کے ملازمین، کمیونٹیز اور سیارے کی فلاح و بہبود پر توجہ مرکوز کرتا ہے۔

HTL ماحول کو صاف ستھرا رکھنے اور اس بات کو یقینی بنانے پر زور دیتا ہے کہ ہر کوئی صحت مند اور محفوظ رہے۔ ہم ایک کام کی جگہ اور کاروباری ترتیب بنانا چاہتے ہیں جو اچھی کارکردگی کا مظاہرہ کرے، لیکن ہمارے کارکنوں، گاہکوں اور سیارے کی دیکھ بھال بھی کرے۔ ہم اپنے کام کے تمام حصوں میں چیزیں کرنے کے ماحول دوست طریقوں کا خیال رکھتے ہیں، ایسی مصنوعات بناتے ہیں جو آلودگی نہیں کرتے اور کم نقصان دہ گیسیں چھوڑتے ہیں۔ ہم اپنی ٹیم کی صحت اور حفاظت کو بھی اولین تشویش بناتے ہیں۔ ہم سخت قوانین نافذ کرتے ہیں اور اپنے لوگوں کو یہ یقینی بنانے کے لیے تربیت دیتے رہتے ہیں کہ کام کی جگہ محفوظ اور ان کی صحت کے لیے اچھی ہو۔ HTL میں، ہم جس چیز پر یقین رکھتے ہیں وہ مستقبل کے ساتھ مطابقت رکھتا ہے جو قائم رہ سکتا ہے۔ ہم نے فطرت کی حفاظت اور اپنے ساتھ شامل ہر فرد کا خیال رکھنے کی پوری کوشش کی۔

کمپنی کا ڈھانچہ، عمل اور اندرونی کنٹرول کا نظام

HTL میں، ہم ایک قابل اور مضبوط کارپوریٹ گورننس سسٹم کے قیام پر توجہ مرکوز کرتے ہیں جس میں کمپنی کے مناسب انتظام کو شامل کیا گیا ہے اور جو پائیدار ترقی کو آگے بڑھانے کے لیے کمپنی کے اسٹریٹجک اہداف میں حصہ ڈالتا ہے۔ بورڈ آف ڈائریکٹرز کمپنی کے نظم و نسق کی نگرانی کرنے اور گورننس کے اعلیٰ معیارات، اخلاقی طریقوں، اور ریگولیٹری تعمیل کو یقینی بنانے میں مرکزی کردار ادا کرتا ہے۔

ہمارا تنظیمی ڈھانچہ موثر فیصلہ سازی، شفافیت اور ذمہ داری کو فروغ دینے کے لیے بنایا گیا ہے۔ بورڈ پیشہ ور افراد کی ایک ہنرمند اور متنوع ٹیم پر مشتمل ہے، ہر ایک کمپنی کی حکمت عملی کے لیے جامع رہنمائی اور قیادت فراہم کرنے کے لیے اپنی منفرد مہارت کا حصہ ڈالتا ہے۔

بورڈ کو مختلف کمیٹیوں کی مدد حاصل ہے، ہر ایک کے پاس مخصوص شرائط ہیں جو ان کے کاموں کی رہنمائی کرتی ہیں۔

HTL کے بورڈ نے ایک مضبوط اندرونی کنٹرول سسٹم قائم کیا ہے جو کاروبار کے عملی کاموں اور متعلقہ قانونی دفعات کے ساتھ اس کی تعمیل کو حل کرتا ہے۔ ہماری کمپنی کا اندرونی کنٹرول سسٹم کلیدی افعال کو مربوط کرتا ہے جو ہماری کمپنی کے اثاثوں کے تحفظ کے ساتھ ساتھ درست اور بروقت مالی اور آپریشنل رپورٹس کی فراہمی میں خطرات کے مجموعی انتظام کے لیے تیار ہیں۔

مالی سال کی مدت کے لیے، بورڈ اور آڈٹ کمیٹی نے معمول کے مطابق کمپنی کے داخلی کنٹرول کے مختلف نظاموں کا جائزہ لیا۔ ان جائزوں میں دیگر احتیاطی تدابیر جیسے رسک مینجمنٹ، کوڈ کی تعمیل اور مالیاتی رپورٹنگ کنٹرولز کی کارکردگی کی پیمائش کرنے کی کوشش کی گئی تھی۔ اس کے علاوہ، تاثیر اور جوابدہی کو بڑھانے کے لیے بیرونی آڈٹ اور اندرونی جائزے کیے گئے ہیں۔

لہٰذا، ان جائزوں کے نتائج سے بورڈ یہ دعویٰ کر سکتا ہے کہ کمپنی کے کاموں کو آسان بنانے، اس کے مالیات کا انتظام کرنے اور ہائی ٹیک لبریکنٹس لمیٹڈ کی قانونی ذمہ داریوں کو پورا کرنے کے لیے ایک جامع اور موثر اندرونی کنٹرول سسٹم موجود ہے۔ اس بات کا اقرار ہے کہ کوئی بھی نظام خطرات کے خلاف مکمل طور پر ثبوت نہیں ہے، پھر بھی ممکنہ خطرات کو کم کرنے اور اسٹیک ہولڈرز کے لیے قدر کو محفوظ رکھنے کے لیے اندرونی کنٹرول کو بڑھانے اور مضبوط کرنے کے لیے ہر ممکن کوشش کی جائے گی۔ یہ سسٹمز تیار کیے گئے ہیں اور مستقبل میں تنظیم کو برقرار رکھنے کے لیے موجودہ کاروباری ماحول کو بہتر طریقے سے حل کرنے کے لیے بورڈ کے ذریعے اپ ڈیٹ کیا جائے گا۔

اخلاقی اقدار

HTL میں، ہمارے اعمال سالمیت، احترام، معیار اور ذمہ داری کی بنیادی اقدار سے چلتے ہیں۔ یہ اصول اس بات کی وضاحت کرتے ہیں کہ ہم کون ہیں اور اس تصویر کو تشکیل دیتے ہیں جسے ہم برقرار رکھنے کی کوشش کرتے ہیں۔ ہم اس بات کو یقینی بنانے کے لیے پرعزم ہیں کہ ہر فیصلہ اور عمل ان اقدار کی عکاسی کرتا

چیئرمین کا جائزہ

محترم اسٹیک ہولڈرز

ہم ہائی ٹیک لبریکنٹس گروپ بشمول ہائی ٹیک لبریکنٹس لمیٹڈ اور اس کی مکمل ملکیتی ذیلی کمپنی ہائی ٹیک بلینڈنگ (پرائیویٹ) لمیٹڈ میں آپ کے مسلسل تعاون اور اعتماد کی تہہ دل سے تعریف کرتے ہیں۔ ہم اپنے تمام اسٹیک ہولڈرز کے لیے قدر پیدا کرنے کے اپنے عزم کو پورا کرنے کے لیے وقف ہیں۔

مالی سال ۲۰۲۴ء نے ہائی ٹیک لبریکنٹس لمیٹڈ کے لیے اہم چیلنجز پیش کیے، کیونکہ جغرافیائی سیاسی تنازعات، بڑھتی ہوئی افراط زر، اور توانائی اور موسمیاتی بحرانوں کی وجہ سے عالمی اور مقامی عدم استحکام برقرار ہے۔ ان رکاوٹوں نے ہماری صنعت سمیت دنیا بھر کی معیشتوں کو متاثر کیا۔ ان مشکلات کے باوجود، ہماری کمپنی پائیدار ترقی اور آپریشنل فضیلت کے لیے اپنی وابستگی کو برقرار رکھتے ہوئے، ابھرتے ہوئے منظرنامے کے ساتھ تیزی سے ڈھلتے ہوئے لچکدار رہی۔

گروپ نے ۱۳۷ ملین روپے کا مجموعی خالص نقصان ریکارڈ کیا (۰.۹۹ روپے فی حصص کے نقصان کے ساتھ) یہ نتیجہ بنیادی طور پر چکنا کرنے والے سیگمنٹ کے اندر فروخت کی لاگت میں نمایاں اضافے کی وجہ سے ہے، جس کی وجہ اعلیٰ ان پٹ لاگت ہے۔ مزید برآں، سیگمنٹ کی فروخت کے حجم میں کمی واقع ہوئی، جس کی بنیادی وجہ مارکیٹ کے کھلاڑیوں کے درمیان بڑے مقابلوں اور گزشتہ مالی سال کے دوران پاکستان کے آٹوموبائل سیکٹر میں ۳۷.۴ فیصد کی شدید مندی ہے۔ یہ کمی درآمدی پابندیوں کی وجہ سے پیداوار اور فروخت میں سست روی، بلند افراط زر کی وجہ سے قوت خرید میں کمی، اور سخت مانیٹری پالیسی کی وجہ سے ہوئی ہے، جس کی وجہ سے گاڑیوں کی فنانسنگ میں کمی واقع ہوئی ہے۔ انتظامیہ ان پیچیدہ چیلنجوں سے بھرپور طریقے سے نمٹ رہی ہے اور آگے بڑھتے ہوئے گروپ کے مالی استحکام کو مضبوط بنانے کے لیے پرعزم ہے۔

مثبت خبروں میں، ہم اس کے OMC اور پولیمر سیگمنٹ کی سالانہ سیلز ریونیو میں بالترتیب ۹۶ فیصد اور ۱۴۴ فیصد اضافہ حاصل کرنے میں کامیاب رہے۔ ان حصوں میں مزید ترقی کی توقع ہے۔ HTL ایکسپریس سینٹرز نے پچھلے سال کی سطح پر سیلز ریونیو کو برقرار رکھا ہے۔

موجودہ معاشی حالات کے پیش نظر، HTL اپنے مارکیٹ آپریشنز کو ہموار کر رہا ہے اور میسرز ایس کے اینمو و کمپنی لمیٹڈ (پرنسپل سپلائر اور طویل عرصے سے ٹرم پارٹنر) کے ساتھ غیر بلینڈ شدہ خام مال کی فراہمی کے لیے ایک معاہدے کے ذریعے درآمدی مصنوعات کی پوری رینج کو مقامی بلینڈنگ اور فلنگ میں منتقل کرنے کا مقصد ہے ۔ اس تبدیلی سے ہمیں ملک کے لیے قیمتی زرمبادلہ بچانے میں مدد مل رہی ہے جبکہ HTL کے غیر ملکی زرمبادلہ کے خطرے کو کم کرنے اور ہماری لاگت کی مسابقت کو بہتر بنانے میں مدد مل رہی ہے جو اس معیشت میں تیزی سے اہم ہوگئی ہے۔ یہ کمپنی کے لیے ایک اہم پیش رفت ہے اور ہم پاکستان میں اپنے لبریکینٹ سیگمنٹ کے لیے اس کے طویل مدتی امکانات سے کافی حوصلہ افزائی کر رہے ہیں۔

بورڈ کی مجموعی کارکردگی

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، مجریہ ۲۰۱۹ء میں بیان کردہ تقاضوں کے مطابق، کمپنی نے بورڈ، اس کے انفرادی ممبران، اور کی کارکردگی کی سالانہ جانچ کے لیے ایک باضابطہ، جامع اور موثر داخلی طریقہ کار قائم کیا ہے۔ اس کی کمیٹیاں یہ فریم ورک، جو بورڈ کی منظوری کے بعد قائم کیا گیا تھا، گورننس اور اسٹریٹجک نگرانی میں مسلسل بہتری کو یقینی بنانے کے لیے کامیابی کے ساتھ نافذ کیا گیا ہے۔

مالی سال ۲۰۲۴ء کے دوران، بورڈ کی کارکردگی کو واضح طور پر بیان کردہ میٹرکس کے ایک سیٹ کے مقابلے میں منظم طریقے سے جانچا گیا، جس سے ایک سخت اور معروضی تشخیص کو یقینی بنایا گیا۔ یہ کلیدی کارکردگی کے اشارے (KPIs) بورڈ کے لیے ضروری شعبوں کی عکاسی کرتے ہیں تاکہ کمپنی کو اس کے اسٹریٹجک مقاصد کو حاصل کرنے اور حصص یافتگان کے لیے طویل مدتی قدر کو آگے بڑھانے میں مؤثر طریقے سے مدد فراہم کی جا سکے۔ تشخیص کے لئے استعمال ہونے والے معیار میں شامل ہیں۔

- رکنیت کی ساخت اور معیار
- کمپنی کے کاروبار اور صنعت کے بارے میں کمیٹیوں کی تفہیم
- اخلاقیات اور تعمیل
- ملاقاتوں کا انعقاد
- مجموعی درجہ بندی

مالی سال ۲۰۲۴ء کے مجموعی تشخیصی نتائج کی بنیاد پر، بورڈ، اس کے انفرادی اراکین، اور کمیٹیوں نے تمام اہم شعبوں میں مضبوط کارکردگی کا مظاہرہ کیا ہے۔ حاصل کردہ اوسط درجہ بندی اس بات کی عکاسی کرتی ہے کہ بورڈ مؤثر طریقے سے کام کر رہا ہے اور اعلیٰ سطح پر کام کرنا جاری رکھے ہوئے ہے، اپنے حقیقی فرائض کی تکمیل اور کمپنی کے سٹریٹجک مقاصد کی حمایت کرتا ہے۔

