Annual Report 2025
Hi-Tech Lubricants Ltd

RESILIENCE IN ACTION

LEARNING, ADAPTING AND EMERGING STRONGER

RESILIENCE **IN ACTION**

Learning, Adapting, and Emerging Stronger

During a year marked by currency volatility, tight liquidity, import constraints and softening demand across the energy sector, the Company chose not to hide behind external factors but to confront them directly.

Rather than focusing solely on maintaining short-term profitability, the leadership acknowledged areas that required improvement: rising finance costs due to delayed clearances, short-supply pressures impacting customer fulfilment, and operational bottlenecks that had gradually built up over the last two years.

By openly recognising these challenges both internally and with stakeholders - the Company created space for real change. Throughout the year, teams worked cross-functionally to:

- Review and redesign working capital cycles, reducing dependency on expensive short-term borrowing
- Strengthen supplier and customer relationships, through proactive and transparent communication
- Implement tighter internal controls around product shipment timelines and bank contract settlements
- Redefine KPIs, shifting the focus from pure volume growth to sustainable margin preservation and cash discipline

These actions were not only about fixing immediate issues, but about transforming internal culture - from reactive to proactive; from siloed to collaborative.

As a result, the Company closes the year leaner, more disciplined, and better aligned with its long-term strategic goals. Most importantly, it has regained stakeholder trust by demonstrating that setbacks are not avoided they are acknowledged, learned from, and used as a foundation for stronger performance going forward.

RUPEES
LITRES
SUPER
X7

BUSINESS THAT
FUEL YOUR
DREAMS
HTL
Your Vehicle Expert
BAY 2
BAY 1
SK ZIC
HTL STATION
YOUR
Veh icl
EXP ER

INSIDE THIS REPORT

REPORTING FRAMEWORK **AND BASIS OF PREPARATION**

OUR REPORTING **PHILOSOPHY**

This report reflects our commitment to transparent, accountable, and integrated reporting. It provides a balanced view of how the Company creates sustainable value for all stakeholders through responsible governance, strategic performance, and long-term resilience.

SCOPE OF THE **REPORT**

Aspect	Coverage
Reporting period	01 July 2024 to 30 June 2025
Stand alone financial information	Hi-Tech Lubricants Limited
Consolidated financial information	Hi-Tech Lubricants Limited and Its wholly owned subsidiary company, Hi-Tech Blending (Private) Limited
Non-financial information	Primarily relates to the Hi-Tech Lubricants Limited. Where applicable and material, certain disclosures relating to the subsidiary are included. The Company does not assume responsibility for subsidiary-level non-financial information beyond such specific disclosures.

REPORTING STANDARDS **AND FRAMEWORKS**

Dimension	Frameworks / Standards Applied	Application
Legally binding	• International Financial Reporting Standards (IFRS), Companies Act 2017 • Listed Companies (Code of Corporate Governance) Regulations, 2019	Applied
Best Practice (National)	• Best Corporate Report (BCR) Criteria issued by Institute of Chartered Accountants of Pakistan and Institute of Cost and Management Accountants of Pakistan	Voluntary – applied to align with market benchmarks
Best Practice (Global)	• International Sustainability Disclosure Standards (IFRS S1 and IFRS S2 – partially applied) • Global Reporting Initiative Standards • United Nations Sustainable Development Goals (SDGs), • United Nations Global Compact – Ten Principles	Partially applied to enhance transparency and comparability

ASSURANCE AND **OVERSIGHT**

The integrity of this report is supported by a robust assurance framework. Management ensures accuracy through internal controls, while Board Committees provide governance oversight. Independent assurance / service is carried out as follows:

Assurance / Service	External Firm
Review report on Compliance with Code of Corporate Governance	M/S Riaz Ahmed & Company, Chartered Accountants
Independent Auditor's report on the audit of Consolidated Financial Statement	M/S Riaz Ahmed & Company, Chartered Accountants
Independent Auditor's report on the audit of Financial Statement	M/S Riaz Ahmed & Company, Chartered Accountants
Sustainability report prepared on the GRI standards criteria	M/S Z. M. T. & Co. Chartered Accountants
Compilation and Structuring of Annual Report 2025	M/S Farhan Nazir & Company, an advisory firm.


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

FORWARD-LOOKING **STATEMENT**

This report contains forward-looking statements, based on current expectations and assumptions, which remain subject to risks and uncertainties.

FEEDBACK AND **CONTINUOUS IMPROVEMENT**

We encourage stakeholders to share their feedback to continuously enhance our reporting practices. If you have any queries or suggestions, please contact Company Secretary of HTL.


SK
ZIC
X7
SP
10W-40
FULLY SYNTHETIC
VHVI TECH
API SP
4 L

HTL AT **A GLANCE**

From a bold vision to a nationwide presence — HTL stands as a symbol of resilience, innovation, and growth

COMPANY **PROFILE**

Hi-Tech Lubricants Limited (HTL or the Company) has been a pioneer in Pakistan's lubricants and energy sector for over 26 years, consistently setting benchmarks in innovation, quality, and customer service. As the sole authorized distributor of the global ZIC brand, HTL has earned nationwide recognition for delivering premium lubricants to the automotive, industrial, and marine sectors.

With an extensive footprint across Pakistan, including Azad Jammu & Kashmir and Gilgit Baltistan, HTL ensures nationwide accessibility through thousands of retail outlets and wash stations, supported by a highly skilled sales and technical team. Its distribution strength includes over 300 dedicated vans, ensuring efficient logistics and reliable product availability across the country.

MILESTONES **& ACHIEVEMENTS**

- **Global Strategic Partnership:** A long-term collaboration with SK Enmove Co., Ltd. (South Korea) ensures access to advanced additives and technologies for producing international-quality synthetic lubricants locally through Hi-Tech Blending (Private) Limited (HTBL). The 2024 MOU further strengthened this alliance, enhancing efficiency and enabling competitive pricing without compromising quality.
- **Advanced Blending Facility:** Establishment of HTBL, Pakistan's most sophisticated blending and testing plant, enabled local blending and packaging of world-class ZIC lubricants, reducing reliance on imports and ensuring supply reliability.
- **Diversification & Value Chain Integration:** Expansion into the polymer segment has allowed HTL to serve industrial customers with premium polymer solutions while also producing in-house bottles for lubricant packaging. This integration has improved operational efficiency, ensured consistent quality, and reduced external dependency.
- **Fuel Retail Expansion:** Launch and growth of HTL Fuel Stations across Punjab and Khyber Pakhtunkhwa marked a major step in diversifying into the petroleum marketing sector and strengthening Pakistan's energy infrastructure.
- **Customer-Centric Mobility Solutions:** The establishment of HTL Express Centers as one-stop vehicle maintenance hubs, later transitioned into a successful franchise network, has enhanced customer convenience and accessibility.
- **Digital Transformatio:** Introduction of the Auto Ready mobile application in 2024 reflects HTL's commitment to technology-driven solutions, offering customers smarter, faster, and more convenient access to services.

IMPACT **& CONTRIBUTION**

- **Nationwide Reach:** Bringing world-class lubricants and fuels to thousands of consumers.
- **Innovation:** Driving digitalization, local blending, and polymer diversification.
- **Customer Value:** Delivering international quality at competitive prices.
- **Economic Growth:** Creating employment, supporting industries, and contributing to energy security.

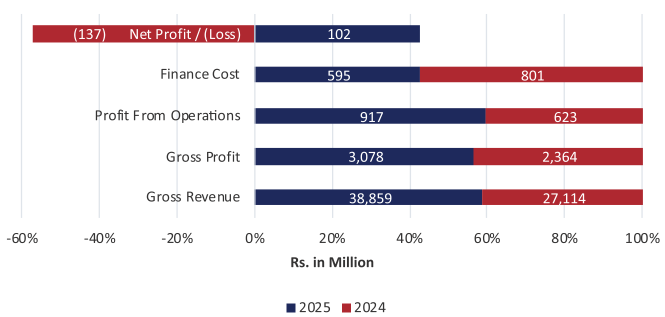
Outlook

HTL is committed to sustainable growth, digital innovation, and strategic collaborations. By expanding its petroleum retail network, advancing local manufacturing, and leveraging technology, HTL continues to lead as a market pioneer and innovation-driven company, dedicated to delivering value for customers, shareholders, and Pakistan's economy.

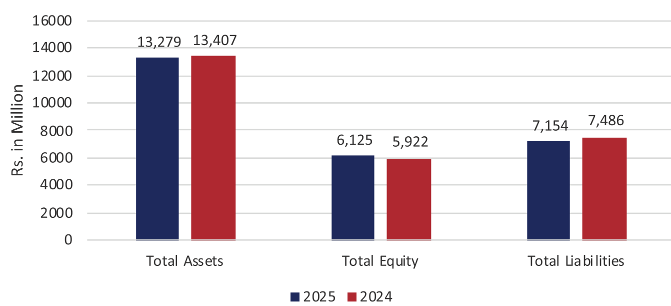
HTL GROUP
FINANCIAL HIGHLIGHTS FY 2025

HTL delivered revenue growth of 43%, improved profitability, reduced finance costs, and strengthened equity in FY2025, marking a return to sustainable performance.

GROSS REVENUE AND PROFIT MATRIX FY 2025- FY 2024

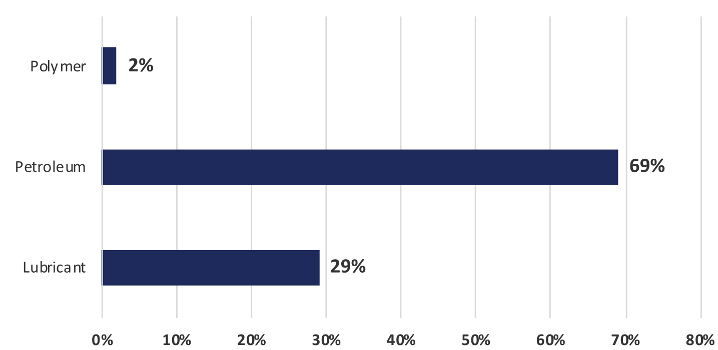


STATEMENT OF FINANCIAL POSITION FY 2025- FY 2024



SEGMENT INFORMATION

Contribution in Total Revenue FY 2025



Petroleum Segment led performance with 46% revenue growth, Lubricants Segment remained resilient up by 23%, and Polymer Segment showed 20% growth with narrower losses.

OUR **VISION**

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.

OUR **MISSION**

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.

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.

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 enmove
ZIC
X5
10W-40
SYNTHETIC
SP
VHVI
API SP
4L

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 OILS (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)

X9-5W-40
(Fully Synthetic)

X7-0W-30
(Fully Synthetic)

X7-0W-20
(Fully Synthetic)

X7-5W-20
(Fully Synthetic)

X7-10W-40
(Fully Synthetic)

X5-10W-40
(Synthetic)

X5-20W-50
(Synthetic)

X5-5W-30
(Classic)

X1-20W-50
(Economy)

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.

ATF-3 **ATF-XP3** **CVTF-Multi** **DCTF-Multi** **DOT-4** **M1-20W-50**

M3-4T-20W-40 **M5-4T-10W-50** **M5-4T-20W-40** **M7-4T-10W-40** **M9-4T-10W-40**

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.