کمپنی عالمی بہترین طریقوں سے ہم آہنگ ہونے کے لیے باقاعدہ جانچوں، تربیتی پروگراموں، اور گورننس کے عمل کو بہتر بنانے کے ذریعے بورڈ کی تاثیر کو مسلسل بڑھانے کے لیے پرعزم ہے۔

گورننس کے اعلیٰ معیار کو برقرار رکھتے ہوئے، بورڈ پائیدار ترقی، مؤثر رسک مینجمنٹ، اور تمام اسٹیک ہولڈرز کے لیے طویل مدتی قدر کی تخلیق کے لیے اپنے عزم کو تقویت دیتا ہے۔

کارپوریٹ سماجی ذمہ داری

HTL مضبوطی سے قوم کی تعمیر کے لیے وقف ہے۔ یہ عزم ہمیں سوچ سمجھ کر ایسے علاقوں کا انتخاب کرنے پر مجبور کرتا ہے جہاں ہماری کوششیں معاشرے پر سب سے زیادہ بامعنی اور مثبت اثر ڈال سکتی ہیں، اس بات کو یقینی بناتے ہوئے کہ ہماری شراکتیں ان کمیونٹیز کو حقیقی معنوں میں فائدہ پہنچاتی ہیں جن کی ہم خدمت کرتے ہیں۔

HTL کا بورڈ آف ڈائریکٹرز اس وقت صابرہ حمیدہ ٹرسٹ کی دلی نیت کے ساتھ نگرانی کر رہا ہے جس کے دو کیمپس والے ہمارے سکول "علم گاہ سکول سسٹم" کے ذریعے تعلیم پر مثبت اثر ڈالنا ہے۔ اسکول کا نظام عام زندگیوں کو غیر معمولی زندگیوں میں تبدیل کرنے کے حتمی مقصد کے ساتھ اعلیٰ معیار کی تعلیم فراہم کر کے کمیونٹیز کو بااختیار بنانے کی کوشش کرتا ہے۔ ہمیں خوشی ہے کہ ۵۵۰ سے زیادہ طلباء کی ایک ترقی پذیر جماعت ہے، جو ہمارے بہترین نصاب اور ۳۰ کی پرعزم تدریسی ٹیم سے مستفید ہو رہے ہیں۔ ۲۰۱۱ء میں اسکول کے قیام کے بعد سے ۱۵۰۰ سے زیادہ طلباء ۱۱۰ فیصد پاس ریٹ کے ساتھ گریجویشن کر چکے ہیں۔ ہم اپنے طلباء کے مستقبل کی تشکیل کے منتظر ہیں جب وہ ہمارے ساتھ اپنے تعلیمی سفر کا آغاز

جی ڈیپارٹمنٹ ادارے کے کمپیوٹنگ سسٹمز کو جدید دور کے عین مطابق، دستیاب اور مؤثر رکھنے میں مدد دیتا ہے۔ HTL کی انفارمیشن ٹیکنالوجی کی ٹیم بزنس یونٹس کو معانت فراہم کرتے ہوئے نیٹ ورک اور آپریٹنگ سسٹمز کے استعمال کے دوران معلومات کے تبادلے کے ضمن میں، تحفظ کے اعلیٰ معیارات اور بہترین خدمات کی فراہمی کو یقینی بنایا ہے تاکہ اس سارے عمل کے دوران سخت ترین انفارمیشن سکیورٹی پالیسیز پر عمل درآمد ممکن بنایا جا سکے۔

یہ تمام مذکورہ نظام کاروبار کے ہر کلیدی شعبے (جیسے مالی، سپلائی چین، پروکیورمنٹ، سیلز، ایچ آر، مارکیٹنگ، اوایم سی، ایچ ٹی ایل ایکسپریس) کے کاروباری امور کو بطریق احسن اور بلاتعطل چلانے میں یقینی معاونت فراہم کرتے ہیں علاوہ ازیں یہ نظام ملازمین اور بیرونی صارفین (جیسے ڈسٹری بیوٹرز، خدمات فراہم کرنے والے افراد/ ادارے اور کاروباری شراکت داروں) کو بھی ضروری معاونت فراہم کرتا ہے۔

کاروبار کو بلاتعطل جاری رکھنے کے لیے منصوبہ بندی (BCP)

اندرونی اور بیرونی صارفین کے لیے کاروباری لین دین کے وقت کو کم سے کم کرنے کے لیے ایک شفاف فیل آور سولوشن کا نفاذ عمل میں لایا گیا ہے۔ ہم نے مرکزی ڈیٹا سینٹر پر جدید ترین کلسٹر سروسز کو بروئے کار لاتے ہوئے، تمام بنیادی سرورز کو کلسٹر ماحول کا حصہ بناتے ہوئے خصوصی طور پر تشکیل دیا ہے تاکہ تمام مطلوبہ معلومات با آسانی اور بروقت دستیاب ہوں۔ ہماری جانب سے تمام سرورز کو خاص طور پر ان کے لیے تفویض کردہ ڈیٹا سینٹر میں ہوسٹنگ فراہم کی گئی ہے۔ یہ جدید ترین ڈیٹا سینٹر، ظاہری تحفظ، درجہ حرارت کے انضباط، پاور اور ربط سازی کے حوالے بہت بہتر کارکردگی کا حامل ہے۔ اس حوالے سے تربیت یافتہ اور پڑھے لکھے تجربہ کار افراد کو بھی ملازمت پر رکھا گیا ہے تاکہ بوقت ضرورت پیشہ ورانہ خدمات کے بروقت حصول کو ممکن بنایا جا سکے۔ سپائی ویئر، کمپیوٹر وائرس، مشکوک ایپلیکیشنز، ڈیٹا لیکج اور سرورز کو ہر طرح کے بیرونی خطرات سے بچانے کے لیے اور ہیڈ آفس سے آفات کی بحالی کی جگہ تک وی پی این کنیکشن کی تشکیل کے لیے خصوصی اور موثر نظام وضع کیا گیا ہے۔

آفات سے بحالی

ناگہانی صورتحال میں بھی انفارمیشن ٹیکنالوجی سے متعلقہ خدمات کی دستیابی کے لیے، ایک متبادل ڈیزاسٹر ریکوری سائٹ کا قیام عمل میں لایا گیا ہے۔ کسی بھی ناگہانی صورتحال/خرابی کے واقع ہونے پر ایچ ٹی ایل ایک بائیٹ ڈیٹا بھی کھونا نہیں چاہتا (زیرو ڈیٹا لاس)۔ ہماری سائٹ صارف پورٹلز، ایچ آر سسٹمز اور اندرونی اور بیرونی کسٹمر کے لیے، تمام ڈیٹا کی ترسیل کے حوالے سے ہر وقت زیرو ڈیٹا لاس سیٹ اپ کو یقینی بناتی ہے۔

حصص داران کی ضروریات/ رائے کو سمجھنے کے لیے بورڈ کی کوششیں

تمام چھوٹے حصص داران کے حوالے سے بورڈ کو اپنی ذمہ داریوں کا بخوبی ادراک ہے۔ بورڈ اور مینجمنٹ ٹیم دونوں وقتاً فوقتاً اسٹاک مارکیٹ کے بڑے اداروں کے مالکان اور بروکریج ہاؤسز سے رابطے میں رہتے ہیں تاکہ حصص داران کے تقاضوں اور رائے کو سمجھا جا سکے۔ بورڈ آف ڈائریکٹرز کا ہدف اعلیٰ استعداد کے حامل ایسے حصص داران کی توجہ حاصل کرنا ہے کہ جو کمپنی کی حکمت عملی اور معاملات کو سمجھتے ہوں ۷ ۱۲ اکتوبر ۲۰۲۳ء کو منعقد ہونے والے عمومی سالانہ اجلاس میں بورڈ کے تمام اراکین نے طبعی اور الیکٹرانک ذریعے سے حصص داران سے ملاقات کی تاکہ کمپنی کے بارے میں ان حصص داران کی رائے حاصل کی جا سکے اور اس برس بھی عمومی سالانہ اجلاس، جسے طبعی اور آن لائن دونوں طریقوں سے منعقد کرنے کا منصوبہ ہے، کے دوران ایسا کیا جائے گا۔ کمپنی ۳۰ جون ۲۰۲۴ء کو ختم ہونے والے مالی سال کے سالانہ تنقیح شدہ مالیاتی گوشواروں کی بنیاد پر، پی ایس ایکس کی اجازت کے مطابق آنے والے عمومی سالانہ اجلاس کے ایک ماہ کے دوران، کم از کم ایک کارپوریٹ بریفنگ سیشن (سی بی ایس) منعقد کرنے کا ارادہ رکھتی ہے۔

کمپنی کا سٹاف اور صارفین

ہم اپنے تمام ملازمین کی ان تھک محنت اور کمپنی کے مقاصد کو حاصل کرنے کے لیے ان کی پر عزم کوششوں کو خراج تحسین پیش کرتے ہیں اور اور ملکی معیشت کے لیے اس مشکل ترین سال کے دوران بھی بہترین نتائج حاصل کرنے پر ہم ان کے تہہ دل سے شکر گزار ہیں۔ ہم اپنے صارفین اور حصص داران کا بھی شکریہ ادا کرتے ہیں کہ ہماری خدمات اور مصنوعات پر انہوں نے اپنے اعتماد کو برقرار رکھا۔

کمپنی کی ویب سائٹ

قانونی/ ریگولیٹری تقاضوں کو پورا کرنے کے لیے تمام متعلقہ معلومات کی کمپنی کی ویب سائٹ پر دستیابی ناگزیر ہے لہٰذا تمام معلو مات کو با ضابطہ اندا ز میں کمپنی کی ویب سائٹ www.hitechlubricants.com پر رکھ دیا گیا ہے۔

حسن طاہر	شوکت حسن
چیف ایگزیکٹیو آفیسر	چیئرمین

۲۰ ستمبر ۲۰۲۴ء

لاہور

☆ جناب علی حسن (بورڈ کی سرمایہ کاری کی کمیٹی کے رکن)
☆ جناب محمد عمران (سی ایف او اور بورڈ کی سرمایہ کاری کی کمیٹی کے رکن)
☆ جناب شہزاد سہیل (جی ایم سپلائی چین اور بورڈ کی سرمایہ کاری کی کمیٹی کے رکن)

ڈائریکٹرز کی تربیت

کمپنی نے ڈائریکٹرز کی تربیت کے سلسلے میں قانونی تقاضوں سے بالاتر ہو کر عمل کیا ہے اور ۱۰ ڈائریکٹرز پہلے ہی ڈائریکٹرز ٹریننگ سرٹیفکیٹ حاصل کر چکے ہیں جبکہ ۲ خالی اسامیوں پر ۲ نئے مقرر کردہ ڈائریکٹرز بھی اپنی متعلقہ تقرریوں سے ایک سال کے مقررہ وقت کے اندر مطلوبہ سرٹیفکیشن حاصل کریں گے۔

کارکردگی کی تشخیص

۳۰ جون ۲۰۲۴ء کو ختم ہونے والے سال کے لیے بورڈ، اس کے اراکین، کمیٹیوں، چیئرمین اور سی ای او کی کارکردگی کا جائزہ بورڈ کی ہیومن ریسورس اینڈ ریمونریشن کمیٹی نے کمپنی کے ہیومن ریسورس ڈیپارٹمنٹ کے ساتھ مل کر اندرونی طور پر کیا ہے۔

ڈائریکٹران کے مشاہرہ تعین کرنے کی پالیسی

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، مجریہ ۲۰۱۹ء کے قواعد پر عمل درآمد کرتے ہوئے ڈائریکٹرز کے مشاہرہ تعین کرنے کی پالیسی کا خلاصہ مندرجہ ذیل ہے: بورڈ کی انسانی وسائل و مشاہرہ کمیٹی کو بورڈ کی جانب سے اختیار دیا گیا ہے کہ کمپنی کے ڈائریکٹران کے مشاہرہ سے متعلق پالیسی تشکیل دیں، اس کی نگرانی کریں اور اس پر عمل درآمد یقینی بنائیں۔ بورڈ کی جانب سے ڈارئریکٹران کے مشاہرہ طے کرنے کے لیے، اپریل ۲۰۱۸ء کو ایسی ہی ایک باضابطہ پالیسی کی منظوری دی گئی۔ مذکورہ پالیسی کے اہم نکات مندرجہ ذیل ہیں: پالیسی کے مطلوبہ مقاصد دو سطحی ہیں:
☆ بورڈ کے حوالے سے وسیع کاروباری تجربے اور اعلیٰ صلاحیتوں کے حامل ڈائریکٹران کو اس عہدہ کے لیے متوجہ کرنا، ان کی حوصلہ افزائی کرنا اور انہیں اس عہدے پر رو کے رکھنا اور
☆ ڈائریکٹران کے عوضانہ کے تعین کے لیے تمام مروجہ و متعلقہ قوانین، ضوابط اور قواعد پر عمل درآمد یقینی بنانا۔

پالیسی کو ترتیب دیتے وقت مندرجہ ذیل امور کو ملحوظ خاطر رکھا گیا:
☆ کمپنی کی حکمت عملی سے متعلقہ اہداف اور مقاصد کی تکمیل۔
☆ بطور کاروباری ادارے، کمپنی پر عائد ہونے والی رفاعِ عامہ، کی ذمہ داریوں کی انجام دہی۔
☆ کمپنی کے کاروبار سے متعلق بنیادی فلسفہ عمل کی سا لمیت کا خیال رکھنا۔
☆ مطلوبہ عہدے کے لیے مارکیٹ کی صورت حال۔
کارکردگی میں اضافے، سوچ کی وسعت اور مطلوبہ کاروباری اہداف کے لیے تحریک کے ضامن سازگار دفتری ماحول کی تشکیل اور پاکستان میں ملتے جلتے کاروباری اداروں اور مساوی کاروباری حجم کی حامل کمپنیوں میں عوضانہ کے مروجہ ڈھانچے سے موازنہ ڈائریکٹران کو دی جانے والی بنیادی تنخواہ کی زیادہ سے زیادہ حد اور دیگر مراعات کی منظوری کمپنی کے بورڈ دے چکے ہیں۔
تاہم انفرادی سطح پر کسی ڈائریکٹر کے عوضانہ کو طے کرتے ہوئے مندرجہ ذیل امور کا خیال رکھا جاتا ہے:
☆ خصوصی اہلیت، متعلقہ تجربہ ڈائریکٹر کی ذاتی قابلیت۔
☆ اس کی اہلیت کی مارکیٹ میں موجودہ قدر۔
☆ ڈائریکٹر اور کمپنی کے درمیان کاروباری تعلق کی نوعیت، یعنی وہ کس طرح کی ڈائریکٹر شپ پر فائز ہے۔
☆ آزاد ڈرائریکٹران کا مشاہرہ صرف بورڈ/کمیٹی / حصص داران کے اجلاسوں کی فیس تک محدود ہے۔

ڈائریکٹران کے مختلف درجات کے حوالے سے مشاہرہ کا خلاصہ کچھ یوں ہے:

	اگیزیکٹیو ڈائریکٹرز	نان اگیزیکٹیو ڈائریکٹر	آزاد ڈائریکٹر
بنیادی تنخواہ کی زیادہ سے زیادہ حد	ایک سال میں ۳۶ ملین روپے	ایک سال میں ۱۸ ملین روپے	کوئی نہیں
مراعات	گاڑی جس کی دیکھ بھال کمپنی کی ذمہ داری ہے، صحت کے اخراجات ،فون کا خرچہ سفر اور چھٹیوں کے سفری اخراجا ت	گاڑی جس کی دیکھ بھال کمپنی کی ذمہ داری ہے، صحت کے اخراجات ،فون کا خرچہ سفر اور چھٹیوں کے سفری اخراجات	کوئی نہیں
کارکردگی کی بنا پر بونس اور متعلقہ پیمنٹس	۴۔۳ شق کے مطابق	کوئی نہیں	کوئی نہیں
ڈائریکٹر کے اجلاس کی فیس کی زیادہ سے زیادہ حد	کوئی نہیں	کوئی نہیں	بورڈ یا اس کی کسی کمیٹی اور عام اجلاس کے ایک مکمل اجلاس کی مد میں چار لاکھ روپے
اخراجات کی واپسی	کمپنی کے امور کی انجام دہی کے دوران ڈائریکٹر کی جانب سے کیے جا نے والے اصل اخرا جات یا اس ضمن میں معینہ مراعات، مثال کے طور پر کمپنی کے امور کے لیے سفر کے دوران رہائش کا خرچ		
پروفیشنل انڈیمنٹی انشورنس	کی سہولت ہے	کی سہولت ہے	کی سہولت ہے
بعد از ملازمت مراعات	کوئی نہیں	کوئی نہیں	کوئی نہیں
حصص کی تفویض سے متعلقہ سہولت	کوئی نہیں	کوئی نہیں	کوئی نہیں

*بنیادی تنخواہ اور کارکردگی کی بنیاد پر بونس کا تعین ایچ آر آر سی/بورڈ آف ڈائریکٹرز کے ہر رکن کی جانب سے انفرادی طور پر منظوری کے بعد، بورڈ کی طے کردہ حدود میں رہتے ہوئے کیا جاتا ہے۔

بورڈ کا ''آفات سے بازیابی اور کاروباری تسلسل کا منصوبہ'' کا جائزہ

HTL کے سیٹ اپ میں انفارمینش ٹیکنالوجی اور ایم آئی ایس کلیدی کردار ادا کرتی ہے۔ انفارمیشن ٹیکنالو

ایل اسٹیشن (او ایم سی پراجیکٹ) کے لیے بالترتیب پیشہ ورانہ خدمات کی فراہمی جاری رکھیں گے۔ اس ضمن میں کاروباری اور تجارتی مفادات کو تحفظ فراہم کرنے کے لیے کمپنی کی جانب سے کمپنیز ایکٹ مجریہ ۲۰۱۷ء کے تقاضوں اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشن مجریہ ۲۰۱۹ء کی ہدایات پر عمل درآمد یقینی بناتے ہوئے بورڈ نے اس تجدید کی منظوری دی۔

ایگزیکٹو کی حیثیت سے غور کرنے کی حد کا تعین

بورڈ نے کمپنی کے ان تمام ملازمین کو بطور ایگزیکٹو تصور کرنے کے لئے حد مقرر کی ہے جو اعلیٰ عہدوں بشمول کمپنی کے چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر، کمپنی سیکرٹری، ہیڈ آف انٹرنل آڈٹ اور تمام شعبہ جات کی سربراہی پر فائز ہوں، اور اس کے علاوہ انسانی وسائل و مشاہرہ کمیٹی کے اختصاص کے مطابق ادارے میں کلیدی کردار ادا کرنے والے تمام ایسے ملازمین جن کا ماہانہ مشاہرہ پانچ لاکھ پاکستانی روپے یا اس سے زیادہ ہے انہیں اس حوالے سے ایگزیکٹو تصور کیا جائیگا۔

مالیاتی سال کے دوران اور اس رپورٹ کی تاریخ تک کمپنی کے تمام ڈائریکٹرز کے نام:

☆ جناب شوکت حسن (چیئرمین بورڈ اور نان ایگزیکٹیو ڈائریکٹر)

☆ جناب حسن طاہر (سی ای او، ایگزیکٹیو ڈائریکٹر)

☆ جناب محمد علی حسن (ایگزیکٹیو ڈائریکٹر)

☆ جناب طاہر اعظم (مرحوم) (۹ جون ۲۰۲۴ء تک نان ایگزیکٹیو ڈائریکٹر اور ان کی جگہ محترمہ محوش خان مورخہ ۲۲ اگست ۲۰۲۴ء سے نان ایگزیکٹیو ڈائریکٹر)

☆ جناب فراز اختر زیدی (نان ایگزیکٹیو ڈائریکٹر)

☆ محترمہ ماوراء طاہر (نان ایگزیکٹیو ڈائریکٹر)

☆ ڈاکٹر صفدر علی بٹ (نان ایگزیکٹیو آزاد ڈائریکٹر)

☆ سید اسد عباس حسین (نان ایگزیکٹیو آزاد ڈائریکٹر)

☆ جناب شفیق الرحمن (نان ایگزیکٹیو آزاد ڈائریکٹر)

☆ جناب سینگیوک سیو (ایس کے این مو کمپنی لمیٹڈ (SKEN) کے نامزد) (28 فروری ۲۰۲۴ء تک نان ایگزیکٹیو ڈائریکٹر اور ان کی جگہ جناب ونجین یون (ایس کے این مو کمپنی لمیٹڈ (SKEN) کے نامزد) مورخہ 28 فروری ۲۰۲۴ء سے نان ایگزیکٹیو ڈائریکٹر)

ڈائریکٹرز رپورٹ کے وقت بورڈ کی تشکیل

ڈائریکٹرز رپورٹ کے وقت بورڈ کی تشکیل مندرجہ ذیل ہے:

مندرجہ ذیل کے مطابق ڈائریکٹرز کی کل تعداد ۱۰ ہے:

مرد: ۸

خاتون: ۲

ڈائریکٹرشپ کی قسم کے مطابق بورڈ کی تشکیل مندرجہ ذیل ہے:

الف) آزاد ڈائریکٹرز: ۳

ب) دیگر نان ایگزیکٹیو ڈائریکٹرز: ۵ (بشمول دو خواتین ڈائریکٹرز)

پ) ایگزیکٹیو ڈائریکٹرز: ۲

بورڈ کی کمیٹیاں

بورڈ نے اپنے مختلف امور میں مدد کے لئے مندرجہ ذیل کمیٹیاں تشکیل کی ہیں۔

بورڈ کی آڈٹ کمیٹی کے اراکین کے نام:

☆ جناب صفدر علی بٹ (بورڈ کی آڈٹ کمیٹی کے چیئرمین)

☆ جناب شوکت حسن (بورڈ کی آڈٹ کمیٹی کے رکن)

☆ جناب طاہر اعظم (مرحوم) (بورڈ کی آڈٹ کمیٹی کے رکن ۹ جون ۲۰۲۴ء تک)

☆ جناب فراز اختر زیدی (بورڈ کی آڈٹ کمیٹی کے رکن)

☆ جناب شفیق الرحمن (بورڈ کی آڈٹ کمیٹی کے رکن)

بورڈ کی انسانی وسائل و مشاہرہ کمیٹی کے اراکین کے نام:

☆ جناب صفدر علی بٹ (بورڈ کی انسانی وسائل و مشاہرہ کمیٹی کے چیئرمین)

☆ جناب شوکت حسن (بورڈ کی انسانی وسائل و مشاہرہ کمیٹی کے رکن)

☆ جناب طاہر اعظم (مرحوم) (بورڈ کی انسانی وسائل و مشاہرہ کمیٹی کے رکن ۹ جون ۲۰۲۴ء تک اور ان کی جگہ محترمہ محوش خان مورخہ ۲۲ اگست ۲۰۲۴ء سے بورڈ کی انسانی وسائل و مشاہرہ کمیٹی کی رکن)

☆ محترمہ ماوراء طاہر (بورڈ کی انسانی وسائل و مشاہرہ کمیٹی کی رکن)

بورڈ کی نامزدگی کمیٹی کے اراکین کے نام:

☆ جناب صفدر علی بٹ (بورڈ کی نامزدگی کمیٹی کے چیئرمین)

☆ جناب شوکت حسن (بورڈ کی نامزدگی کمیٹی کے رکن)

☆ جناب طاہر اعظم (مرحوم) (بورڈ کی بورڈ کی نامزدگی کمیٹی کے رکن ۹ جون ۲۰۲۴ء تک اور ان کی جگہ محترمہ محوش خان مورخہ ۲۲ اگست ۲۰۲۴ء سے بورڈ کی نامزدگی کمیٹی کی رکن)

☆ محترمہ ماوراء طاہر (بورڈ کی نامزدگی کمیٹی کی رکن)

بورڈ کی خطرات و پائیداری کمیٹی کے اراکین کے نام:

☆ جناب فراز اختر زیدی (بورڈ کی خطرات و پائیداری کمیٹی کے چیئرمین)

☆ محترمہ ماوراء طاہر (بورڈ کی خطرات و پائیداری کمیٹی کی رکن)

☆ جناب شفیق الرحمن (بورڈ کی خطرات و پائیداری کمیٹی کے رکن)

بورڈ کی کارپوریٹ سماجی ذمہ داری (سی ایس آر) کمیٹی کے اراکین کے نام:

☆ جناب شوکت حسن (بورڈ کی سی ایس آر کمیٹی کے چیئرمین)

☆ جناب طاہر اعظم (مرحوم) (بورڈ کی سی ایس آر کمیٹی کے رکن ۹ جون ۲۰۲۴ء تک)

☆ محترمہ ماوراء طاہر (بورڈ کی سی ایس آر کمیٹی کی رکن)

☆ جناب حسن طاہر (بورڈ کی سی ایس آر کمیٹی کی رکن)

☆ جناب علی حسن (بورڈ کی سی ایس آر کمیٹی کی رکن)

☆ محترمہ ثناء صابر (ایچ ٹی بی ایل کی ڈائریکٹر اور بورڈ کی سی ایس آر کمیٹی کی رکن)

بورڈ کی سرمایہ کاری کی کمیٹی کے اراکین کے نام

☆ جناب شوکت حسن (بورڈ کی سرمایہ کاری کی کمیٹی کے چیئرمین)

☆ جناب طاہر اعظم (مرحوم) (بورڈ کی سرمایہ کاری کی کمیٹی کے رکن ۹ جون ۲۰۲۴ء تک)

☆ جناب فراز اختر زیدی (بورڈ کی سرمایہ کاری کی کمیٹی کے رکن)

☆ جناب حسن طاہر (بورڈ کی سرمایہ کاری کی کمیٹی کے رکن)

ہمارے عزم کو تقویت دیتا ہے۔ ہم تسلیم کرتے ہیں کہ پائیدار کاروباری طرزِ عمل محض ذمہ داری سے آگے بڑھتے ہیں۔ وہ ہماری کمپنی، اسٹیک ہولڈرز اور ماحولیات کے لیے طویل مدتی کامیابی کو فروغ دینے کے لیے ایک اہم محرک کی نمائندگی کرتے ہیں۔

ہماری حکمت عملی کو لاگو کرنے کا راستہ بین الاقوامی رہنما اصولوں اور پائیداری کے معیارات کو مدنظر رکھتے ہوئے ایک بہتر مستقبل ہے۔