X1000-20W-50 (Economy) **X7000-10W-40** (Synthetic) **X7000-15W-40** (Synthetic) **X7000-10W-40** (Synthetic)

X3000-20W-50 (Classic) **SUPER A** **G-5-85W-140** **X5000-15W-40**

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 G-FF-75W-85

- 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 (HTBL)**

Wholly Owned Subsidiary of Hi-Tech Lubricants Limited

Hi-Tech Blending (Private) Limited (HTBL) is a wholly owned subsidiary of Hi-Tech Lubricants Limited and a cornerstone of the Group's integrated operations. Distinguished by its state-of-the-art blending plant, independent Hi-Tech Testing Laboratory, in-house bottling and packaging facility, dedicated polymer segment, and renewable energy initiative with a 997.38 KW solar power system, HTBL delivers quality excellence, operational efficiency, and sustainable value creation. These unique capabilities ensure a consistent supply of premium lubricants, cost competitiveness, diversified revenue streams, and reinforcement of HTL's leadership in Pakistan's lubricants and allied industries.

BLENDING PLANT

HTBL operates a state-of-the-art blending facility equipped with contamination-free filling lines and advanced quality control systems. The plant blends and packages ZIC mid-tier lubricants locally, ensuring reliable and uninterrupted supply across Pakistan. Expansion projects have further enhanced capacity, enabling HTBL to meet the growing demand for ZIC lubricants with efficiency and consistency.

HI-TECH **TESTING LABORATORY**

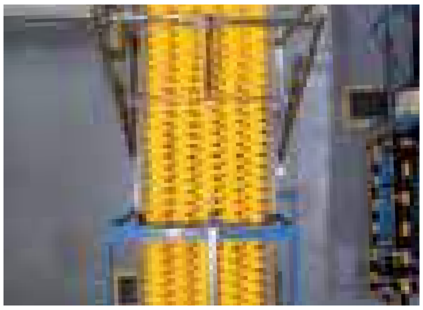
The blending plant is supported by an independent Hi-Tech Testing Laboratory, equipped with modern lubricant testing technology. The laboratory ensures compliance with international standards through stringent quality checks, reinforcing customer trust in the ZIC brand. In addition to serving internal operations, the lab provides commercial testing services to external clients, contributing to improved industry-wide quality assurance and helping reduce the circulation of substandard products in the market.

BOTTLING AND **PACKAGING FACILITY**

HTBL maintains a specialized bottling and packaging facility for in-house production of bottles and caps. With advanced extrusion blow molding and injection molding machinery, including the high-performance Innova 130 SE, the facility ensures premium quality, energy efficiency, and cost effectiveness. Upgrades to the injection molding system have doubled cap production capacity while reducing costs, allowing HTBL to meet internal requirements and explore opportunities in external packaging markets.

POLYMER **SEGMENT**

Launched in earlier years, HTBL's polymer segment has become an integral part of its diversified operations. The unit produces bottles and caps for HTL's lubricant business while also supplying customized plastic products to external customers on an order basis. By ensuring packaging self-sufficiency, reducing costs, and creating new revenue streams, the polymer segment strengthens the subsidiary's role in the Group's long-term value creation.



SUSTAINABILITY – **SOLAR POWER INITIATIVE**

In line with the Group's commitment to sustainability, HTBL has installed a 997.38 KW solar power system to support its blending, testing, and bottling operations. This renewable energy initiative reduces carbon emissions, lowers energy costs, and enhances operational resilience, reinforcing HTBL's alignment with ESG principles and sustainable growth objectives.

STRATEGIC **VALUE CREATION**

HTBL continues to play a pivotal role in strengthening HTL's market competitiveness by:

- Ensuring consistent supply of premium-quality lubricants.
- Delivering cost efficiency through local blending, packaging, and polymer production.
- Providing commercial testing services to uplift industry quality standards.
- Supporting environmental goals through renewable energy adoption.
- Diversifying operations to build new revenue streams and enhance resilience.

OUTLOOK

HTBL is focused on further enhancing blending and packaging capacities, expanding the commercialization of its testing services, and growing its polymer segment to serve broader industrial markets. With its advanced infrastructure, skilled workforce, and commitment to sustainability, HTBL is well-positioned to support HTL's leadership in the lubricants and allied industries, while continuing to create value for customers, shareholders, and the economy.

HTL FUEL **STATIONS**

HTL Fuel Stations embody the Company's vision of delivering a comprehensive mobility and lifestyle solution for vehicle users. Each outlet is designed as a one-stop destination, integrating premium quality fuels, professional vehicle maintenance services through HTL Express Centres, and convenience retail offerings at HTL Marts. This integrated model ensures that customers experience convenience, reliability, and consistent service excellence at every location.

Currently, the Company operates a network of 61 dealer-managed HTL Fuel Stations across Pakistan, primarily concentrated in Punjab and Khyber Pakhtunkhwa. The regional distribution is as follows:

- 37 HTL Fuel Stations in Punjab
- 20 HTL Fuel Stations in Khyber Pakhtunkhwa
- 2 HTL Fuel Stations in Islamabad
- 2 HTL Fuel Stations in Azad Jammu & Kashmir

The Company is steadily expanding its retail network of fuel stations, subject to regulatory approvals from the Oil & Gas Regulatory Authority (OGRA). This disciplined approach ensures that expansion remains sustainable and compliant, enabling HTL to strengthen its footprint across both existing and emerging markets in Pakistan.

FLAGSHIP **HTL FUEL STATION**

A landmark development during the year was the inauguration of the flagship HTL Fuel Station at Main Boulevard Gulberg, Lahore. Situated at a prime location in the heart of the city, this state-of-the-art facility has been designed to redefine the fuelling and retail experience.
The flagship outlet features:

- A drive-through Hardee's offering modern and convenient dining,
- An HTL Express Centre delivering complete vehicle care and maintenance solutions, and
- A self-service cash-operated Auto Tuck Shop providing customers with convenient access to essentials.

This flagship outlet sets a new benchmark in Pakistan's retail fuelling sector, combining accessibility, technology, and customer convenience under one roof. It reflects HTL's ongoing commitment to innovation, premium service standards, and customer-centric solutions, and serves as a model for future expansions.

OIL STORAGE **DEPOTS**

HTL's Petroleum Segment is supported by a strategically developed storage infrastructure that ensures reliability, efficiency, and nationwide reach. The Sahiwal depot serves as the central hub for Punjab, while the Nowshera depot with its extended facility has further strengthened operations in Khyber Pakhtunkhwa. In addition, a new storage facility at Shikarpur, Sindh, is under development to expand HTL's presence into southern Pakistan and enhance supply chain resilience. Collectively, these depots form the backbone of the Petroleum Segment Business, aligning infrastructure growth with HTL's long-term expansion strategy.

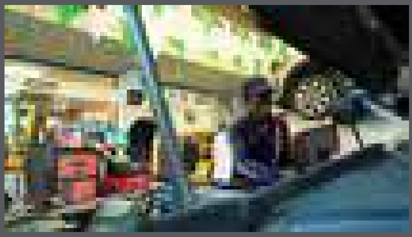
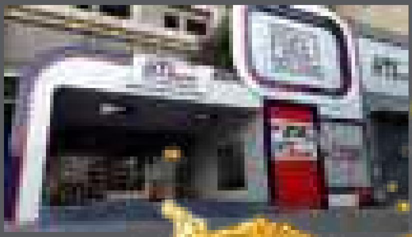
HTL EXPRESS **CENTERS**

HTL Express Centers, operating under a franchise model since 2021, provide customers with a complete vehicle care solution. Services include oil changes, wash/service, tire and battery replacement, air conditioning maintenance, and vehicle accessories — all delivered with branded, high-quality products to ensure reliability and performance.

Equipped with advanced diagnostic tools, the Centers enable preventive maintenance and long-term vehicle durability, reflecting HTL's commitment to international service standards. As of June 30, 2025, the Company operates eight Express Centers – four in Lahore, three in Karachi, and one in Rawalpindi. In addition, Express Centers are also located at dealer-operated HTL Fuel Stations, offering customers the convenience of fuelling, retail shopping, and vehicle maintenance at a single destination.





OWNERSHIP, OPERATING STRUCTURE AND RELATIONSHIP WITH **GROUP COMPANIES**

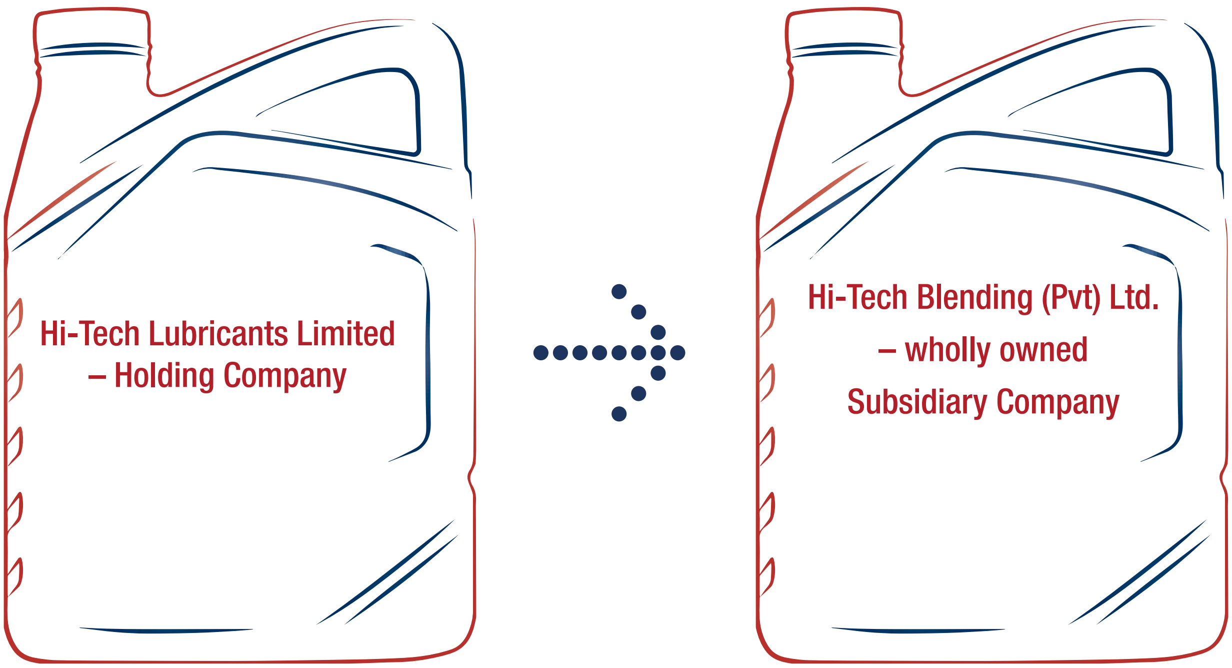
Hi-Tech Lubricants Limited (HTL) is a part of the Hi-Tech Group, which currently comprises two companies:

Hi-Tech Lubricants Limited

The parent company of the Group. HTL began operations in March 1997 as an Association of Persons (AOP). In 2011, it was incorporated as a private limited company, subsequently converted into a public unlisted company, and in 2016 was listed on the Pakistan Stock Exchange (PSX).

Hi-Tech Blending (Private) Limited (HTBL)

A wholly owned (100%) subsidiary of HTL, incorporated on March 13, 2014, under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). HTBL is engaged in constructing, owning, and operating an oil blending plant in Pakistan.



Foreign Holding / Subsidiaries

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

Significant Change from Prior Year

There has been no significant change in the ownership or operating structure of the Company during the year ended June 30, 2025.