ہمارے اصولوں کی بنیاد پائیداری ہے۔

AT THE CORE OF OUR PRINCIPLES LIES SUSTAINABILITY

GOVERNANCE		
ECONOMIC	ENVIRONMENTAL	SOCIAL
Business Sustenance & Sustainable Initiatives	Stewardship & Resources Efficiency	Social Responsibility
Marketing Excellence	Product Stewardship	Talent Management & Well-being
Supply Chain Excellence	Environmental Stewardship	Community Engagement
Financial Resilience	Energy Conservation	Health & Safety

HTL میں، پائیداری ہماری بنیادی کاروباری حکمت عملی میں شامل ہے، جیسا کہ ہمارے پائیداری کے اصولوں کی رہنمائی ہے۔ ہم اسٹیک ہولڈر کی توقعات کو جاری رکھتے ہوئے ابھرتے ہوئے رجحانات، خطرات اور مواقع کو حل کرنے کی کوشش کرتے ہیں۔ ایک سرکردہ تیل اور چکنا کرنے والی مارکیٹنگ کمپنی کے طور پر، ہم توانائی کے پائیدار حل فراہم کرنے کا عہد کرتے ہیں جو ہمارے اسٹیک ہولڈرز اور ماحولیات کے لیے طویل مدتی قدر پیدا کرتے ہیں۔ ہم نے اپنا پائیداری ایجنڈا، اقتصادی، ماحولیاتی، سماجی، اور گورننس کے ستونوں میں لنگر انداز کیا ہے، جن پر بہت زیادہ اثر پڑے گا، اور ہم ان کو اقوام متحدہ کے پائیدار ترقی کے اہداف کے ساتھ ہم آہنگ کرتے ہیں۔ عالمی بہترین طریقوں سے ہماری وابستگی کا احساس اس پیش رفت سے ہوتا ہے جو ہم نے ایک بہتر کام کرنے والی دنیا کی طرف کی ہے۔ ہم پائیداری اور آب و ہوا سے متعلق خطرات کے انتظام میں زیادہ شفاف ہونے کے لیے آئی ایف آر ایس کے ایس۔ ا اور ایس۔ ۲ کے ساتھ صف بندی کے لیے بھی کام کر رہے ہیں۔
HTL میں پائیداری اور موسمیاتی تبدیلی کے لیے میٹرکس اور اہداف کو محتاط تجزیہ اور گلوبل رپورٹنگ انیشی ایٹو (GRI) کے موضوع کے معیارات کو مدنظر رکھتے ہوئے مقرر کیا گیا ہے۔ یہ میٹرکس ہمارے موسمیاتی تخفیف اور انتظامی حکمت عملیوں کی بھی رہنمائی کرتے ہیں۔

پائیداری کے لیے مواد کے عنوانات کی شناخت

کاروباری حکمت عملی اور مالی لچک، سپلائی چین مینجمنٹ، انوویشن اور پروڈکٹ اسٹیورڈشپ، سائبر سیکیورٹی اور ڈیجیٹلائزیشن، کمیونٹی کی مصروفیت، ماحولیات کی ذمہ داری، موسمیاتی تبدیلی، انسانی وسائل، ٹیلنٹ مینجمنٹ اور فلاح و بہبود، حفاظت اور صحت اور گورننس۔ ہمارا نقطہ نظر، یہ HTL کے لیے کس طرح اہمیت رکھتا ہے، اس طرح کے میٹرکس اور اہداف کے خلاف پیشرفت اور اثرات اور کامیابیاں ذیل کے ابواب میں بیان کی گئی ہیں۔

تعلیم، صحت کی دیکھ بھال اور ماحولیات پر خصوصی توجہ کے ساتھ، ایچ ٹی ایل پاکستان کے اہم شعبوں میں پائیداری اور کارپوریٹ سماجی ذمہ داری کو فروغ دینے میں ایک اہم کردار ادا کرتا ہے۔ ان شعبوں سے ہماری غیر متزلزل وابستگی ہمارے اس یقین میں گہری جڑی ہوئی ہے کہ پائیدار ترقی معاشرے کی فلاح و بہبود سے اندرونی طور پر جڑی ہوئی ہے۔ ہم اپنی کوششوں کو 2030 کے لیے پائیدار ترقی کے اہداف (SDGs) کے ساتھ فعال طور پر ہم آہنگ کرتے ہیں، انہیں عالمی ترقی کے لیے رہنما فریم ورک کے طور پر تسلیم کرتے ہیں۔ HTL میں، ہم SDGs کے ساتھ ہم آہنگی میں ایک زیادہ پائیدار، مساوی، اور خوشحال پاکستان میں کردار ادا کرتے ہوئے، بامعنی تبدیلی لانے کے لیے وقف ہیں۔

تعلیم کے میدان میں، ایچ ٹی ایل کے بورڈ آف ڈائریکٹرز نے صابرہ حمیدہ ٹرسٹ قائم کر کے ایک اہم قدم اٹھایا ہے۔ یہ اعتماد ایک بنیادی مشن سے چلتا ہے: عام زندگیوں کو مثالی زندگی میں تبدیل کرنے کے حتمی وژن کے ساتھ، اعلیٰ معیار کی تعلیم کی فراہمی کے ذریعے کمیونٹیز کو بااختیار بنا کر تعلیم پر نمایاں اثر ڈالنا۔ اپنے مقصد کے لیے پرعزم، ٹرسٹ متعلقہ ضوابط کی مکمل تعمیل میں کام کرتا ہے اور اس نے تمام مطلوبہ منظوری حاصل کی ہے، بشمول انکم ٹیکس آرڈیننس، 2001 کے سیکشن 2(36) کے تحت تسلیم کرنا۔ مزید برآں، صابرہ حمیدہ ٹرسٹ نے فخر کے ساتھ پاکستان سینٹر فار فلانتھراپی (PCP) سے ایکریڈیٹیشن حاصل کی ہے، جو اس کی فضیلت کے لیے اپنی لگن اور پاکستان میں تعلیمی منظر نامے کو بڑھانے کے لیے اس کے غیر متزلزل عزم کو مزید واضح کرتا ہے۔ HTL گروپ نے مختلف فلاحی کاموں کے لیے 22.74 ملین روپے کی اہم رقم کا تعاون کر کے انسان دوستی اور سماجی ذمہ داری کے لیے اپنی وابستگی کا مظاہرہ کیا ہے۔ یہ معاشرے کو واپس دینے اور جن کمیونٹیز کی ہم خدمت کرتے ہیں ان میں ایک بامعنی فرق لانے کے لیے ہماری جاری لگن کی عکاسی کرتا ہے، ہماری کارپوریٹ اقدار کو ایک بہتر، زیادہ پائیدار دنیا بنانے کے اپنے عزم کے ساتھ ہم آہنگ کرتا ہے۔ شروع کی گئی مخصوص سرگرمیوں کے بارے میں جامع معلومات کے ساتھ تفصیلی، اس سال کی سالانہ رپورٹ کے سرشار پائیداری اور کارپوریٹ سماجی ذمہ داری کے حصے میں پایا جا سکتا ہے۔

تفصیلی پہل اور حکمت عملی کے لیے براہ کرم پائیداری کی رپورٹ پڑھیں

ماحولیات، صحت اور حفاظت

HTL ماحولیاتی پائیداری، صحت اور حفاظتی اقدامات پر بہت زیادہ زور دیتا ہے۔ ہم کام کی جگہ اور کاروباری ماحول کو فروغ دینے کے لیے پرعزم ہیں جو نہ صرف پھلتا پھولتا ہے بلکہ ہمارے ملازمین، صارفین اور سیارے کی فلاح و بہبود کا بھی تحفظ کرتا ہے۔ ماحولیاتی ذمہ دارانہ طرزِ عمل کے لیے ہماری لگن ہمارے کاموں کے ہر پہلو تک پھیلی ہوئی ہے، ان مصنوعات کے ذریعے جو آلودگی سے پاک کم اخراج کے ساتھ۔ مزید برآں، ہم اپنی افرادی قوت کی صحت اور حفاظت کو ترجیح دیتے ہیں، ایک محفوظ اور صحت مند کام کی جگہ کو یقینی بنانے کے لیے مضبوط پروٹوکول اور مسلسل تربیت کا نفاذ کرتے ہیں۔ HTL میں، ہماری اقدار ایک پائیدار مستقبل کے ساتھ مطابقت رکھتی ہیں، اس بات کو یقینی بناتے ہوئے کہ ہم ماحول کے تحفظ اور تمام اسٹیک ہولڈرز کی فلاح و بہبود کے لیے اپنا کردار ادا کریں۔ ہماری تفصیلی سرگرمیاں اس سالانہ رپورٹ کے پائیداری اور کارپوریٹ سماجی ذمہ داری کے حصے میں پیش کی گئی ہیں۔

متعلقہ پارٹیز سے معاہدے

مذکورہ سال کے دوران کمپنی کی جانب سے جناب معین الدین اور جناب زلمئے اعظم (نان ایگزیکٹیو ڈائریکٹران جناب شوکت حسن صاحب اور جناب طاہر اعظم صاحب (مرحوم) کے بھائی بالترتیب) کی معاہداتی ملازمت کے ذریعے حاصل کی گئی خدمات کے سلسلہ میں متعلقہ پارٹیوں کے معاہدات کی تجدیدیں کی گئیں۔ ان متعلقہ پارٹیوں کے ساتھ کیے گئے معاہدات ملازمت کے ذریعے خدمات کی فراہمی کے حوالے سے، مذکورہ معاہدات کی رو سے، دونوں افراد ایچ ٹی ایل ایکسپریس پراجیکٹ اور ایچ ٹی

طریقے سے نافذ کیا جاتا ہے اور باقائدگی سے نگرانی کی جاتی ہے۔ بورڈ کی آڈٹ کمیٹی کے داخلی کنٹرول کے نظام کا جائزہ لیتی ہے تاکہ یہ یقینی بنایا جاسکے کہ سسٹمز اپنی جگہ پر رہیں اور کمپنی کے اثاثوں کی حفاظت، غلطی یا دھوکہ دہی کی روک تھام اور پتہ لگانے، قوانین وضوابط کی تعمیل اور مالیاتی گوشواروں کی وشوسنیتا کو یقینی بنانے کے لئے کافی ہیں۔ اندرونی آڈٹ ڈیپارٹمنٹ بورڈ کی آڈٹ کمیٹی کو براہ راست رپورٹ کرتے ہوئے کارپوریٹ گورنینس، رسک مینجمنٹ اور کنٹرولز کی تاثیر پر اپنا آزادانہ اپنے موثر کارپوریٹ گورنینس کے نظام کو مظبوط اور معقول جائزہ فراہم کرتا ہے۔ بناتا رہتا ہے۔ جس میں اندرونی طور پر تیار کردہ ضابطہ اخلاق، پالیسیاں اور طریقہ کار شامل ہیں۔ اور صنعت کے بہترین دستیاب گورنینس کے طریقوں سے ہم آہنگ ہے۔

خطرات کی مینجمنٹ

کمپنی کی ایک باقاعدہ رسک مینجمنٹ پالیسی موجود ہے جس میں ڈائریکٹرز اور سینئر مینجمنٹ کی مخصوص ذمہ داریاں تفویض کی گئی ہیں۔ پالیسی کے تین بڑے ذمہ داروں میں بورڈ آف ڈائریکٹرز، آڈٹ کمیٹی اور خطرات و پائیداری کمیٹی شامل ہیں جو رسک کے امکانات اور اس کے اثرات کی نوعیت کا مستقل جائزہ لیتے رہتے ہیں۔ سینئر مینجمنٹ ٹیم کی سربراہی چیف ایگزیکٹیو آفیسر، ایگزیکٹیو ڈائریکٹر اور نان ایگزیکٹیو ڈائریکٹرز کے ذمے ہے جو رسک کے ختم کرنے کے اقدامات اور تجاویز بورڈ کو غور وخوض کیلئے پیش کرتے ہیں۔

کمپنی کی سرگرمیوں میں متعدد مالیاتی خدشات کے امکانات موجود ہیں: مارکیٹ کے خدشات بشمول کرنسی کے خدشات، نیز قیمت کے خدشات اور شرح سود کے خدشات)، کریڈٹ کے خدشات اور لیکویڈیٹی کے خدشات۔ کمپنی کا مجموعی رسک مینجمنٹ پروگرام مالیاتی مارکیٹس کی ان دیکھی صورتحال کیلئے خدشات کی مینجمنٹ کے پروگرام پر توجہ مرکوز رکھتا ہے تاکہ کمپنی کی مالیاتی کارکردگی پر متوقع منفی اثرات کو کم سے کم کیا جاسکے۔ رسک مینجمنٹ کی ذمہ داری کمپنی کا فنانس ڈپارٹمنٹ بورڈ آف ڈائریکٹرز کی منظور شدہ پالیسیز کے تحت انجام دیتا ہے۔

کمپنی کا فنانس ڈپارٹمنٹ جہاں تک ممکن ہو مالیاتی خدشات کی جانچ اور روک تھام کرتا ہے۔ بورڈ مجموعی رسک مینجمنٹ کیلئے اصول فراہم کرنے کے ساتھ ساتھ خصوصی ایریاز جیسے کرنسی رسک، نیز قیمت کے رسک، شرح سود کے رسک، کریڈٹ رسک، لیکویڈیٹی رسک اور اضافی لیکویڈیٹی کی سرمایہ کاری کے بارے میں پالیسیز پیش کرتا ہے۔ خزانے سے متعلق تمام لین دین ان پالیسیز کے تحت کئے جاتے ہیں۔