FUEL ECONOMY

MARKETING **EXCELLENCE**

From a bold vision to a nationwide presence — HTL stands as a symbol of resilience, innovation, and growth

CHANNEL ENGAGEMENT **WITH A CURATED, PREMIUM EXPERIENCE IN BAKU**

As part of our ongoing strategy to strengthen relationships with top-performing channel partners, HTL ZIC curated an exclusive incentive experience in Baku for over 200 key retailers. While incentive trips are common across the industry, our approach was to transform a standard reward into a memorable brand journey—one that embodied exclusivity, creativity, and strategic impact at every touchpoint.

The end-to-end experience—from visa facilitation and premium travel coordination to high-end accommodations and immersive entertainment—was meticulously designed to surprise, delight, and reflect HTL ZIC's commitment to excellence.

A standout moment was the Gala Dinner at the iconic Flame Towers, blending cultural richness with celebration in a truly unforgettable setting. Throughout the journey, custom-branded elements such as travel kits, luggage tags, photo frames, T-shirts, and more ensured seamless brand visibility while enhancing the overall experience.

Every detail was intentional—turning routine logistics into brand storytelling opportunities and reinforcing HTL ZIC's identity as a partner-first, experience-driven organization. The initiative received outstanding feedback and set a new standard for partner engagement within the industry.

STRATEGIC EXPANSION **OF HTL ZIC'S BRANDING FOOTPRINT AT KEY RETAIL TOUCHPOINTS**

At HTL ZIC, we recognize that strategic brand visibility at the point of sale is pivotal in shaping customer perception and driving purchase decisions—especially in high-traffic locations like oil change service areas. As a core part of our marketing strategy, we are aggressively expanding our brand presence across critical retail touchpoints where consumers make their buying choices.

Our comprehensive in-shop branding initiatives leverage high-impact visual assets such as shop boards and in-store displays to create an immersive brand experience that reinforces partner positioning and elevates brand recall. These boards, strategically placed in oil change and service zones, are not merely visibility tools but pivotal elements of our grassroots marketing efforts. By securing premium positioning in these high-traffic areas, HTL ZIC ensures it remains front and center—reinforcing brand recall and driving sustained customer loyalty.

This rapid and substantial expansion of our branded footprint reflects our commitment to long-term, mutually beneficial partnerships. Through this strategic approach, HTL ZIC is not only elevating its brand presence but also fostering enduring relationships with retail stakeholders, creating a win-win environment that builds brand equity and trust across Pakistan

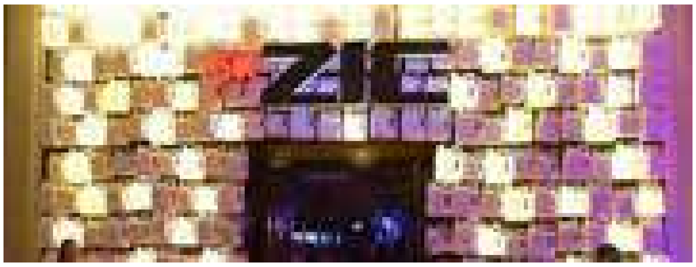
STRATEGIC 360° **ROLLOUT OF THE NEW ZIC LOGO AND PRODUCT LABELS**

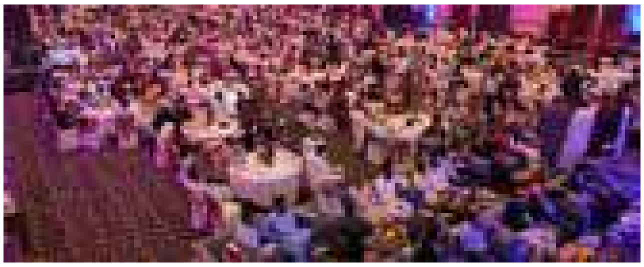
2025 marked a pivotal moment for HTL ZIC with the launch of our refreshed flagship brand identity. This was not just a logo update—it was a bold strategic move designed to position ZIC at the forefront of innovation, trust, and excellence, aligning the brand with a future-focused vision.

A GRAND AND **IMMERSIVE REVEAL**

The logo launch was orchestrated as a multi-sensory experience, creating a powerful platform to deepen engagement with key retail partners across major cities. Central to the unveiling were immersive retailer events featuring life-sized 3D bottle installations embedded with synchronized SMD screens, bringing the new logo to life with dramatic visual impact. Complemented by ZIC-themed brand zones, iconic floating lantern entrances, and live Qawwali performances, the events celebrated partnership, progress, and brand evolution.

Every element—from personalized gifting and digital invitations to interactive lucky draws—was carefully crafted to build emotional resonance and reinforce HTL ZIC's unwavering commitment to its retail network.





EXTENSIVE, STRATEGICALLY **DESIGNED OUT-OF-HOME (OOH) CAMPAIGN**

To maximize the new logo's visibility, HTL ZIC executed an extensive Out-of-Home campaign covering all key high-traffic urban locations. The creative approach was intentionally minimalistic yet highly strategic: emphasizing the new ZIC logo alongside the tagline, "Korea's No. 1 & Global No. 1 Base Oil," to reinforce brand value and trustworthiness.

The artwork featured a striking neon green palette, ensuring vivid stand-out impact, while incorporating a neon green Lamborghini to create strong visual recall aligned with digital content. To further capture attention, the design employed asymmetry—introducing a single odd-colored light amid an array of white lights—leveraging neurological triggers that draw the viewer's eye through unexpected visual elements.

Recognizing today's audience is conditioned to tune out advertising clutter, the campaign included flashing headlights integrated into the artwork, bringing it to life and dramatically increasing visibility. This innovative feature grabbed the attention of commuters within the crucial first 2–5 seconds, cutting through the noise to create memorable brand impressions.

TARGETED DIGITAL **STORYTELLING**

HTL ZIC's digital campaign strategically targeted car enthusiasts by showcasing top-of-the-line vehicles from around the world, sparking adrenaline and passion among automotive lovers. The ad opens with the iconic neon green Lamborghini—an instant attention grabber for vehicle owners and aficionados alike—setting the tone for a thrilling journey through performance, precision, and power.

This content deeply resonated with the target audience, fueling excitement and brand affinity by highlighting ZIC's alignment with cutting-edge automotive excellence. Partnering with a broad network of micro-influencers, HTL ZIC amplified authentic engagement across diverse segments, driving a significant increase in reach and interaction while optimizing campaign costs.

Additionally, the localized adaptation of the ZIC Urban Protec commercial enhanced cultural relevance, boosting regional engagement without compromising the core brand message.

HTL STATION BRANDING **REIMAGINED: WHERE FUTURISTIC VISION MEETS ELEVATED BRAND IDENTITY**

This year marked a landmark achievement with the launch of HTL ZIC's flagship fuel station in the very heart of Lahore's most exclusive district. Conceptualized and executed entirely in-house, this station redefines premium retail fuel experiences with its strikingly futuristic design—setting a new benchmark for architectural innovation and brand expression in Pakistan.

Blending cutting-edge modern aesthetics with powerful, high-impact branding, the station commands attention as a bold visual icon amid Lahore's urban landscape. Its distinctive, forward-thinking design not only captivates customers but also solidifies HTL ZIC's reputation as a pioneering, design-driven, and customer-centric brand.

The grand unveiling was marked by an imaginative "gift box" themed ceremony, symbolizing the dawn of a new era in HTL's retail journey and underscoring the brand's commitment to innovation and excellence.

Beyond this flagship showcase, HTL ZIC extended its branding footprint with the strategic rollout of nine additional fuel stations across Punjab and Khyber Pakhtunkhwa. Each location was rigorously assessed for optimal visibility, operational feasibility, and long-term sustainability—ensuring a consistent and elevated brand experience across our expanding retail network.

HTL STATION **BRANDING**

This year marked a significant milestone with the launch of HTL ZIC's flagship fuel station in the heart of Lahore. Designed and executed entirely in-house, the station stands out as one of the most premium and aesthetically advanced retail fuel outlets in the country. The project demanded the integration of modern architectural elements with high-impact branding—bringing a one-of-a-kind prototype to life through innovative design and meticulous execution.

The station's unique look has garnered praise from both customers and industry peers, reinforcing HTL ZIC's position as a design-forward and customer-centric brand. The unveiling was celebrated through an innovative "gift box" themed ceremony, symbolizing the launch of a new chapter in our retail journey.

In addition to the flagship location, nine more fuel stations across Punjab and Khyber Pakhtunkhwa were branded this year. Each site was carefully evaluated for feasibility, brand visibility, and long-term maintenance, ensuring consistency and sustainability across our retail network.

Dynamic On-Ground Activations with Strategic Impact HTL station

Our Independence Day campaign transformed petrol stations nationwide with thoughtfully designed patriotic branding, resonating deeply with consumers. Branded keychains and flags were distributed as tactile touchpoints, fostering emotional connections and reinforcing HTL ZIC's commitment to national pride and community engagement.

Capitalizing on the ICC Champions Trophy 2025 fervor, HTL ZIC orchestrated a high-impact activation at the HTL COCO Gulberg station—blending star power, immersive brand kiosks, and interactive customer engagement tactics like scratch card giveaways and live lucky draws. This multi-layered approach not only magnified brand visibility during a key sporting event but also drove significant footfall, showcasing our marketing ingenuity and ability to connect with consumers in moments that matter.

EFFECTIVE BRANDING **SOLUTIONS TO BOOST ZIC'S IN-STORE PRESENCE**

To strengthen ZIC's in-store dominance, we deployed cutting-edge multi-category outlet (MCO) racks nationwide. Built with durable, outdoor-grade materials and optimized for maximum SKU visibility, these racks ensure standout product placement while streamlining logistics through smart, transport-efficient design.

Alongside, premium PVC posters with striking die-embossed 3D effects were introduced for MCO and Diesel categories. Waterproof and visually compelling, these posters deliver lasting brand impact at the point of sale, reinforcing ZIC's presence with unmatched clarity and sophistication

RAMADAN HAMPERS: **STRENGTHENING COMMUNITY BONDS AND DEEPENING BRAND CONNECTION**

Each year, HTL ZIC embraces the spirit of Ramadan by reaffirming our commitment to compassion and community care. Through the distribution of essential Ramadan Ration Hampers at our distribution centers and retail oil change locations nationwide, we go beyond charity—we nurture a shared sense of unity and support within the extended ZIC family.

This heartfelt initiative not only addresses immediate needs but also embodies the core values of empathy and togetherness that define our brand essence. By actively engaging with our community during this sacred month, HTL fosters genuine connections that resonate deeply with influencers and industry partners alike, inspiring them to authentically represent and amplify the positive impact of ZIC.

In doing so, HTL strengthens its identity as more than just a market leader—it becomes a trusted, socially responsible partner dedicated to uplifting lives and building lasting relationships in the communities we proudly serve.

GEOGRAPHICAL **PRESENCE**

A nationwide footprint ensuring accessibility and customer service across Pakistan.
For detailed geographical presence, refer to Note 1.1 of the Unconsolidated Financial Statements.
133 Distributors | 8 Express Centers | 61 Fuel Stations | 4 Regional Offices | 3 Warehouses | 2 Oil Depots


NORTH
39
Distributors
1
HTL Express Centers
24
HTL Fuel Stations
2
Regional offices
1
Oil depot
CENTRAL
37
HTL Fuel Stations
66
Distributors
4
HTL Express Centers
1
Registered and Head Office
1
OMC Project Office
1
Regional Offices
3
Wares Houses
1
Oil Depot

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.

2024 DIGITAL TRANSFORMATION

Launched the Auto Ready application in 2024 enhancing customer convenience through smart digital solutions

2025 STARTED LOCAL PRODUCTION

During the year, the company started local production on the basis of MOU by and between HTL and SK Enmove Co., Ltd.

CALENDAR OF **MAJOR EVENTS**

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

29 AUGUST 2024
MATERIAL INFORMATION AS ANNOUNCED AT PSX-PUCARS
Signing of the MOU by and between HTL and HARDEES

13 SEPTEMBER 2024
NOTICE OF BOARD MEETING
Notice Issued For 89th Board Meeting For Annual Audited Accounts 30 June 2024

20 SEPTEMBER 2024
89th BOARD MEETING
Board In Its 89th Board Meeting Approved Annual Audited Accounts 30 June 2024 Along With Date, Time & Place Of 16th Agm

04 OCTOBER 2024
SHAREHOLDERS MEETING
Issuance Of Notice Of 16th Agm And Annual Report 2024

18 OCTOBER 2024
ADVERTISEMENT ABOUT CONSENTING DIRECTORS
10 Individuals Consented To Act As Directors And Deemded To Be Elected Un-opposed

18 OCTOBER 2024
BOARD MEETING
Notice Issued For 90th Board Meeting Held For 1st Quarter Un-audited Accounts 30september2024.

26 OCTOBER 2024
APPROVALS OF SHAREHOLDERS
16th Agm Held Pysically At Lahore And Online Via Zoom Application. Shareholders Approved All Agenda Items Of Notice Of Agm

26 OCTOBER 2024
ELECTION OF DIRECTORS
Election Of Directors Held In 16th Agm, 10 Consenting Directors Elected Un-opposed

26 OCTOBER 2024
APPROVAL OF ACCOUNTS
Board In Its 90th Meeting Approved 1st Quarterly Un-audited Accounts For Sep. 30, 2024

25 NOVEMBER 2024
SHAREHOLDER, INVESTORS AND ANALYSTS MEETING
Corporate Briefing Session

28 NOVEMBER 2024
MATERIAL INFORMATION AS ANNOUNCED AT PSX-PUCARS
Start of Production on the basis of MOU by and between HTL and SK Enmove Co. Ltd.

18 FEBRUARY 2025
BOARD MEETING
Notice Issued For 91st Board Meeting For Hy Reviewed Accounts 31 Dec 2024

25 FEBRUARY 2025
APPROVAL OF ACCOUNTS
Board In Its 91st Meeting Approved Hy Reviewed Accounts For Dec. 31, 2024

25 FEBRUARY 2025
Misc. INFORMATION AS ANNOUNCED AT PSX-PUCARS
Replacement of Director (Nominee of SKEN)

21 APRIL 2025
BOARD MEETING
Notice Issued For 92nd Board Meeting For 3rd Quarterly Un-audited Accounts 31 Mar 2025.

22 APRIL 2025
Misc. INFORMATION AS ANNOUNCED AT PSX-PUCARS
Replacement of CFO

22 APRIL 2025
REPLACEMENT OF HEAD OF INTERNAL AUDIT
Replacement of Head of Internal Audit

29 APRIL 2025
APPROVAL OF ACCOUNTS
Board In Its 92nd Meeting Approved 3rd Quarterly Un-audited Accounts For Mar 31, 2025


ZIC

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

Ms. Mavira Tahir
Non Executive Director

Mr. Faraz Akhtar Zaidi
Non Executive Director

Miss Mehvish Khan
Non Executive Director

Mr. Shafiq Ur Rehman
Non Executive Independent Director

Mr. Muntizer Abbas Hussain
Non Executive Independent Director

Mr. Mahmood Akhtar
Non Executive Independent Director

Mr. Donghyun Kim (Nominee of SK Enmove Co., Ltd.)
Non Executive Director

SENIOR **MANAGEMENT**

Chief Financial **Officer**

Mr. Saeed Ullah Khan Niazi
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:**

57-C, Gulberg III, MM Alam Road, Near Janun Restaurant, Lahore
Phone: +92-42-35752213-4

HTBL **PLANT SITE**

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

COMPANY **WEBSITES:**

www.hitechlubricants.com
www.zicoil.pk

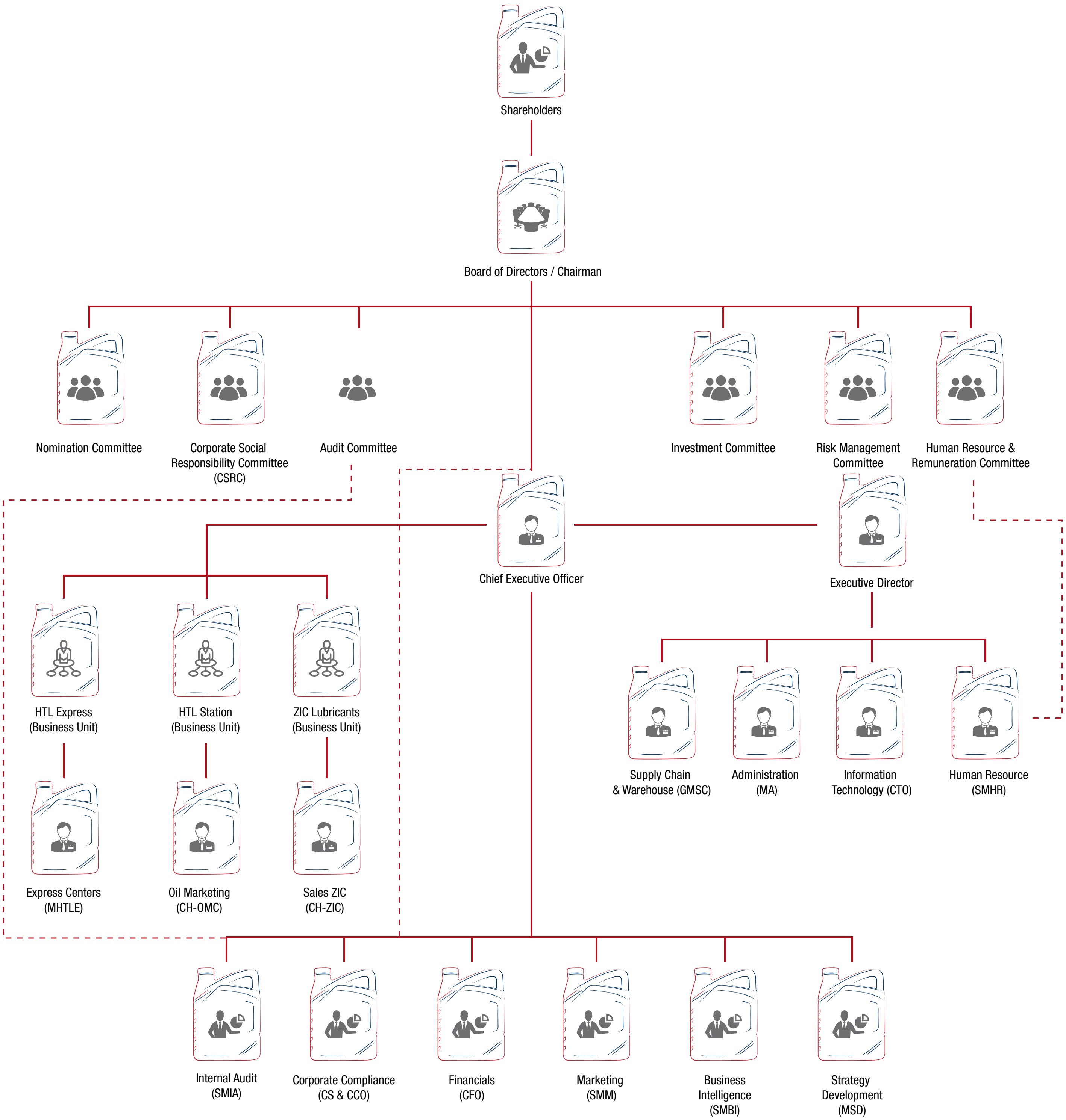
BANKERS

ISLAMIC BANKS

CONVENTIONAL BANKS


ZIC
X7
10W-40
5L

ORGANIZATIONAL **STRUCTURE**

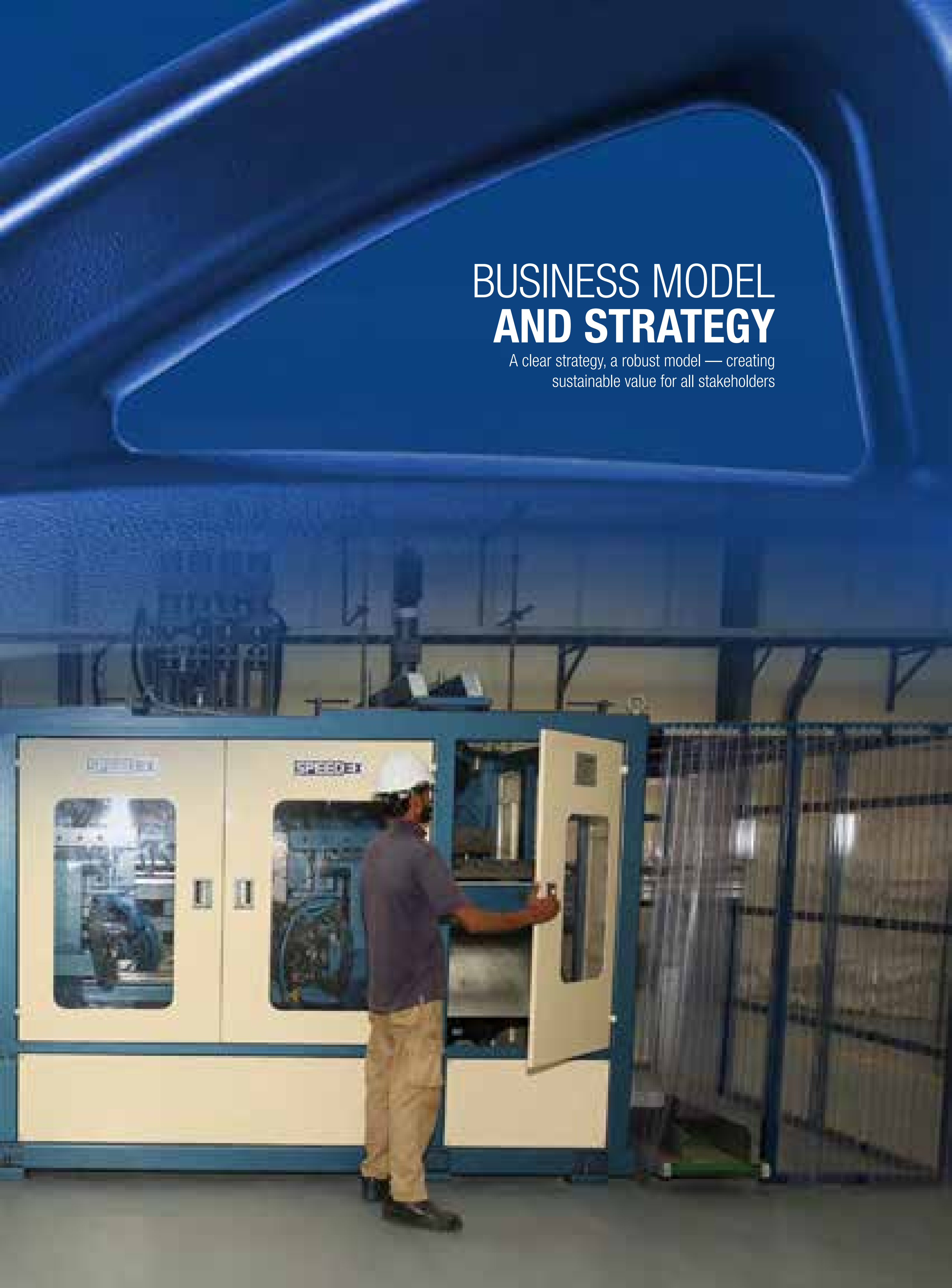


LEGEND

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

BUSINESS MODEL **AND STRATEGY**

A clear strategy, a robust model — creating sustainable value for all stakeholders



BUSINESS **MODEL**

Hi-Tech Lubricants Limited (HTL), through its wholly owned subsidiary Hi-Tech Blending (Private) Limited, creates long-term value by leveraging multiple sources of capital to deliver financial, social, and environmental outcomes. The Company operates through four integrated segments: Lubricants, HTL Fuel Stations, HTL Express Centres (franchise model) and Polymer. HTL's business model reflects its commitment to sustainability, operational excellence, and partnerships.