کمپنی کیلئے بڑے خدشات غیر مجموعی فنانشل اسٹیٹمنٹس کے نوٹ ۴۶ میں دیئے گئے ہیں اور ان کے خاتمے کیلئے اختیار کئے گئے اقدامات درج ذیل ہیں:

قرض کے خطرات

مالیاتی معاہدے کی دستاویز کے تحت عائد شدہ ذمہ داریوں کی ، ایک فریق کی جانب سے عدم تعمیل کی وجہ سے، دوسرے فریق کو درپیش مالی خسارے کا خدشہ قرض کا خطرہ کہلاتا ہے۔ کمپنی عام طور پر قرض نہیں دیتی سوائے مالیاتی طور پر مستحکم صنعتی صارفین کو اور یہ رقم کمپنی کی مجموعی آمدنی میں غیر مادی حیثیت رکھتی ہے۔ مالیاتی اثاثہ جات کے حوالے سے یہ رقوم قرض پر نقصان برداشت کرنے کی زیادہ سے زیادہ مجوزہ حد کی نمائندگی کرتی ہیں۔ کمپنی کو یقین ہے کہ اسے قرض کے بڑے ارتکاز یا مارکیٹ قدر و قیمت میں ردو بدل سے متعلقہ خطرات (مارکیٹ ویلیو فلکچوایشن رسک) سے نبرد آزمانہ ہونا پڑے گا۔ قرض پر نقصان برداشت کرنے کی مذکورہ حد کو 'A' رینک کے بینکوں اور مالیاتی اداروں کے ساتھ سرمایہ کاری کے پورٹ فولیو کے متنوع استعمال کے ذریعہ منظم کیا جاتا ہے۔

لیکویڈیٹی کے خطرات

لیکویڈیٹی رسک وہ خطرہ ہے جب کمپنی اپنی مالیاتی واجبات وقت پر ادا نہ کر سکے۔ کمپنی لیکویڈیٹی رسک کا انتظام خاطر خواہ نقد رقم اور بینک بیلنس اور طے شدہ کریڈٹ کی سہولت کی رقم کے ذریعہ کر لیتی ہے۔ کمپنی کی فنڈ مینجمنٹ کی حکمت عملی کا مقصد اندرونی طور پر کیش کے حصول کے ذریعہ لیکویڈیٹی کے رسک کا بندوبست کرنا ہوتا ہے۔ HTL کو مالیاتی لحاظ سے طویل مدت اور قلیل مدت کیلئے بالترتیب -A اور A-2 کریڈٹ ریٹنگ الاٹ کی گئی ہے۔ اس سے ہماری واجبات کی بروقت ادائیگی کی اہلیت اور مستحکم لیکویڈیٹی پوزیشن کا اظہار ہوتا ہے۔ مستحکم لیکویڈیٹی پوزیشن کے باعث قابل وصولی بیلنس کی کم سطح اور خاطر خواہ کریڈٹ لائنز سے کمپنی اپنے تمام معاہداتی وعدے پورا کرنے کے قابل ہے۔

زرمبادلہ کے خطرات

زرمبادلہ کا خطرہ عموماً وہاں پیدا ہوتا ہے جہاں قابل وصولی اور قابلی ادائیگی رقوم کا لین دین بیرونی کرنسی میں کیا جائے۔ کمپنی کو عام طور پر کمپنی کے اندر اور اپنی کل ملکیتی ذیلی ادارے میں تیار لبریکنٹس، خام مال، پلانٹ اور مشینری کی درآمد کی مد میں مختصر مدت کے لیے امریکی ڈالر/ پاکستانی روپے کی صورت میں مساوات مبادلہ کے خدشات کا سامنا رہتا ہے۔ چونکہ اسٹیٹ بینک آف پاکستان کی رہنما ہدایات کے مطابق پٹرولیم، آئل اور لبریکنٹس (پی او ایل) مصنوعات کو مستقبل میں قیمتوں کے اضافے سے بچنے کے لیے پہلے سے ہی معینہ قیمتوں پر خریدا نہیں جا سکتا، لہٰذا کمپنی کو ڈالر کے مقابلے میں روپے کی قدر و قیمت میں اتار چڑھاؤ کے اثرات کو مستقل بنیادوں پر برداشت اور اس کے مطابق انتظام کرنا پڑتا ہے۔ تاہم ہماری پراڈکشن کا بڑا حصہ بلینڈنگ یونٹ کو منتقل کر دیا گیا ہے اور ہم اس رسک کو بڑی حد تک ختم کرنے کے قابل ہو گئے ہیں علاوہ ازیں ہم نے اس مقصد کے لیے مصنوعات کی تیاری کے وقت کو کم کرنے اور مالی مشکلات سے نبرد آزما ہونے کے لیے محفوظ اشیاء (بفر) کی انونٹری کے موثر انضباط کو بھی ممکن بنایا ہے۔

اس کے علاوہ بورڈ اور خطرات و پائیداری کمیٹی بھی کمپنی کو درپیش بڑے خدشات کی باقاعدگی سے بھرپور جانچ کرتی ہے جس میں کاروبار کے ماڈل، مستقبل کی کارکردگی، قرض ادا کرنے کی اہلیت کو یا لیکویڈیٹی کی مد میں درپیش خطرات کی مستقل طور پر جانچ بھی شامل ہے۔

خطرات کی گورننس

کمپنی کی ایک بہت بہتر طریقے سے بنائی گئی خطرات و پائیداری کمیٹی ہے جو کہ ہمارے رسک مینجمنٹ پروگرام کے مختلف سطحوں پر کردار اور ذمہ داریوں کو واضح طور پر بیان کرتی ہے۔

پالیسیاں اور طریقہء کار

بورڈ اور اس کی کمیٹیاں پالیسیوں اور طریقہء کار اختیار کرتے ہیں اور اسے کمپنی کے رسک گورننس فریم ورک سے منسلک کیا جاتا ہے تاکہ فنانشل، آپریشنل اور کمپلائنس کے خطروں کی مینجمنٹ کو یقینی بنایا جاسکے۔ یہ سب بہترین طرز عمل، اخلاقیات اور اقدار کے کلچر کو پروان چڑھانے اور مناسب طور پر عمل درآمد کیلئے سینئر مینجمنٹ کو اس کے ضروری اختیارات سونپے گئے ہیں۔

پائیداری اور کارپوریٹ سماجی ذمہ داری (CSR)

ہائی ٹیک لبریکنٹس میں، ہماری کاروباری حکمت عملی کے انجن میں پائیداری کو فروغ دیا جاتا ہے، جو ہمارے کاموں کے ہر پہلو میں اقتصادی، ماحولیاتی، سماجی، اور گورننس (EESG) اصولوں کو مربوط کرنے کے

کم: میوچل فنڈز سے ڈیویڈنڈ پرود ہولڈنگ ٹیکس	(۶،۲۰۰،۰۳۹)
کم: میوچل فنڈز کو ضائع کرنے پرود ہولڈنگ ٹیکس	(۱۲۷،۷۰۱)
کم: بینک چارجز	(۶،۱۴۲)
غیر استعمال شدہ IPO پروسیڈز بمطابق ۳۰ جون ۲۰۲۴ء	۲۱۸،۱۱۵،۹۰۶

بورڈ اور انتظامیہ کی رائے میں اس کیپٹل سے حصص داران کے بہترین مفاد میں خدشات کو بہترین طریقے سے تدوین کیا گیا ہے۔

مستقبل کا منظر نامہ

موجودہ اقتصادی صورتحال، تبادلے کے خطرات کو مدنظر رکھتے ہوئے، کمپنی لاگت میں کمی پر توجہ مرکوز کرتے ہوئے اپنی مارکیٹ کی پوزیشن کو مستحکم کر رہی ہے اور اس طرح اس نے بلینڈنگ پلانٹ میں مقامی بلینڈنگ اور فلنگ میں اضافہ کیا ہے، کورین جوائنٹ وینچر پارٹنرز کی فعال حمایت کے ساتھ، کمپنی کی ۹۰ فیصد مصنوعات جدید ترین بلینڈنگ پلانٹ میں تیار کیا جائے گا۔ اس سے کمپنی کو اپنی مصنوعات کو زیادہ مسابقتی قیمتوں پر پیش کرنے میں بھی مدد ملے گی۔

اس کے ساتھ ساتھ ہم OMC سیگمنٹ میں مزید فلنگ اسٹیشنوں کو منظم طریقے سے بڑھا کر اپنے پاؤں کے نشانات میں اضافہ کر رہے ہیں۔

ہمارا پولیمر طبقہ بھی اب مارکیٹوں میں زیادہ موجودگی رکھتا ہے اور انتہائی اطمینان بخش انداز میں صارفین کی خدمت کر رہا ہے۔ پولیمر سیگمنٹ کی پروڈکٹ لائن اور کسٹمر بیس مسلسل پھیل رہا ہے۔

ہمارے لبریکنٹس سیگمنٹ میں لاگت کی بچت کی کوششوں، OMC سیگمنٹ میں توسیع اور پولیمر سیگمنٹ آپریشنز میں بتدریج اضافے کے ساتھ، آپ پر اعتماد حصص یافتگان کو ایک ٹھوس مالیاتی بیس ٹور فراہم کرنے کا یقین رکھتے ہیں۔

ہم انتظامی تبدیلیاں اور کاروباری ذمہ داریاں

☆ ۳۰ جون ۲۰۲۴ء سے لے اب تک کمپنی میں کوئی اہم انتظامی تبدیلی نہیں کی گئی اور نہ ہی گروپ کمپنیوں میں کسی کمپنی کو تفویض کردہ کاروباری ذمہ داریوں میں، اضافہ ہوا اور اب تک اس امر سے کسی بھی گروپ کمپنی کی اقتصادی صورت حال کا متاثر ہونا ممکن ہے، اس کے سوا دیگر کا ذکر ۳۰ جون ۲۰۲۴ء کو ختم ہونے والے معاشی سال کے لیے، کمپنی کے انضمام شدہ اور غیر انضمام شدہ معاشی گوشواروں میں کر دیا گیا ہے۔

☆ آڈیٹر/تنقیح کنندہ کی مرتبہ رپورٹ میں کسی بھی سطح پر ایسی کوئی ترمیم نہیں کی گئی کہ جو گروپ کمپنی سے متعلق ہو۔

☆ مذکورہ سال کے دوران گروپ کمپنیز کے ذمہ قرضہ جات کی مد میں کوئی بھی رقم واجب الادا نہیں۔

ان مالی گوشواروں کو اکاؤنٹنگ اور رپورٹنگ سے متعلق پاکستان میں مروجہ معیارات کے عین مطابق تشکیل دیا گیا ہے۔ پاکستان میں مروجہ اکاؤنٹنگ اور رپورٹنگ معیارات میں درج ذیل عناصر شامل ہیں۔

☆ بین الاقوامی اکاؤنٹنگ سٹینڈرڈ بورڈ (آئی اے ایس بی) کی جانب سے جاری کئے گئے بین الاقوامی مالیاتی رپورٹنگ سٹینڈرڈ (آئی ایف آر ایس) جو کمپنیز ایکٹ، مجریہ ۲۰۱۷ء کے تحت جاری شدہ ہیں۔

☆ کمپنیز ایکٹ، مجریہ ۲۰۱۷ء کے تحت دفعات اور ہدایات

☆ جہاں کمپنیز ایکٹ مجریہ ۲۰۱۷ء کے تحت دفعات اور ہدایات اور آئی ایف آر ایس کی شقوں میں تضاد نظر آیا، وہاں کمپنیز ایکٹ مجریہ ۲۰۱۷ء کی دفعات اور ہدایات پر عمل کیا گیا ہے۔

☆ کاروباری انضباط سے متعلق بہترین اقدامات (Best Corporate Governance) کو یقینی بناتے ہوئے، کسی بھی ایسے اہم امر سے روگردانی نہیں کی گئی کہ جن کی تفصیل لسٹنگ ریگولیشنز اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) مجریہ ۲۰۱۹ء کے قواعد نامہ میں درج ہو۔

☆ کمپنی کے قیام سے لے کر اب تک (جو کہ گزشتہ ۶ سال کا عرصہ بنتا ہے) کا اہم بنیادی انتظامی اور اقتصادی ڈیٹا سالانہ رپورٹ میں کسی جگہ مہیا کر دیا گیا ہے۔

☆ ہر گروپ کمپنی کے مالی گوشواروں پر تنقیح کنندگان کی جانب سے غیر رسمی/غیر مشروط رائے درج کر دی گئی ہے۔

کوڈ آف کارپوریٹ گورننس پر عمل درآمد

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز مجریہ ۲۰۱۹ء کی لازمی شرائط کی باقاعدہ پابندی کی جاتی ہے اور اس سلسلے میں اسٹیٹمنٹ آف کمپلائنس مع اس پر بیرونی آڈیٹرز کی جائزہ رپورٹ، سالانہ رپورٹ کے ساتھ منسلک ہے۔