INPUTS, BUSINESS **ACTIVITIES, OUTPUTS AND OUTCOMES**

Capitals (Inputs)	Business Activities	Outputs	Outcomes (Value Creation)
Financial Capital: Working capital, shareholder equity, financing	Investments in blending plant, retail outlets, automation	Locally manufactured lubricants, petroleum sales	Revenue growth, enhanced shareholder equity
Manufactured Capital: Blending plant, depots, warehouses, service centres, polymer plant, fleets, HTL Fuel Stations, offices	Operation of facilities for lubricants, fuels, services, polymers	High-quality products and services	Market presence, operational scale
Intellectual Capital: SK Enmove formulations, research and development, proprietary systems, trademarks and copy rights, information technology and automation	Technology transfer, product innovation, quality assurance	95% locally blended lubricants in FY 2025	Innovation, competitive positioning, brand trust
Human Capital: Trained and skilled workforce	Blending, marketing, customer service, franchise management	Customer service delivery, efficient operations	Employee productivity, engagement, retention
Social & Relationship Capital: Partnerships, franchises, distributors, customers	Franchise empowerment, SK Enmove partnership, distributor network	Expanded service centres, loyal customer base	Customer trust, reputation, community value
Natural Capital: Energy, raw materials, solar power, water	Blending, polymer production, packaging, retail operations	Sustainable products, reduced imports	ESG contribution, resource efficiency

BUSINESS SEGMENTS **OVERVIEW**

Segment	Key Activities	Outputs	Strategic Contribution
Lubricants	Blending through subsidiary with SK Enmove partnership while marketing through HTL	High-quality lubricants (95% local in 2025)	Revenue growth, import substitution, brand recognition
HTL Fuel Stations	Operation of fuel stations in Punjab & Khyber Pakhtunkhwa	Consistent fuel supply	Market coverage, revenue growth, brand recognition
HTL Express Centres	Vehicle care, maintenance, customer engagement	Improved customer experience	Brand strengthening, diversification
Polymer	Production of packaging and industrial products	Polymer-based products	Business diversification, sustainability

OUTPUTS LINKED TO **STRATEGIC OBJECTIVES**

Outputs	Revenue Growth	Brand Image	Information Technology and Automation	Shareholders' Equity	Business Diversification
Lubricants	✓	✓	✓	✓	✓
Fuel	✓	✓		✓	✓
Services	✓	✓	✓	✓	✓
Polymer products	✓		✓	✓	✓

SUSTAINABILITY AND **ESG INTEGRATION**

Pillar	Key Initiatives	Value Delivered
Environment	95% local blending (lower import logistics), solar power at facilities, eco-friendly packaging	Reduced carbon footprint, energy savings
Social	Job creation, franchise empowerment, customer service excellence	Stronger community value, customer trust
Governance	Transparent disclosures, compliance with international standards	Integrity, accountability, stakeholder confidence

MATERIAL CHANGES **IN FY 2025**

HTL's overall business model remained stable with no structural changes during FY 2025. However, a material enhancement occurred in the lubricants segment as stated in below table:

Aspect	FY 2024	FY 2025	Impact
Local Blending through collaboration with SK Enmove Co., Ltd	Mid-tier products only	95% of portfolio	Cost savings, reduced imports and stronger innovation and technology transfer
Market position	Dependence on imports	Localized production	Competitive pricing, stronger brand positioning

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

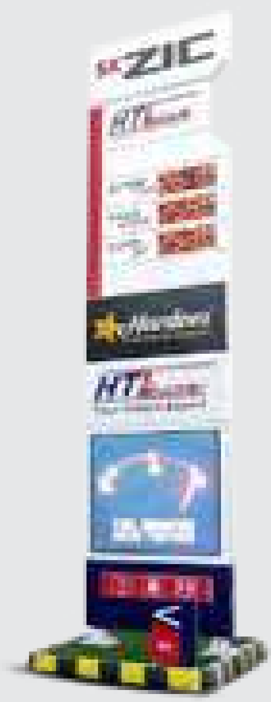
South

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

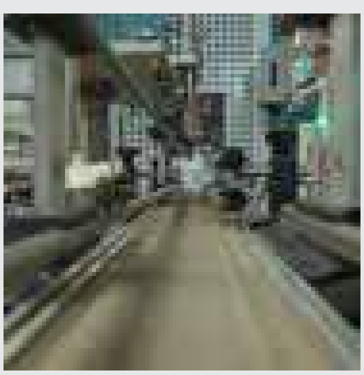
Decanting at Sahiwal Depot

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

- Integrated supply chain through HTBL.
- Local blending capabilities enhancing cost efficiency and product customization.
- Strategic partnership with SK Enmove Co., Ltd.
- Extensive nationwide distribution network: 133 distributors, 8 Express Centers, 61 fuel stations.
- Strong brand recognition and recall for ZIC, with presence in over 12,000 outlets.
- Diversified segments including polymer operations through HTBL.
- Premium quality products.
- Visionary top management.
- Healthy and growing customer base.

S

SW

W

WEAKNESSES

- Low industrial sales
- Dependence on promotional schemes
- Limited international export presence

OPPORTUNITIES

- Expansion of HTL Fuel Stations, especially in Khyber Pakhtunkhwa
- Growth in retail through HTL Express Centers franchise model
- Exploration of export markets with SK Enmove support
- Polymer segment growth through HTBL
- Technological innovation and digitalization

O

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T

THREATS

- Regulatory changes including taxes, duties, levies
- Intense market competition
- Volatility in crude oil prices
- Geopolitical risks affecting exports
- Risks related to protection of intellectual property
- Foreign exchange exposure for petroleum, oil, and lubricant products (POL)

PESTEL AND SEASONAL VARIANCE ANALYSIS

	FACTOR	CONTEXT (EXTERNAL ENVIRONMENT)	HTL Response (Strategic Action)
P	Political	• Stability of governance, regulatory approvals, and taxation adjustments influence the business environment.	• Continuous monitoring of policy changes • Full tax compliance with zero tolerance for evasion • Transparent resolution of regulatory matters • Constructive engagement with policymakers.
E	Economic	• Inflationary pressures and rupee depreciation impacted costs; by mid-2025, headline inflation moderated to ~3.0% YoY (Aug 2025), while the SBP maintained policy rate at 11% with potential easing ahead	• Enhanced operational efficiency • Expanded local blending via HTBL • Diversified product portfolio to achieve economies of scale • Disciplined financial planning to leverage easing inflation and prepare for lower borrowing costs.
S	Social	• Rising societal expectations for corporate responsibility in education, healthcare, and environmental protection. Climate-related disasters (e.g., floods) increase demand for community relief and rehabilitation efforts.	• CSR programs structured around three pillars: • Education, Healthcare, Environmental Stewardship • Direct community support in disaster-affected regions • Transparent reporting of CSR outcomes to reinforce stakeholder trust.
T	Technological	• Rapid digitalization, automation, and analytics adoption are transforming industries.	• Enterprise-wide Oracle ERP deployment • Advanced tools (BI, Distributor & Handler Management, Claim Management systems) • IT upgrades and cybersecurity staff training to embed innovation and efficiency
E	Environmental	• Pakistan faces climate volatility, including floods, irregular rainfall, and rising temperatures. These disrupt agriculture, damage infrastructure, and increase supply-chain risks. Growing regulatory pressure and consumer demand for eco-friendly solutions.	• Development of fully synthetic, eco-friendly motor oils that enhance fuel efficiency and reduce emissions • Tree plantation and sustainability initiatives • Disaster-sensitive supply chain planning to ensure product availability • Full compliance with environmental laws.
L	Legal	• Complex compliance environment covering corporate, taxation, import/export, health, safety, and environmental regulations.	• In-house legal expertise supported by external advisors • Regular compliance reviews and audits • Proactive monitoring of new regulations to safeguard operational integrity.

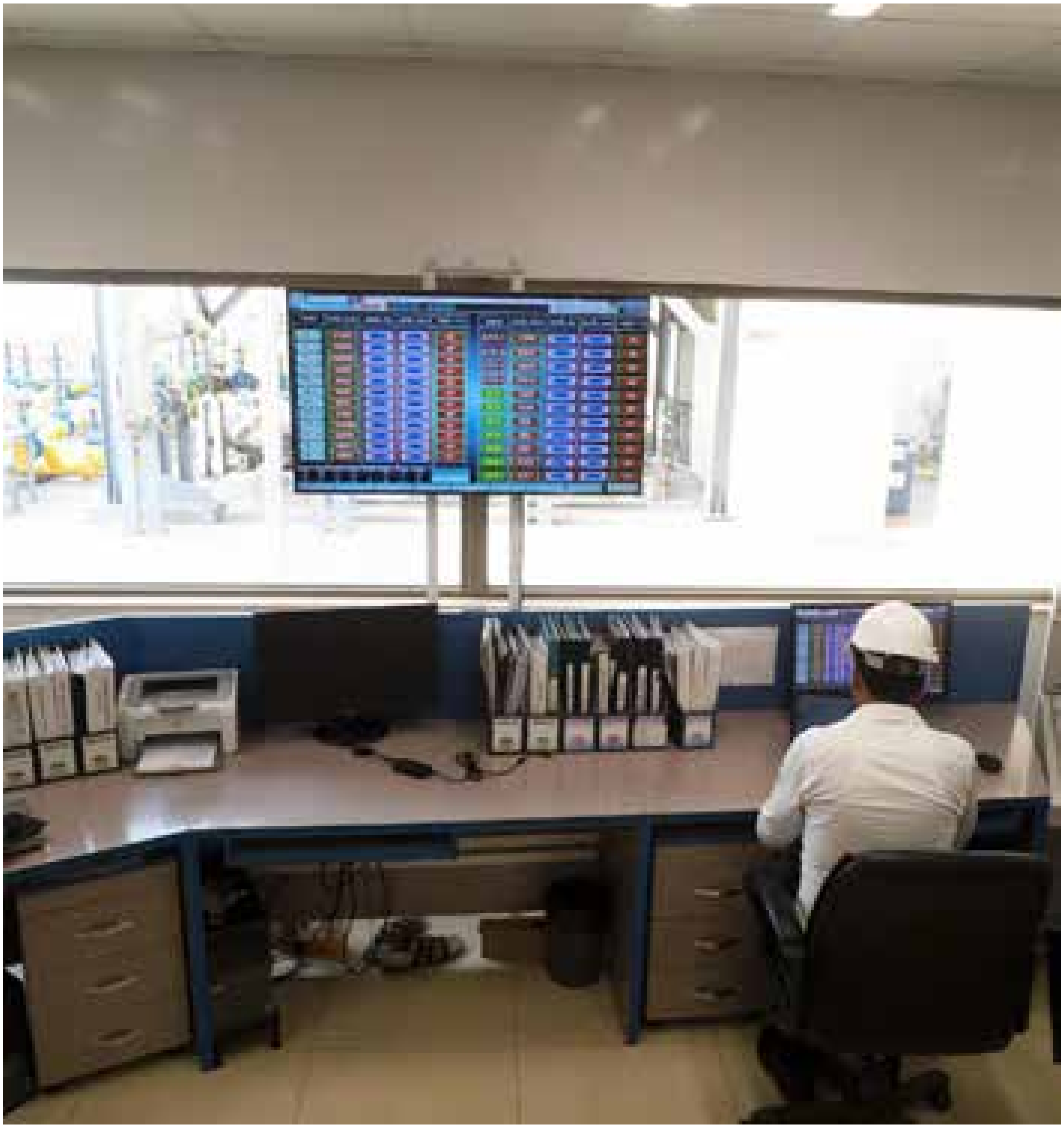
SEASONAL **VARIATION**

CONTEXT **(EXTERNAL ENVIRONMENT)**

Agriculture contributes ~24% to GDP and employs ~50% of the workforce. Harvest cycles drive rural income and consumer demand. Climate-related disruptions, including floods, can reduce crop yields, delay harvests, and affect rural purchasing power.