تنقیح کنندگان

موجودہ تنقیح کنندگان میسرز ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئے ہیں اور انہوں نے خود کو دوبارہ تقرری کیلئے پیش کیا ہے۔ انہوں نے تصدیق کی ہے کہ وہ انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) کی اطمینان بخش ریٹنگ کے حامل ہیں جو ICAP کے اختیار کردہ کوڈ آف ایتھکس آف انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس (IFAC) کی رہنما ہدایات کے مطابق ہیں۔ آڈٹ کمیٹی کی تجویز کے مطابق، بورڈ آف ڈائریکٹرز نے ان کو آئندہ ختم ہونے والے سال ۳۰ جون ۲۰۲۵ء کیلئے کمپنی کے تنقیح کنندگان کے طور پر دوبارہ تقرری کی سفارش کی ہے جس کی فیس کا تعین باہمی رضامندی سے ہوگا۔

حصص کا طرز

مخصوص درجہ کے حصص داران کی حصص داری کا طرز بمطابق ۳۰ جون ۲۰۲۴ء جس کو رپورٹنگ فریم ورک کے تحت ظاہر کرنا ضروری ہے، حصص داروں کی معلومات کے ساتھ منسلک ہے۔

بورڈ کمیٹیاں

بورڈ ابتدائی طور پر رسک مینجمنٹ کا جائزہ اپنی کمیٹیوں کے ذریعہ کرتا ہے۔ آڈٹ کمیٹی فنانشل، ریگولیٹری اور کمپلائنس رسک پر توجہ مرکوز کر کے شفافیت اور احتساب کے عمل کو یقینی بناتی ہے۔ کمپنی کی میٹنگ ہر سہ ماہی میں یا حسب ضرورت منعقد کی جاتی ہے۔ ہیومن ریسورس اینڈ ریمونریشن کمیٹی اپنے شعبہ میں رسک کے امکانات پر نظر رکھتی ہے جس میں معاوضے کے پروگرام کا جائزہ شامل ہے تاکہ اجتماعی رسک میں اضافہ نہ ہونے کو یقینی بنایا جا سکے۔ اس کے علاوہ کمپنی آپریشن کے ہر اہم شعبہ میں اہل انسانی وسائل کی دستیابی کو یقینی بنانے کیلئے جانشینی کی پلاننگ کرتی ہے۔ خطرات و پائیداری کمیٹی تمام مادی کنٹرولز (فنانشل، آپریشنل اور کمپلائنس) کی نگرانی کرتی ہے اور جائزہ لیتی ہے نیز رسک کے خاتمے کیلئے بڑے اقدامات تیار کرتی ہے اور مالیاتی معلومات کے تحفظ کا خیال رکھتی ہے۔ انویسٹمنٹ کمیٹی مجموعی انویسٹمنٹ پالیسیوں، حکمت عملی اور سرمایہ کاری میں رسک مینجمنٹ کی تشکیل کی ذمہ دار ہے۔

اندرونی کنٹرول کی مناسبیت

ڈائریکٹران اپنی گڈ گورنینس کی اقدار اور اندرونی کنٹرول کے کافی حد تک پابند ہیں۔ کمپنی کے پاس ڈیزائن میں اندرونی کنٹرول کا مظبوط نظام موجود ہے جو تمام افعال میں مضبوطی سے مربوط ہے، موثر

کاروباری عمل کی کارکردگی

ہائی ٹیک بلینڈنگ (پرائیویٹ) لمیٹڈ HTBL

HTBL آپ کی کمپنی کا مکمل ملکیتی ذیلی ادارہ ہے۔ HTBL نے اپنے پورٹ فولیو میں مسلسل نئی مصنوعات شامل کی ہیں اور اپنی بلینڈنگ کی سہولیات کو بھی بڑھایا ہے۔ ہم اپنے درآمد شدہ چکنا کرنے والے مادوں کو HTBL میں بلینڈ کرنے کے لیے اور آخری صارفین کے لیے چکنا کرنے والے مادوں کی قیمت کو کم کرنے اور مارکیٹنگ کے نئے مواقع پیدا کرنے کے لئے مزید منصوبہ بندی کر رہے ہیں۔

جدید ترین بلینڈنگ پلانٹ، جو کہ نزد سندر انڈسٹریل اسٹیٹ، لاہور میں واقع ہے، نمایاں پیداواری صلاحیت کا حامل ہے اور اس میں بلینڈنگ اور فلنگ آپریشنز کے لیے جدید ٹیکنالوجی شامل ہے۔ HTBL اس سہولت پر چکنا کرنے والوں کے لیے HDPE بوتلیں اور کیپس بھی تیار کرتا ہے۔

پولیمر سیگمنٹ میں توسیع

پچھلے مالی سال کے دوران، ایچ ٹی ایل نے اپنی مکمل ملکیتی ذیلی کمپنی کے ذریعے، پولیمر سیگمنٹ میں داخل ہوکر تنوع پیدا کرنے کے لیے ایک اہم اقدام اٹھایا۔ مالی سال ۲۰۲۴ء نے بیرونی کلائنٹس کے لیے پیداوار میں نمایاں بہتری کی نشان دہی کی ہے جو کہ ہمارے اسٹریٹجک ترقی کے راستے پر ایک اہم سنگ میل ہے۔ یہ توسیع نہ صرف ہمارے پروڈکٹ پورٹ فولیو کو مضبوط کرتی ہے بلکہ ہمارے صارفین اور شراکت داروں کے لیے حسب ضرورت، قدر میں اضافہ اور پائیدار حل فراہم کرنے میں ہماری صلاحیت کو بھی ظاہر کرتی ہے۔

اس کی وجہ یہ ہے کہ جیسے جیسے ہم اس بڑھتے ہوئے شعبے میں اپنی موجودگی کو مضبوط اور گہرا کرتے ہیں، ہم خود کو اعلیٰ معیار کی پولیمر مصنوعات کی پیشکش کرنے کا عہد کرتے رہتے ہیں۔ ہم نئے تعاون اور اختراعات کے مواقع کا مزید خیر مقدم کرتے ہیں جس کے نتیجے میں صنعت کی مسلسل ترقی ہوگی۔

ایچ ٹی ایل ایکسپریس سینٹرز

HTL Express گاڑیوں کی دیکھ بھال کی صنعت میں غیر معمولی خدمات فراہم کرنے، انتہائی ہنر مند پیشہ ور افراد کو ملازمت دینے، اور جدید ٹیکنالوجی کا استعمال کرتے ہوئے اپنی آپریشنل موجودگی کو مستقل طور پر وسیع کرنے کے لیے اپنی کوششوں کو جاری رکھے ہوئے ہے۔ ۱۳ فرنچائزڈ HTL ایکسپریس سینٹر کے ساتھ اس وقت کام جاری ہے، کمپنی حفاظتی گاڑیوں کی دیکھ بھال کے شعبے میں اپنی صارف بنیاد کو بڑھانے کے عزم کو برقرار رکھتی ہے۔ مزید برآں، ایچ ٹی ایل اپنے فیول اسٹیشن (ڈیلر آپریٹڈ) قائم کر کے آؤٹ لیٹس کی تعداد بڑھا رہا ہے۔ اب تک، فیول سٹیشن ماڈل کے ساتھ فرنچائز ماڈل کے انضمام کے نتیجے میں ۶۸ مراکز قائم ہو چکے ہیں، اور فیول سٹیشنوں میں اضافے کے ساتھ یہ اضافہ جاری رہے گا۔

ایچ ٹی ایل ایندھن اسٹیشنز (ایک تیل کی مارکیٹنگ کمپنی)

اس وقت، کمپنی پنجاب میں ۱۵۵ ایچ ٹی ایل فیول اسٹیشن -- ۴۰ اور صوبہ خیبر پختونخواہ (کے پی کے) میں ۱۵ کام کر رہی ہے۔ دونوں صوبوں میں مزید فیول اسٹیشنز کے قیام کا منصوبہ ہے۔ اس توسیع کی وجہ سے OMC کی آمدنی میں ۹۸ فیصد اضافہ ہوا۔ یہ احتیاط سے منصوبہ بند اور احتیاط سے عمل میں لایا گیا توسیع OMC سیکٹر میں ہماری ترقی کی حکمت عملی میں ایک اہم سنگ میل ہے اور ہماری فرنچائز کے ذریعے توسیع شدہ صارفین کو قابل اعتماد خدمات پیش کرنے کے لیے کمپنی کے عزم کی عکاس ہے۔ اس سے نہ صرف OMC مارکیٹ میں ہماری زیادہ موجودگی کو تقویت ملے گی بلکہ دونوں صوبوں میں معاشی ترقی اور روزگار کے مواقع پیدا کرنے میں بھی مدد ملے گی۔ ہمیں یہ بتاتے ہوئے خوشی ہو رہی ہے کہ ہماری مصنوعات اور خدمات کے معیار پر صارفین کا اعتماد انتہائی تسلی بخش ہے۔ آگے بڑھتے ہوئے، ہمیں یقین ہے کہ یہ شعبہ ہمارے حصص یافتگان کے لیے منافع میں حصہ ڈالے گا۔

مائع وسائل کا انتظام (کیش مینجمنٹ اور اسٹریٹجک فیصلہ سازی)

کیش مینجمنٹ اور لیکویڈیٹی کنٹرول کمپنی کے اسٹریٹجک فیصلہ سازی کے عمل کا بنیادی مرکز ہیں انتہائی ہنر مند مالیاتی، تکنیکی، مارکیٹنگ اور اندرونی آڈٹ پیشہ ور افراد کے ساتھ، HTL نے موثر مالیاتی، معیار، مارکیٹنگ اور اندرونی آڈٹ کے نظام تیار کیے ہیں۔ وقتاً فوقتاً بجٹ اور پیشن گوئی کے کنٹرول کے ساتھ آپ کی انتظامیہ ملک کی موجودہ مشکل معاشی صورتحال کے دوران کمپنی کو کامیابی سے چلانے کی پوری کوشش کر رہی ہے۔ اس بہت زیادہ مالی لاگت کے دور میں ورکنگ کیپیٹل کی ضروریات کو احتیاط سے پیشن گوئی اور منظم کیا جاتا ہے۔

کیپٹل کے اخراجات

منافع اور رسک مینجمنٹ کے زاویوں سے سرمائے کے اخراجات کا بغور جائزہ لیا جاتا ہے۔ اندرونی آڈٹ ڈپارٹمنٹ اور آڈٹ کمیٹی منظور شدہ بجٹ پیرامیٹرز کے ساتھ بروقت تکمیل کے لیے تمام سرمائے کے اخراجات کا جائزہ لیتی ہے۔ بورڈ کو یہ بتاتے ہوئے خوشی ہو رہی ہے کہ ایسی کوئی مالی رکاوٹیں نہیں ہیں جو کمپنی کی طویل مدتی منصوبوں میں سرمایہ کاری کرنے کی صلاحیت میں رکاوٹ بن سکتی ہیں۔

قومی خزانے میں ہمارا حصہ

HTL گروپ نے مالی سال ختم شدہ جون ۲۰۲۴ء میں سیلز اور انکم ٹیکس کے ذریعے قومی خزانے میں ۹۸۔۱۳ ارب روپے کا حصہ ڈالا ہے۔

منافع کی تخصیص

مجموعی مانیٹری، مالیاتی اور افراط زر کے دباؤ کے پیش نظر، جس نے مالی سال ۲۰۲۴ء کے لیے کمپنی کے مالیاتی نتائج کو بری طرح متاثر کیا ہے، بورڈ آف ڈائریکٹرز نے ۳۰ جون ۲۰۲۴ء کو ختم ہونے والے سال کے لیے کوئی ڈیویڈنڈ استحقاق تجویز نہیں کیا ہے۔ جیسے ہی مجموعی بنیادوں پر اکاؤنٹس میں فی حصص آمدنی میں بہتری آئے گی، بورڈ آف ڈائریکٹرز کسی بھی ڈیویڈنڈ استحقاق پر غور کریں گے۔

IPO فنڈز

کمپنی کے مجموعی بنیادوں کے مالیاتی حسابات کے نوٹ ۵۲ میں ۳۰ جون ۲۰۲۴ء کو ختم ہونے والے سال تک کیلئے IPO کے طریقہ کار کے استعمال کی تفصیلی معلومات فراہم کی گئی ہیں۔

تفصیلات	پاکستانی روپے
غیر استعمال شدہ IPO حاصل شدہ بمطابق یکم جولائی ۲۰۲۳ء	۳۹۵،۸۹۸،۳۵۶
شامل کریں: ٹرم ڈپازٹ کی رسید پر منافع	۲۹،۹۴۶،۳۶۸
شامل کریں: بینک ڈپازٹس پر منافع	۲،۲۵۸،۰۰۵
شامل کریں: میوچل فنڈز میں سرمایہ کاری پر ڈیویڈنڈ	۴۱،۳۳۳،۵۹۵
شامل کریں: میوچل فنڈ میں سرمایہ کاری کے تصرف پر فائدہ	۳۳۸،۸۱۰
شامل کریں: میوچل فنڈز میں سرمایہ کاری پر غیر حقیقی فائدہ	۱،۰۶۹،۵۸۱
کم: OMC پروجیکٹ سے متعلق ادائیگیاں	(۲۴۱،۵۶۴،۲۷۱)
کم: منافع پر ودہولڈنگ ٹیکس	(۴،۸۳۰،۶۵۶)