HTL RESPONSE **(STRATEGIC ACTION)**

Forecasting demand in line with harvest cycles; proactive inventory planning and distribution; flexible production scheduling to capture peak demand; targeted marketing during harvest periods; CSR programs in flood-affected areas; maintaining cash-flow reserves for stability during lean seasons.



STRATEGIC OVERVIEW **AND RESOURCE ALLOCATION**

EXECUTIVE **SUMMARY**

In FY 2025, HTL expanded its strategic foundations across its core businesses — Lubricants, Polymers, Petroleum Product Segment, and the HTL Express Franchise network.

Key highlights for the year include the commencement of high-end lubricant local blending in partnership with SK Enmove Co., Ltd, the expansion of dealer-operated fuel stations with 61 stations currently operational, and the strategic preservation of initial public offering funds for Petroleum Product Segment infrastructure, pending regulatory approvals. The company advanced its polymer optimization initiatives, expanded franchise operations, strengthened environmental, social, and governance frameworks, and continued to enhance its competitive advantage through a combination of trusted brand recognition and strategic technological partnerships.

STRATEGIC OBJECTIVES **AND RESOURCE ALLOCATION**

Strategic Objective	Strategies / Initiatives	Horizon	Resource Allocation (Capitals)	Key Performance Indicators	Future Relevance
Revenue Growth	• Expansion of HTL Fuel Stations in Punjab and Khyber Pakhtunkhwa Province (subject to regulatory approv-als) • Increase local blending through partnership with SK Enmove Co., Ltd • Enhance revenue growth and market share by leveraging SK Enmove Co., Ltd partnership • to access regional and international export markets • Increase HTL fran-chises and polymer segment growth strengthen overall revenue streams	Short	Financial: Investment in expansion, blending, and export infrastruc-ture Human: Skilled sales and operations staff for domestic and interna-tional markets Manufactured: Blending facilities, depots, warehouses Intellectual: ERP systems, mobile appli-cations, Copy rights of the products Social: Dealer network, international partners Natural: Renewable energy	Market share, revenue growth, export volume, franchise and polymer segment contribution	Yes
Brand Image	• Marketing campaigns for ZIC, HTL Fuel Stations, and HTL Express Centers • Customer service excellence and loyalty programs	Long	Financial: Marketing budget Human: Marketing and service teams Intellectual: Brand equity, Mobile application Social: Community engagement	Brand recognition, loyalty index	Yes

Information Technology and Automation	• ERP, Dealer Management Systems, Human Resource Management System, Claim Management Systems • Digitalization of processes • Mobile app for service booking • Automation in production and distribution	Medium	Financial: IT capital expenditure Human: IT and operations teams Intellectual: ERP, BI, mobile application Manufactured: Automated lines	Process efficiency, cost reduction, digital adoption	Yes
Shareholders' Equity	• Financial management and resource optimization • Risk management and internal controls • Transparent reporting and governance	Long	Financial: Resource allocation, dividend management Human: Finance and audit teams Intellectual: Financial reporting systems	Return on Equity, Earnings Per Share, Asset Turnover, Free Cash Flow	Yes
Business Diversification	• HTL Fuel Stations and Express Centers • Polymer segment via subsidiary • Expansion of blending capabilities with SK Enmove Co., Ltd • Geographic expansion to domestic and regional markets	Long	Financial: Investment in new facilities and products Human: Skilled personnel Manufactured: Ongoing development of depots, HTL Fuel Stations Intellectual: Product IP, technical expertise Social: Stakeholder engagement	Revenue contribution from new segments, diversified income streams	Yes

RESOURCE **ALLOCATION**

- **Financial Capital:** Strong capital structure supported by equity and long-term debt, with effective working capital management; initial public offering proceeds are strategically preserved and allocated for infrastructure development of Petroleum Product Segment pending regulatory approvals, ensuring prudent financial management and growth support.
- **Human Capital:** Skilled workforce across sales, IT, marketing, finance, and operations; continuous training programs to enhance capabilities.
- **Manufactured Capital:** Advanced blending facilities, depots, warehouses, Fuel Stations, and Express Centers designed for domestic and export operations.
- **Intellectual Capital:** Established brands (ZIC, HTL Fuel Stations, HTL Express Centers), ERP, Dealer and Human Resource Management Systems, mobile application, product intellectual property, and technical expertise from SK Enmove Co., Ltd.
- **Social and Relationship Capital:** Strong dealer network, international distribution partnerships, community engagement, and CSR initiatives in education, healthcare, and environment.
- **Natural Capital:** Renewable energy initiatives, including installation of solar power systems at the Head Office and HTBL plant site, as part of sustainability and energy efficiency programs, along with recycling and environmental conservation projects

CAPABILITIES AND **SUSTAINABLE COMPETITIVE ADVANTAGE**

- **Nationwide Presence:** Extensive distribution and retail network.
- **Advanced Blending Facilities:** Technical expertise from SK Enmove Co., Ltd supports high-performance lubricant production in house.
- **Diversified Portfolio:** Lubricants, polymer products, Petroleum Product Segment and HTL Express Centers
- **Skilled Workforce:** Operational efficiency, technical competence, and service excellence.
- **Strong Brand Recognition:** Trusted brands ZIC, HTL Fuel Stations, and HTL Express Centers.

STRATEGIC **FRAMEWORK**

STAKEHOLDER **VALUE CREATION:**

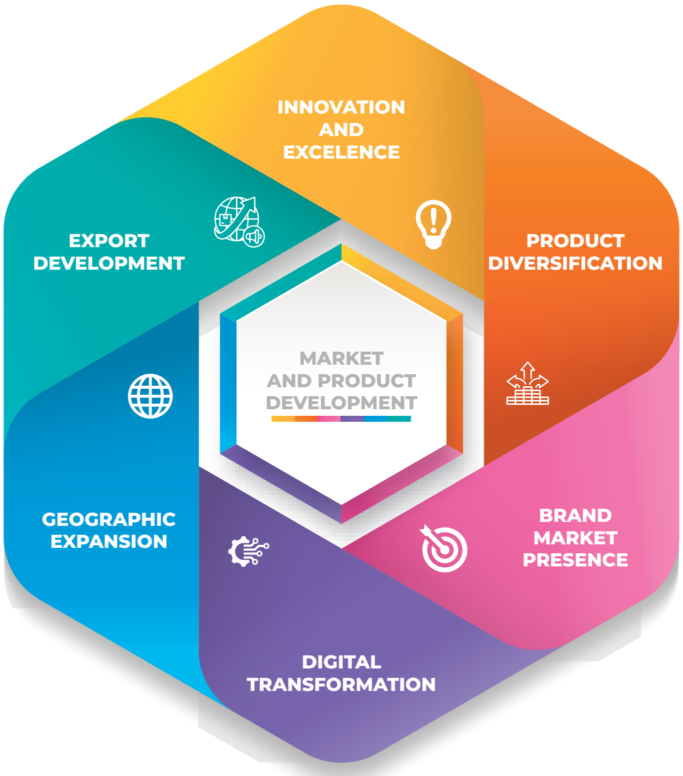
Stakeholder	Value Created
Shareholders	PKR 2.049 billion dividends since listing on Pakistan Stock Exchange
Employees	Inclusive work environment, training, career growth opportunities
Customers	High-quality products and services
Communities	Investments in education, healthcare, and environment
Suppliers	Long-term partnerships
Government	Contribution to national exchequer and economic growth

STAKEHOLDER **VALUE CREATION**

MARKET AND **PRODUCT DEVELOPMENT**

- **Geographic Expansion:** Establishment and growth of Fuel Stations and Express Centers across Punjab and Khyber Pakhtunkhwa to strengthen market presence and accessibility.
- **Product Diversification:** Expansion into the polymer segment through a dedicated subsidiary to broaden the company's product portfolio and revenue streams.
- **Innovation and Technical Excellence:** Implementation of high-performance lubricant local blending in partnership with SK Enmove Co., Ltd, leveraging advanced technology and expertise.
- **Export Development:** Exploring opportunities for export market expansion, while actively evaluating potential regional and international channels with support from SK Enmove Co., Ltd.
- **Brand Market Presence:** Expansion and consolidation of ZIC lubricants' market presence, enhancing recognition and customer loyalty in domestic segments.
- **Digital Transformation:** Enhancement of customer experience through the "Auto Ready" mobile application, enabling seamless online service bookings and engagement.

MARKET AND **PRODUCT DEVELOPMENT**



FACTORS AFFECTING STRATEGY **AND RESOURCE ALLOCATION**

FACTOR	IMPACT	HTL INITIATIVES
TECHNOLOGICAL **CHANGES**	• Advancements in automation, digitalization, and data-driven decision-making affecting operational efficiency	• Implementation of ERP, Business Intelligence, Dealer Management, Human Resource Management, and Claim Management Systems, along with mobile application development to enhance digital operations
SUSTAINABILITY **CHALLENGES**	• Increasing regulatory requirements and environmental responsibilities impacting operations and reputation	• Adoption of solar power systems, tree plantation programs, and comprehensive ESG reporting to ensure compliance and sustainability
INNOVATION	• Continuous need for product and process innovation to maintain competitive edge	• High-performance lubricant local blending with SK Enmove Co., Ltd, ongoing research and development, and development of mobile application to improve service delivery
RESOURCE **SHORTAGES**	• Limited availability of skilled labor and critical raw materials affecting production and expansion	• Staff training and development programs, diversification of supplier base, and strategic capital allocation to ensure uninterrupted operations and growth

KEY PERFORMANCE **INDICATORS**

STRATEGIC OBJECTIVE	AREA OF IMPACT	PERFORMANCE INDICATORS	MEASURES	FUTURE RELEVANCE
REVENUE **GROWTH**	• Financial Capital	• Market share, revenue growth, export volume	• Total revenue	• Yes
BRAND **IMAGE**	• Financial and Intellectual Capital	• Brand equity, recognition	• Loyalty index	• Yes
IT AND **AUTOMATION**	• Financial and Intellectual Capital	• System upgrades, process automation	• Cost reduction, operational efficiency	• Yes
SHAREHOLDERS' **EQUITY**	• Financial Capital	• ROE, EPS, Asset Turnover	• Free Cash Flow	• Yes
BUSINESS **DIVERSIFICATION**	• Financial Capital	• Revenue from new segments	• Contribution to total revenue	• Yes

ALIGNMENT WITH **MISSION AND VISION**

Mission: To provide the finest quality lubricants, fuels, and polymer products to a wide spectrum of customers—from owners of a single motorcycle to managers of large industrial plants—assisting them in achieving objectives efficiently and economically.