ڈائریکٹران کی رپورٹ برائے حصص داران

ہائی ٹیک لبریکینٹس لمیٹڈ (ایچ ٹی ایل یا کمپنی) کے ڈائریکٹران مالی سال ختم شدہ ۳۰ جون ۲۰۲۴ء کی سالانہ رپورٹ مع آڈٹ شدہ مجموعی وعلیحدہ مالیاتی حسابات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

پاکستان کا معاشی جائزہ

مالی سال ۲۰۲۴ء کے آغاز کے دوران، پاکستان کی معیشت کو اہم چیلنجوں کا سامنا کرنا پڑا، جن میں افراط زر کی بلند شرح اور کرنسی کی قدر میں کمی شامل ہے۔ ان منفی معاشی حالات نے پیٹرولیم اور لبریکنٹس کے شعبے پر کافی دباؤ ڈالا۔ بلند افراط زر نے آپریشنل لاگت میں اضافہ کیا، اور پاکستانی روپے کے کمزور ہونے سے درآمدات کی لاگت میں اضافہ ہوا۔ مزید برآں، ریگولیٹری غیر یقینی صورتحال اور ایندھن کی قیمتوں میں اتار چڑھاؤ نے صنعت کو مزید دباؤ میں ڈالا، جس سے قیمتوں کا تعین، تقسیم اور مجموعی منافع متاثر ہوا۔ افراط زر مالی سال ۲۰۲۴ء کی تیسری سہ ماہی سے مسلسل نیچے کی طرف بڑھ رہا ہے، ہیڈلائن کنزیومر پرائس انڈیکس (سی پی آئی) جون ۲۰۲۴ء میں اوسطاً ۲۳۔۴ فیصد رہی، جو پچھلے مالی سال کی اسی مدت کے دوران ۲۹۔۴ فیصد تھی۔

ان معاشی حالات کے جواب میں، اسٹیٹ بینک آف پاکستان (SBP) کی مانیٹری پالیسی کمیٹی (MPC) نے اپنی پالیسی ریٹ (بینچ مارک ریٹ) میں مجموعی طور پر ۲۵۰ بنیادی پوائنٹس کی کمی کی ہے، جس سے جون ۲۰۲۴ء میں بینچ مارک کی شرح ۱۹۔۵۰ فیصد ہوگئی ہے۔ اس استحکام کو آئی ایم ایف کے ساتھ تین ارب امریکن ڈالر کے اسٹینڈ بائی اریجنمنٹ (SBA) کی کامیاب تکمیل سے مزید تقویت ملی ہے۔ ان مثبت پیش رفتوں کے باوجود، پاکستان قرضوں کی فراہمی کے اعلیٰ اخراجات اور بیرونی ادائیگیوں کے انتظام کے چیلنج سے نمٹ رہا ہے۔ اس لیے پیشن گوئی انتہائی غیر یقینی رہتی ہے، جس میں بیرونی اور اندرونی دونوں عوامل سے اہم خطرات لاحق ہوتے ہیں۔

مجموعی بنیادوں پر مالی کارکردگی

آپ کے گروپ (ہائی ٹیک لبریکنٹس لیمیٹڈ اور ہائی ٹیک بلینڈنگ (پرائیویٹ) لیمیٹڈ، اس کی مکمل ملکیتی ذیلی کمپنی) کی مستحکم مالی کارکردگی میں، یہ ضروری ہے کہ ان اہم چیلنجوں کو نوٹ کیا جائے جنہوں نے مالی سال ۲۰۲۴ء میں گروپ کی کارکردگی کو متاثر کیا۔ بنیادی طور پر پچھلے سال میں OMC کاروباری حجم میں اضافے اور پولیمر سیگمنٹ کے تعارف کی وجہ سے خالص آمدنی میں ۵۵۔۷۸ فیصد کا قابل ذکر اضافہ ہوا۔ تاہم، اہم ریگولیٹری غیر یقینی صورتحال، ایندھن کی قیمتوں میں اتار چڑھاؤ اور دیگر قیمتوں میں اضافے سمیت متعدد عوامل کی وجہ سے فروخت کی لاگت میں ۶۶۔۵۱ فیصد اضافہ ہوا۔ گروپ نے ان زیادہ اخراجات کو صارفین تک پہنچانے کے لیے جدوجہد کی، جس کے نتیجے میں مجموعی منافع میں ۲۔۶۰ فیصد کمی واقع ہوئی۔ مزید برآں، اسٹیٹ بینک آف پاکستان کی جانب سے جون ۲۰۲۴ء تک برقرار رکھی گئی بلند پالیسی کی شرح کے جواب کے طور پر مالیاتی اخراجات میں ۱۰۔۹۵ فیصد کا اضافہ ہوا۔ یہ پیچیدہ چیلنجز، وسیع تر اقتصادی دباؤ کے ساتھ، بدقسمتی سے سال کے دوران کمپنی کے لیے مالی نقصان کا باعث بنے۔

آپ کے گروپ کی تفصیلی مجموعی مالی کارکردگی ذیل میں پیش کی گئی ہے:

تفصیلات	مجموعی برائے ۳۰ جون	مجموعی برائے ۳۰ جون	تبدیلی
	۲۰۲۴ء	۲۰۲۳ء	
	پاکستانی روپے ملین میں	پاکستانی روپے ملین میں	(مثبت، منفی)
مجموعی آمدنی	۲۷،۱۱۴	۱۷،۶۱۷	۵۳۔۹۱ فیصد
خالص آمدنی	۲۴،۳۱۷	۱۵،۶۱۰	۵۵۔۷۸ فیصد
مجموعی منافع	۲،۳۶۴	۲،۴۲۷	منفی ۲۔۶۰ فیصد
ریونیو کا فیصد	۹۔۷۲ فیصد	۱۵۔۵۴ فیصد	
آپریٹنگ منافع	۶۲۳	۳۹۹	۵۶۔۱۴ فیصد
مالیاتی لاگت	۸۰۱	۷۲۲	۱۰۔۹۴ فیصد
(نقصان)/ٹیکس سے پہلے منافع	(۱۷۸)	(۳۲۲)	منفی ۴۴۔۷۲ فیصد
(نقصان)/ٹیکس کے بعد منافع	(۱۳۷)	(۲۴۷)	منفی ۴۴۔۵۳ فیصد
(نقصان)/فی شیئر آمدنی	(۰۔۹۹)	(۱۔۷۷)	منفی ۴۴۔۲۴ فیصد

FORM OF **PROXY**

I/We ______________________ a member / member of Hi-Tech Lubricants Limited and holder of____________________shares as per Share Register Folio # / CDC Participant I.D. Participant ID # Sub A/C # / Investor A/C #________________________do hereby appoint________________________of ________________________or failing him______________________________of who is also member of the Company vide Registered Folio # ____________________________________as my/our Proxy to attend, speak and vote for me /us and on my / our behalf at the Annual General Meeting of the Company to be held on Saturday October 26, 2024 at 11:30 a.m. and at any adjournment thereof.

As witness my/our hand this _____________day of October, 2024 at ____________

Witness' Signature:...

....

Name...

CNIC # ....

Address...

....

Affix Revenue Stamp of Rs. 50/-

Witness' Signature:...

....

Name...

CNIC # ....

Address...

....

Member's Signature

Date:	
Place:	

Notes:

A member entitled to attend and vote at the AGM is entitled to appoint another member as a proxy to attend and vote instead of him/her. The instrument appointing a proxy must be received at the Registered Office of the company not less than 48 hours before the time fixed for AGM.

For Appointing Proxies:

a. In case of individuals, the account holder and/or sub-account holder, whose registration details are uploaded as per the CDC Regulations, shall submit scan/photo of the proxy form as per above requirements.

b. The proxy form shall be (i) duly stamped with adhesive revenue tickets of PKR 50/- and (ii) witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the proxy form.

c. Attested copies of CNIC or the Passport of beneficial owners and of the proxy shall be furnished with the proxy form.

d. The proxy shall submit scan/photo of his original CNIC or Passport at the time of login to the video link/Zoom application for attending online AGM.

e. In case of corporate entity, scan/photo of the Board's resolution / power of attorney with specimen signature thereon shall be submitted online (unless it has been provided earlier) along with proxy form to the Company at the time of login to the video link/Zoom application for attending online AGM.

ہائی-ٹیک لبریکنٹس لمیٹڈ

مختار نامہ

میں/ہم ____________________

کا/کے ____________________

بحیثیت رکن ہائی۔ٹیک لبریکنٹس لمیٹڈ اور حامل حصص، بمطابق شیئر رجسٹر فولیو نمبر ____________________

اور/یا سی ڈی سی پارٹیسپینٹ (شرکت آئی ڈی) نمبر ____________________

اور سب اکاؤنٹ (ذیلی کھاتہ) نمبر ____________________

محترم/محترمہ ____________________

کو اپنے/ہمارے ایماء پر ____________________ مورخہ 26 اکتوبر 2024ء بروز ہفتہ بوقت صبح 11:30 بجے

کو منعقد ہونے والے کمپنی کے سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے یا کسی بھی التواء کی صورت اپنا/ہمارا بطور مختار (پراکسی) مقرر کرتا ہوں / کرتے ہیں۔

آج بروز .... بتاریخ .... 2024ء کو دستخط کیے گئے۔

گواہان

1۔

دستخط: ____________________

نام: ____________________

پتہ ____________________

____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: ____________________

پچاس روپے مالیت کے رسیدی ٹکٹ پر دستخط

2۔

دستخط: ____________________

نام: ____________________

پتہ ____________________

____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: ____________________

دستخط کمپنی کے نمونہ دستخط سے سے مماثل ہونے چاہئیں۔

نوٹ

1۔ اجلاس میں شرکت اور ووٹ دینے کا اہل رکن، اجلاس میں شرکت کیلئے اپنی بجائے کسی دوسرے رکن کو اپنا نائب مقرر کر سکتا ہے۔

2۔ نیابت فارم باقاعدہ دستخط شدہ اور مہر شدہ لازماً اجلاس سے کم از کم اڑتالیس (۴۸) گھنٹے قبل کمپنی کے رجسٹرڈ دفتر میں جمع کرائے جانے چاہئیں۔

3۔ نائب کی نامزدگی کیلئے۔

a۔ فرد کی صورت میں، کھاتہ دار اور یا ذیلی کھاتہ دار جن کی رجسٹریشن کی تفصیلات سی ڈی سی ضابطے کے مطابق اپ لوڈ کردی گئی ہوں، درج ذیل ضروریات کے مطابق نیابت فارم جمع کرانا ہوگا۔

b۔ نیابت فارم پر دو گواہوں کی تصدیق کرانا ضروری ہے جن کے نام، پتے اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبرز فارم پر درج ہونگے۔

c۔ حصص یافتگان اور انکے نائب کے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ فوٹو کاپیاں نیابت فارم کے ساتھ منسلک ہونگی۔

d۔ نائب اپنے اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ کی سکین/فوٹو آن لائن اجلاس میں شرکت کے لئے وڈیو لنک/ذوم ایپلیکیشن میں لاگن کرتے وقت بھیجے گا۔

e۔ کاروباری اداروں کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی بمعہ نامزد شخص کے نمونہ دستخط اور نیابت فارم کی سکین/فوٹو آن لائن اجلاس میں شرکت کے لئے وڈیو لنک/ذوم ایپلیکیشن میں لاگن کرتے وقت بھیجے گا، (اگر پہلے فراہم نہ کئے گئے ہوں)۔

Reference No.	Reference No.	Best Corporate Report checklist 2024
1	**Organizational Overview and External Environment**	
1.01	Mission, vision, code of conduct, ethical, principal and core values.	10-11
1.02	Profile of the company including principal business activities, markets (local and international), key brands, products and services.	13-26
1.03	Geographical location and address of all business units including sales units and plants.	8-9
1.04	The legislative and regulatory environment in which the company operates.	32-33,38
1.05	Ownership, operating structure and relationship with group companies (i.e. subsidiary, associated undertaking etc.) and number of countries in which the organization operates.	56
1.06	Name and country of origin of the holding company/subsidiary company, if such companies are a foreign company.	20-27
1.07	Disclosure of beneficial (including indirect) ownership and flow chart of group shareholding and relationship as holding company, subsidiary company or associated undertaking.	27
1.08	Organization chart indicating functional and administrative reporting, presented with legends.	27,119-120,40
1.09	A general review of the performance of the company, including its subsidiaries, associates, divisions etc., for the year and major improvements from last year.	13-26,73
1.10	Description of the performance of the various activities / product(s) / service(s) / segment(s) of the entity and its group entities during the period under review.	13-26,73
1.11	Position of the reporting organization within the value chain showing connection with other businesses in the upstream and downstream value chain.	46-47
1.12	a) Explanation of significant factors affecting the external environment including political, economic, social, technological, environmental and legal environment that is likely to be faced in the short, medium and long term and the organization's response. b) The effect of seasonality on business in terms of production and sales.	50-51 57
1.13	The legitimate needs, interests of key stakeholders and industry trends.	56
1.14	SWOT Analysis of the company.	48-49
1.15	Competitive landscape and market positioning (considering factors such as the threat of new competition and substitute products or services, the bargaining power of customers and suppliers, relative strengths and weaknesses of competitors and customer demand and the intensity of competitive rivalry).	56
1.16	History of major events.	34-35
1.17	Details of significant events occurred during the year and after the reporting period.	36
2	**Strategy and Resource Allocation**	
2.01	Short, medium and long-term strategic objectives and strategies in place to achieve objectives.	52-55
2.02	Resource allocation plans to implement the strategy. Resource mean 'Capitals' including: a) Financial Capital; b) Human Capital; c) Manufactured Capital; d) Intellectual Capital; e) Social and Relationship Capital; and f) Natural Capital."	58-61
2.03	The capabilities and resources of the company that provide sustainable competitive advantage, resulting in value creation by the company.	57
2.04	Company's strategy on market development, product and service development.	62
2.05	The effects of the given factors on the company strategy and resource allocation: a) Technological Changes; b) Sustainability reporting and challenges; c) Initiatives taken by the company in promoting and enabling innovation; and d) Resource shortages (if any).	58-61

2.06	Key Performance Indicators (KPIs) to measure the achievement against strategic objectives including statement as to whether the indicators used will continue to be relevant in the future.	52-55
2.07	The linkage of strategic objectives with company's overall mission, vision and objectives.	52-55
2.08	Board's statement on the significant plans and decisions such as corporate restructuring, business expansion, major capital expenditure or discontinuance of operations.	57
2.09	a) Information about defaults in payment of any debt with reasons and its repayment plan; b) Board strategy to overcome liquidity problems and plans to meet operational losses.	57
3	**Risks and Opportunities**	
3.01	Key risks and opportunities (internal and external), including Sustainability-related risks and opportunities affecting availability, quality and affordability of Capitals.	66-67
3.02	A Statement from the Board for determining the following: a) Company's level of risk tolerance by establishing risk management policies; b) Company's robust assessment of the principal risks being faced, including those that would threaten the business model, future performance and solvency or liquidity.	64-65
3.03	Risk Management Framework covering principal risks and uncertainties facing by the company, risk methodology, risk appetite and risk reporting.	64-65
3.04	Specific steps being taken to mitigate or manage key risks or to create value from key opportunities by identifying the associated strategic objectives, strategies, plans, policies, targets and KPIs.	66-67
3.05	Disclosure of a risk of supply chain disruption due to an environmental, social or governance incident and company's strategy for monitoring and mitigating these risks (if any).	57
4	**Sustainability Reporting and Corporate Social Responsibility (CSR)**	
4.01	Board's statement for the adoption of CSR best practices including Board's commitment to continuous improvement and implementation updates in the form of periodic reviews to ensure the relevance and effectiveness of CSR practices in business strategies.	134-136 165,166
4.02	Board's statement about the company's strategic objectives and the intended impact on stakeholders on ESG (Environmental, Social and Governance) reporting/ Sustainability Reporting in line with IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information' and IFRS S2 'Climate-related Disclosures'. Weightage will be given to companies who provides following disclosures (as per IFRS S1 and IFRS S2) along with the company specific examples for each factor for the investor's information:	134-146
	a) Disclosures of company specific sustainability-related risks and opportunities and their impact on the financial performance in the short, medium and long term; b) Disclosures about four-pillars core content (Governance, Strategy, Risk Management and Metrics and Targets), together with the specific metrices designed by the company to demonstrate the performance and progress of the company. c) Disclosures of material information about sustainability-related risks and opportunities throughout a company's value chain together with specific examples of initiatives taken by the company. [In IFRS S1, the 'value chain' is the full range of interactions, resources and relationships related to a company's business model and the external environment in which it operates] d) Disclosure about company's climate-related risks and opportunities, as required in IFRS S2 including explanation of the specific methodologies and tools used by the company. [Climate-related opportunities refer to the potential positive effects arising from climate change for a company. Climate-related risks refers to the potential negative effects of climate change on a company and are of two types, physical risks (such as those resulting from increased severity of extreme weather) and transition risks (such as those associated with policy action and changes in technology)]	134-146
4.03	A chairman's overview on how the company's sustainable practices can affect the financial performance of the company.	71,142,164

4.04	Highlights of the company's performance, policies, initiatives and plans in place relating to the various aspects of sustainability and CSR: 5 • Social initiatives such as research and development initiatives, employment generation, community health and education, and health and safety of staff etc.; • Environmental initiatives like climate change mitigation etc. by focusing on 3R's (Reduce, Reuse & Recycle) and how does the company reduce pollution, depletion and degradation of natural resources; • Technological innovation such as contributing to sustainability (i.e. energy-efficient processes or eco-friendly product designs); • Information on consumption and management of materials, energy, water, emissions and waste.	148-166
4.05	• Status of adoption/ compliance of the Corporate Social Responsibility (Voluntary) Guidelines, 2013 issued by the SECP. • ISO certifications acquired for best sustainability and CSR practices."	71,137,157, 158, 161
5	**Governance**	
5.01	Board composition: a) Leadership structure of those charged with governance;" b) Name of independent directors indicating justification for their independence; c) Diversity in the board i.e. competencies, requisite knowledge & skills, and experience; d) Profile of each director including education, experience and engagement in other entities as CEO, Director CFO or Trustee etc.; e) No. of companies in which the executive director of the reporting organization is serving as non-executive director.	80-87
5.02	A brief description about role of the Chairman and the CEO.	88
03 3	A statement of how the board operates, including a high-level statement of which types of decisions are to be taken by the board and which are to be delegated to management.	88
5.04	Chairman’s Review Report on the overall performance of the board including: a) Effectiveness of the role played by the board in achieving the company’s objectives; b) Chairman’s significant commitments, such as strategic, financial, CSR and ESG etc., and any changes thereto from last year’; c) Board statement on the company’s structure, processes and outcomes of internal control system and whether board has reviewed the adequacy of the system of internal control.	70-71
5.05	Board statement of its commitment to establish high level of ethics and compliance in the company.	11,103,113
5.06	Annual evaluation of performance, along with a description of criteria used for the members of the board, including CEO, Chairman, and board’s committees.	70,103,94
5.07	Disclosure if the board’s performance evaluation is carried out by an external consultant once in every three years.	Conducted in 2022
5.08	Details of formal orientation courses for directors.	88
5.09	Directors’ Training Program (DTP) attended by directors, female executives, and head of departments from the institutes approved by the SECP, along with names of those who availed exemptions during the year.	103
5.10	Description of external oversight of various functions like systems audit or internal audit by an external specialist and other measures taken to enhance credibility of internal controls and systems.	71,93-95,101
5.11	Disclosure about related party transactions: a) Approved policy for related party transactions; b) Details of all related party transactions, along with the basis of relationship describing common directorship and percentage of shareholding; c) Contract or arrangement with the related party other than in the ordinary course of business on an arm’s length basis, if any along with the justification for entering into such contract or arrangement; d) Disclosure of director’s interest in related party transactions; e) In case of conflict, disclosure of how conflicts are managed and monitored by the board.	94,103,108,113 122,243-244

5.12	Disclosure of Board's Policy on the following significant matters: a) Governance of risk and internal controls. b) Diversity (including gender), any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives. c) Disclosure of director's interest in significant contracts and arrangements. d) Remuneration of non-executive directors including independent directors for attending board meetings and general meetings. e) Retention of board fee by the executive director earned by him against his services as non-executive director in other companies. f) Security clearance of foreign directors. g) Board meetings held outside Pakistan. h) Human resource management including: • Preparation of succession plan; • Merit based recruitment; • Performance based appraisal system; • Promotion, reward and motivation; • Training and development; • Gender and race diversity; • Appointment of / quota for people with disability; and • Employee engagement /feedback. i) Social and environmental responsibility including managing and reporting policies like procurement, waste and emissions. j) Communication with stakeholders. k) Dividend policy. l) Investors' relationship and grievances. m) Employee's health, safety and protection. n) Whistle blowing policy including mechanism to receive and handle complains in a fair and transparent manner, and provide protection to the complainant against victimization and reporting in Audit Committee's report. o) Safety of records of the company.	108-110
5.13	Board statement of the organization's business continuity plan or disaster recovery plan.	104,111
5.14	Compliance with the Best Practices of Code of Corporate Governance (No marks in case of any non-compliance).	106,113
5.15	Disclosure about: a) Shares held by Sponsors / Directors / Executives; b) Distribution of shareholders (Number of shares as well as category, e.g. Promoter, Directors / Executives or close family member of Directors / Executives etc.) or foreign shareholding (if any).	121-122
5.16	Details about Board meetings and its attendance.	81-87,103
5.17	TORs, composition and meeting attendance of the board committees including (Audit, Human Resource, Nomination and Risk management).	90-91
5.18	Timely Communication: Date of authorization of financial statements by the board of directors: Within 40 days - 6 marks Within 50 days - 6 marks (in case of holding company who has listed subsidiary /subsidiaries) Within 60 days - 3 marks (Entities requiring approval from a Regulator before finalization of their financial statements would be provided a 20 days relaxation, on providing evidence to the Committee).	260

5.19	Audit Committee report should describe the work of the committee in discharging its responsibilities. The report should include: a) Composition of the committee with at least one member qualified as “financially literate” and all members are non-executive / Independent directors including the Chairman of the Audit Committee. b) Committee’s overall role in discharging its responsibilities for the significant issues related to the financial statements, and how these issues were addressed. c) Committee’s overall approach to risk management and internal control, and its processes, outcomes and disclosure. d) Role of Internal Audit in risk management and internal control, and the approach to Internal Audit to have direct access to Audit Committee and evaluation of Internal Auditor’s performance. e) Review of arrangements for staff and management to report to Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters, and recommended instituting remedial and mitigating measures. f) An explanation as to how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor; and if the external auditor provides non-audit services, an explanation as to how auditor’s objectivity and independence is safeguarded. g) If Audit Committee recommends external auditors other than the retiring external auditors, before the lapse of three consecutive years, reasons shall be reported. h) The Audit Committee’s views whether the Annual Report was fair, balanced and understandable and also whether it provided the necessary information to shareholders to assess the company’s position and performance, business model and strategy. i) Results of the self-evaluation of the Audit Committee carried out of its own performance. j) Disclosure of the number of whistle-blowing incidences reported to the Audit Committee during the year.	93-95
5.20	Presence of the chairman of the Audit Committee at the AGM to answer questions on the Audit Committee’s activities / matters that are within the scope of the Audit Committee’s responsibilities.	88
5.21	Board disclosure on Company’s use of Enterprise Resource Planning (ERP) software including: a) How it is designed to manage and integrate the functions of core business processes / modules like finance, HR, supply chain and inventory management in a single system; b) Management support in the effective implementation and continuous updation; c) Details about user training of ERP software; d) How the company manages risks or control risk factors on ERP projects; e) How the company assesses system security, access to sensitive data and segregation of duties.	92
5.22	Disclosure about the Government of Pakistan policies related to company’s business / sector in Directors’ Report and their impact on the company business and performance.	99-105
5.23	Information on company’s contribution to the national exchequer (in terms of payment of duties, taxes and levies) and to the economy (measured in terms of GDP contribution, new jobs creation, increase in exports, contributions to society & environment and community development etc.)	100
6	**Analysis of the Financial Information**	
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6.02	a) Analysis of financial ratios with graphical presentation and disclosure of methods and assumptions used in compiling the indicators. b) Explanation of negative change in the performance as compared to last year.	172-174,186
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8.04	Disclosure that at least one board-level committee is charged with oversight of IT governance and cybersecurity matters and how the board administers its IT risk oversight function related to these risks.	111-112
8.05	Disclosure about Company's controls and procedures about an "early warning system" that enables the company to identify, assess, address, make timely disclosures and timely communications to the board about cybersecurity risks and incidents.	111
8.06	Disclosure of policy related to independent comprehensive security assessment of technology environment, including third party risks and when last such review was carried out.	111
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13	**Assessment based on Qualitative Factors**	**Complete Report**

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In Loving Memory of

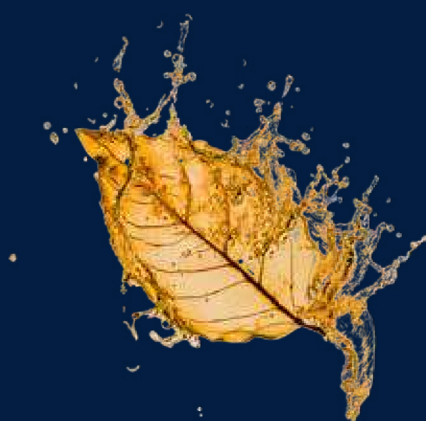
TAHIR AZAM
1951-2024
Founder & Director Hi-tech Lubricants Limited

He was a trail blazing business man, visionary leader and an irreplaceable mentor to many. His leadership and innovative spirit has left an indelible mark on the industry and the countless lives he touched with his kindness. We are committed to continue the values and principles he championed. His compassion and unwavering commitment to making the world a better place are a true testament to his remarkable character. His legacy will continue to inspire and guide us.

MUHAMMAD BASIT HASSAN
1979-2017
Executive Director Hi-tech Lubricants Limited

He was an inspiration for people around him, quick but well informed decision making, entrepreneurial vision, sheer hard work, quick wit and ability to inculcate team spirit is what defined his personality that led the company to new heights of success. His exceptional blend of corporate acumen and great human values made him into a leader not just well respected but genuinely loved

Departed but will never be forgotten.



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