Vision: A progressively advancing Pakistan where the wheels of transport and industries operate continuously, supporting national development, economic wellbeing, and improved quality of life.

- Strategic objectives, including Revenue Growth, Brand Image, IT and Automation, Shareholders' Equity, and Business Diversification, are fully aligned with the mission and vision.
- Corporate Social Responsibility initiatives strengthen economic wellbeing and quality of life in communities.

BOARD **STATEMENTS**

- **Internal Controls:** Robust financial, operational, and information technology control frameworks are in place, with comprehensive risk management ensuring the effective execution of strategic objectives.
- **Significant Plans:** Continued expansion of Fuel Stations and Express Centers, partnership with SK Enmove Co., Ltd for high-performance lubricant blending, and development of the polymer segment; no undisclosed restructuring or discontinuation of operations.
- **Debt and Liquidity Management:** Strong liquidity position maintained with no defaults; operational risks are mitigated through diversification, proactive risk management, and sound cash flow strategies.

RISKS AND **OPPORTUNITIES**

HTL views risk management as a strategic enabler embedded into its business model. Our approach integrates COSO, ISO 31000, and ERM principles to ensure a systematic, disciplined, and transparent process. Risks are mapped across the six capitals (Financial, Human, Intellectual, Manufactured, Social & Relationship, and Natural) and linked to strategic objectives, mitigation strategies, opportunities, and KPIs. This integration allows HTL not only to protect value but also to create value from emerging opportunities. The Board of Directors provides oversight through the Audit, HR & Remuneration, Risk & Sustainability, and Investment Committees, while the Risk Assessment & Control Matrix (RACM) and risk register are updated regularly to reflect evolving circumstances.

KEY RISKS AND OPPORTUNITIES **(INTEGRATED WITH MITIGATION AND VALUE CREATION)**

HTL views risk management as a strategic enabler embedded into its business model. Our approach integrates COSO, ISO 31000, and ERM principles to ensure a systematic, disciplined, and transparent process. Risks are mapped across the six capitals (Financial, Human, Intellectual, Manufactured, Social & Relationship, and Natural) and linked to strategic objectives, mitigation strategies, opportunities, and KPIs. This integration allows HTL not only to protect value but also to create value from emerging opportunities. The Board of Directors provides oversight through the Audit, HR & Remuneration, Risk & Sustainability, and Investment Committees, while the Risk Assessment & Control Matrix (RACM) and risk register are updated regularly to reflect evolving circumstances.

Risk Category	Description	Capitals Affected	Impact	Likelihood	Time Frame	Mitigation Strategy	Opportunities / Value Creation
Cybersecurity & IT	System failures, cyberattacks, data breaches	Financial, Intellectual, Social	High	High	Short–Medium	Disaster Recovery Plan, 24/7 monitoring, cyber drills, data-classification	Enhanced digital resilience, continuity, IT-driven innovation
Talent	Retention and succession challenges	Human, Intellectual, Social	Medium	Medium	Medium–Long	Retention programs, succession planning, leadership pipeline	Stronger leadership depth, engagement, knowledge continuity
Market & Competition	Pricing pressure and new entrants	Financial, Manufactured, Brand	High	High	Ongoing	Increased local blending through HTBL, diversification	Lower cost base, revenue growth, brand equity
Strategic (EV Transition)	Demand shifts due to electrification	Financial, Intellectual, Natural	High	Medium	Long Term	EV-compatible R&D, portfolio diversification, partnerships	Entry into EV market, competitiveness in emerging markets
Regulatory & Legal	Duty/tax changes, margin regulations	Financial, Social	Medium	Medium	Short–Medium	TRUST Adequate Procedures, compliance audits, engagement	Governance maturity, regulatory credibility, trust
Sustainability (ESG)	Climate change, regulation, stakeholder pressure	Natural, Human, Social	High	High	Medium–Long	Decarbonization roadmap, circular economy, BCM	ESG leadership, reduced emissions, improved reputation
Operational & Supply Chain	Reliability risks, ESG-linked supplier disruption	Manufactured, Human, Financial	High	High	Short–Medium	Supplier due diligence, preventive maintenance, local sourcing	Supply chain resilience, efficiency, reduced dependency
Financial & Macro	FX volatility, liquidity & interest rate risks	Financial	High	Medium	Short Term	Prudent treasury, diversified, better inventory management	Liquidity stability, reduced FX exposure,

PRINCIPAL RISKS **AND UNCERTAINTIES**

HTL regularly assesses principal risks that could materially affect its business model, future performance, solvency, and liquidity. The key uncertainties include operational disruptions, cybersecurity and IT vulnerabilities, regulatory changes, strategic challenges from EV adoption and new market entrants, and financial volatility.

Oversight of these risks is exercised through a robust governance structure:

- **Audit Committee:** ensures integrity of financial reporting and addresses financial and compliance risks.
- **HR & Remuneration Committee:** monitors human capital risks, including succession and retention.
- **Risk & Sustainability Committee:** evaluates ESG-related exposures and operational risks.
- **Investment Committee:** oversees liquidity, capital allocation, and investment risk.
- **Internal Audit Function**: provides independent assurance to the Audit Committee and the Board.

RISK MANAGEMENT **FRAMEWORK**

HTL's risk management framework is designed to provide a disciplined and structured approach to identifying, assessing, and mitigating risks across the organization. The framework integrates leading practices from COSO, ISO 31000, and Enterprise Risk Management (ERM), and operates through a continuous six-step cycle:

1. **Context Setting:** defining the internal and external operating environment.
2. **Risk Identification**: mapping operational, strategic, financial, and ESG-related risks.
3. **Risk Assessment:** applying likelihood and impact scoring, key risk indicators (KRIs), and scenario analysis.
4. **Risk Treatment**: implementing preventive, detective, and corrective controls to mitigate risks.
5. **Monitoring & Reporting:** maintaining the Risk Assessment & Control Matrix (RACM), updating the risk register, and providing quarterly reviews to the Board and its committees.
6. **Continuous Improvement**: strengthening processes and controls in response to evolving business conditions and stakeholder expectations.

Risk Appetite and Tolerance are defined and approved by the Board of Directors, covering operational, financial, and strategic domains. These are reviewed quarterly to ensure alignment with the company's objectives and external environment.

SUPPLY-CHAIN **ESG RISKS**

Risk Appetite and Tolerance are defined and approved by the Board of Directors, covering operational, financial, and strategic domains. These are reviewed quarterly to ensure alignment with the company's objectives and external environment.

Mitigation Measures:

- ESG Compliance and Supplier Due Diligence
- Reduction in imports due increase local production
- Sustainable Procurement Practices
- Crisis Management Plan (CMP) and BCM Protocols

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

Hi-Tech Lubricants Limited (HTL) recognizes that sustainable value creation depends on the trust and confidence of its key stakeholders—customers, employees, investors, suppliers, regulators, and the wider community. The Company is committed to addressing their legitimate needs by embedding transparency, fairness, and accountability across its operations.

Stakeholder expectations are increasingly shaped by environmental responsibility, innovation, and ethical business practices. HTL actively responds by investing in advanced blending technologies, increased local blending and energy-efficient solutions that reduce reliance on imports, enhance operational efficiency, and meet rising customer demand for sustainable products.

Industry trends continue to evolve rapidly, marked by intensifying competition, shifting customer preferences, and increasing regulatory scrutiny. Demand for environmentally responsible lubricants, integration of advanced additives, and service convenience through modern retail formats are reshaping the market. HTL closely monitors these developments, ensuring its strategy remains responsive, resilient, and future-focused.

COMPETITIVE LANDSCAPE **AND MARKET POSITIONING**

The lubricants and petroleum products sector is characterized by high competition from both multinational brands and local manufacturers. In this environment, HTL differentiates itself through its exclusive partnership with SK Enmove (SK ZIC), strong distribution network, and investment in local blending facilities.

KEY COMPETITIVE **FACTORS**

- **Threat of New Entrants and Substitutes**
  The industry faces growing pressure from local entrants and substitute products. HTL mitigates these risks through exclusive rights to SK Enmove lubricants, continuous product innovation, and targeted marketing.
- **Bargaining Power of Customers and Suppliers**
  Customers remain price-sensitive, with access to multiple alternatives. HTL builds long-term loyalty by offering consistent quality, superior service, and integrated convenience through Express Centres. Stable supplier partnerships ensure uninterrupted supply and favorable terms.
- **Strengths and Weaknesses of Competitors**
  Competitors range from established multinational brands to agile local players. HTL's distinct edge lies in its market expertise, advanced technology, exclusive SK Enmove rights, and wide distribution reach, which together reinforce its leadership position.
- **Customer Demand and Market Trends**
  Customer preferences are shifting toward sustainable, high-performance products. HTL has aligned its portfolio with this trend, actively high performance lubricants and positioning itself as a forward-thinking, sustainability-driven brand.
- **Intensity of Rivalry**
  Competitive rivalry is strong, driven by pricing, product performance, and distribution reach. HTL maintains its advantage through differentiated branding, investment in customer engagement, and consistent product quality.

LEGISLATIVE AND **REGULATORY ENVIRONMENT**

HTL operates within a dynamic and continually evolving legislative and regulatory environment. The Company views compliance not merely as a requirement, but as a cornerstone of responsible governance and sustainable growth.

The regulatory landscape is shaped by increasing emphasis on sustainability, safety, quality standards, and corporate accountability. HTL proactively monitors these changes, aligning its systems and processes with evolving requirements to safeguard business continuity and stakeholder confidence.

By embedding integrity, transparency, and accountability across its operations, the Company reduces regulatory risks while strengthening its reputation as a responsible corporate citizen. This approach ensures that HTL remains resilient, adaptive, and well-positioned to deliver long-term value in a competitive marketplace.

FUTURE **OUTLOOK**

Hi-Tech Lubricants Limited (HTL) enters FY2026 with confidence and resilience, guided by its long-term strategic priorities of localization, operational excellence, market expansion, innovation, and sustainability. The successful execution in FY2025 — including the scale-up of local blending, disciplined growth in the Petroleum Products Segment, strengthening of the Polymer Segment, and integration of Express Centres — provides a strong platform for delivering sustainable growth and stakeholder value.

FORWARD-LOOKING **STATEMENT (NARRATIVE & QUANTITATIVE)**

Localization & Efficiency (Strategic Goal: Optimize Resources).

In earlier years, local blending was limited to a select range of products. In FY2025, HTL scaled up this capability to cover ~95% of its lubricant portfolio through Hi-Tech Blending (Private) Limited (HTBL), with technical support from SK Enmove Co., Ltd. This strategic shift from importing finished lubricants to importing base oils and specialized additives for full-scale local blending has:

- **Reduced exposure to customs duties,**
- **Enhanced operational efficiency,**
- **Strengthened cost competitiveness, while**
- **Maintaining international quality standards.**

This transformation is projected to deliver a ~10% uplift in gross profit margins, reinforcing the competitiveness and long-term sustainability of HTL's lubricants business.

Petroleum Products Segment (Strategic Goal: Strengthen Market Footprint).

The petroleum retail network expanded from 55 fuel stations in FY2024 to 61 in FY2025, reflecting steady progress across Punjab, Khyber Pakhtunkhwa, Islamabad, and AJK. The segment also delivered a profitable turnaround, positioning the business for sustainable growth. Looking ahead, the network will continue to expand steadily, subject to regulatory approvals, ensuring greater accessibility for customers.

HTL Express Centres (Strategic Goal: Enhance Customer Experience).

Co-located with HTL's fuel stations, Express Centres will continue to expand, providing preventive maintenance and value-added automotive services. This integration enhances customer convenience and deepens engagement across the retail platform.

Polymer Segment (Strategic Goal: Diversify & Innovate).

Since becoming operational in 2023, the Polymer Segment has continued to show encouraging momentum. With rising sales, improving margins, and a steady reduction in net losses, the segment is now positioned closer to profitability and is expected to play a greater role in HTL's diversified growth profile.

Global Outreach & EV Transition (Strategic Goal: Lead Technological Change).

Through SK Enmove's international network spanning more than 50 regions, HTL is preparing to launch export initiatives in priority markets, including MENA. In parallel, HTL is positioned to pioneer EV-ready lubricants in Pakistan, leveraging SK Enmove's ZIC e-FLO line in collaboration with global OEMs and Tier-1 suppliers.

STATUS OF **PROJECTS VS PREVIOUS OUTLOOK**

Commitment in 2024 Outlook	Actual Progress in FY2025
Scale up local blending and filling	Achieved ~95% localization at HTBL under MoU with SK Enmove. Transitioned from finished-lube imports to base-oil + additive blending, reducing duties and costs while maintaining quality.
Expand the petroleum retail network	Expanded from 55 to 61 outlets; Petroleum Products Segment achieved a profitable turnaround. Further expansion in pipeline, subject to regulatory approvals.

Narrative: HTL delivered on its key commitments, achieving near-complete localization and steady growth in the Petroleum Products Segment. These milestones reinforce the Company's capacity to execute its strategy effectively and build resilience against external market challenges.

FUTURE PLANS **FOR AI ADOPTION**

- AI-driven demand forecasting to optimize blending and inventory cycles.
- Predictive maintenance at blending facilities to enhance reliability and reduce downtime.
- Customer analytics platforms at Express Centres and fuel stations to personalize offerings and strengthen loyalty.
- AI-enabled ESG dashboards to monitor sustainability, emissions, and workplace safety in real time.

FUTURE RESEARCH AND **DEVELOPMENT INITIATIVES**

- **EV Lubricants:** Co-developing advanced EV fluids with SK Enmove to support Pakistan's transition to electric mobility.
- **Fuel-Efficient Formulations:** Expanding low-viscosity, high-performance lubricants in line with international OEM specifications.
- **Polymer Innovation:** Advancing polymer solutions to meet industrial and automotive applications.
- **Sustainable Packaging:** Developing recyclable and biodegradable packaging to reduce environmental impact.

SOURCES OF **INFORMATION & ASSUMPTIONS**

HTL's forward-looking plans are based on a robust planning and governance framework:

- **External sources:** Macroeconomic forecasts, monetary policy updates, and fiscal data from the State Bank of Pakistan and the Finance Division (Economic Adviser's Wing), complemented by global oil price outlooks and industry benchmarks.
- **Internal inputs:** Historical sales performance, operational trends, supply–demand analysis, and segment-wise assessments from sales, finance, and operations.
- **Market dynamics:** Developments in the auto sector, competitive landscape, regulatory framework, and energy market volatility.
- Underlying assumptions: Inflation trajectory, interest rate environment, foreign exchange stability, regulatory approvals, and geopolitical conditions.
- **External validation:** Engagement of consultants and industry experts for feasibility studies and market projections.
- **Board oversight:** All budgets, forecasts, and strategic plans undergo rigorous review and approval by the Board of Directors to ensure alignment with corporate strategy and risk appetite.

OUTLOOK **SUMMARY**

- 95% localization achieved, reducing duties, conserving FX, and delivering margin uplift potential (~10%).
- Petroleum Products Segment strengthened, with the retail network expanded from 55 to 61 outlets and a profitable turnaround achieved.
- Polymer Segment gaining traction, with rising sales, improved margins, and reduced net losses.
- HTL Express Centres expanding, enhancing customer service and preventive maintenance solutions.
- Exports in preparation, leveraging SK Enmove's global presence.
- AI adoption and R&D investments to drive innovation, efficiency, and readiness for EV transition.
-

These forward-looking initiatives are directly aligned with HTL's strategic goals and provide a credible foundation for sustainable growth, resilience, and long-term value creation for shareholders and stakeholders.

LEADERSHIP **MESSAGES**

Guided by vision, driven by purpose — leadership that inspires progress

CHAIRMAN'S **REVIEW**

Economic and Industry Context

FY2025 was characterised by greater macroeconomic stability in Pakistan. Inflation moderated significantly, the State Bank of Pakistan reduced the policy rate from 20.5% to 11%, and external balances improved. While some demand-driven sectors, particularly automotive, continued to face structural challenges, the overall environment was more stable than the preceding year, providing a firmer platform for recovery and growth.

Review of Affairs and Performance

In terms of financial performance, the Group achieved a consolidated net profit of PKR 102 million, compared to a net loss of PKR 137 million in FY2024. Net revenue registered strong growth, supported by disciplined financial management, enhanced operational efficiency, and the strength of our integrated business model. Under this model, Hi-Tech Blending (Private) Limited (HTBL) provides the production backbone for lubricants, while HTL undertakes distribution, market development, and customer engagement. This synergy strengthens competitiveness, mitigates external vulnerabilities, and establishes a solid foundation for sustainable long-term growth. Further operational and segmental details are provided in the Directors' Report and the CEO's Message.

Governance, Risk Oversight, and Compliance

The Board is committed to upholding the highest standards of governance in line with the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019. In accordance with Rule 28(1)(vi) of the Regulations, the performance evaluation of the Board, its members, Committees, the Chairman, and the Chief Executive Officer for FY2025 was conducted by an independent external consultant, M/s Nazeer Shaheen & Associates. The evaluation covered key areas including Board composition, quality of participation, effectiveness of Committees, ethical conduct, and overall governance practices. The outcome confirmed that the Board and its Committees continue to operate effectively, aligned with governance best practices, regulatory requirements, and the long-term interests of shareholders.

Internal Controls and Audit Oversight

The Board also maintained rigorous oversight of the Group's risk management framework, ensuring that financial prudence, operational resilience, and sustainability remained central to strategy and decision-making. Supported by the Audit Committee, the Board regularly reviewed the effectiveness of the Group's internal control and risk management framework during the year. These reviews, along with evaluations by the internal audit function and assurance from external auditors, confirmed that financial reporting, operational controls, and compliance processes remained effective. While no system of controls can fully eliminate risk, the Board is satisfied that HTL's framework is robust, compliant with regulatory requirements, and continuously enhanced to promote transparency, accountability, and sustainable performance.

Corporate Responsibility

HTL also recognises that its responsibility extends beyond financial performance. Guided by environmental, social, and governance (ESG) principles and aligned with the United Nations Sustainable Development Goals, the Group continues to prioritise initiatives in education, healthcare, environmental sustainability, and community well-being. These efforts reflect our long-standing commitment to contributing positively to society and creating lasting value for the communities we serve.

Outlook

Looking ahead, the Board is confident in the Group's ability to sustain the progress achieved in FY2025. With a resilient integrated structure, disciplined governance, and a diversified business portfolio, HTL is well positioned to strengthen competitiveness and pursue measured growth, in line with applicable regulatory approvals and compliance requirements, while continuing to deliver sustainable value for all stakeholders. The Board will remain focused on prudent growth, effective risk management, and embedding sustainability at the core of the Group's strategy.

Acknowledgements

On behalf of the Board, I extend sincere appreciation to our shareholders for their confidence, to our employees for their dedication and professionalism, and to our customers and business partners for their continued trust. I also thank my fellow Directors for their valuable guidance and stewardship. Together, we remain committed to steering HTL toward sustainable growth, enhanced resilience, and enduring success.

SHAUKAT HASSAN
CHAIRMAN

BUSINESS SEGMENT PERFORMANCE

Lubricants (HTBL Production – HTL Distribution)

In earlier years, local blending was limited to selected mid-tier products in collaboration with SK Enmove Co., Ltd. In FY2025, this capability was significantly scaled up, enabling nearly 95% of the lubricant portfolio to be produced locally with SK Enmove's technical support. By transitioning from the import of finished lubricants in bulk — which were only packed in Pakistan — to importing base oil and undertaking full-scale local blending with the incorporation of specialized additives, the Group has materially reduced its exposure to custom duties, improved operational efficiency, and strengthened cost competitiveness while maintaining international quality standards for our customers.

This transformation is projected to deliver a ~10% uplift in gross profit margins, further reinforcing the competitiveness and long-term sustainability of our lubricants business.

Polymer Segment (HTBL)

The polymer business continued its growth trajectory, with sales increasing by 20%. Through operational efficiencies and disciplined cost control, the segment narrowed its operating loss margin from –15% in FY2024 to –1% in FY2025. These results demonstrate steady progress toward achieving profitability and building a sustainable presence in this sector.

Petroleum Segment (HTL)

The petroleum segment delivered a breakthrough performance, with revenues rising by 45% and profitability achieved for the first time. The retail network expanded to sixty-one fuel stations across Punjab, Khyber Pakhtunkhwa, Azad Jammu & Kashmir, and Islamabad.

A highlight of the year was the opening of our flagship HTL Fuel Station at 2-K Gulberg, Lahore. This state-of-the-art site, showcasing ZIC branding, has set a new benchmark for quality, branding, and customer experience in fuel retailing.

The Company remains committed to measured expansion of the petroleum network, subject to regulatory approvals, with a focus on operational efficiency and sustainable growth.

HTL Express Centers (HTL)

HTL Express Centers expanded alongside the petroleum network, offering preventive vehicle maintenance solutions. By integrating fuel, lubricants, and service offerings, HTL Express strengthens our position as a comprehensive automotive solutions provider, enhancing both customer convenience and brand loyalty.

Financial Performance and Discipline

FY2025 highlighted the benefits of disciplined financial management. With the State Bank of Pakistan easing its policy rate from 20.50% to 11.00% during the year, and through prudent inventory and cash flow management, the Group reduced finance costs by 25.7%. These measures improved margins, strengthened liquidity, and provided the capacity to reinvest in growth initiatives across both HTL and HTBL.

The turnaround from a consolidated loss in FY2024 to profitability in FY2025 demonstrates management's ability to balance operational expansion with financial prudence, ensuring that growth is both sustainable and value accretive.

Strategic Outlook

Building on the progress of FY2025, HTL's strategic priorities remain clear:

- Lubricants Segment: Consolidate market leadership by leveraging HTBL's advanced blending capacity and HTL's extensive dealer and distribution network.
- Polymer Segment: Scale operations and efficiencies to achieve profitability while diversifying the customer base.
- Petroleum Segment: Pursue steady and measured expansion of the retail network, subject to regulatory approvals, with a continued focus on operational efficiency and long-term sustainability.
- HTL Express Centers: Strengthen Express Centers as integrated, technology-driven service platforms aligned with evolving customer needs.

Corporate Responsibility

In addition to financial and operational progress, HTL remains committed to its role as a responsible corporate citizen. Guided by ESG principles and aligned with international frameworks, our community initiatives continue to focus on education, healthcare, and environmental sustainability. These efforts ensure that our growth contributes to both business success and broader societal well-being.

Conclusion & Acknowledgements

FY2025 reaffirmed HTL's ability to adapt to challenges, deliver improved results, and strengthen its market position. The progress achieved across all segments reflects disciplined execution of our strategy and the enduring strength of our integrated business model.

On behalf of the management, I extend my gratitude to our employees for their dedication, to our customers and business partners for their trust, and to our shareholders for their continued confidence. I also thank the Board of Directors for their guidance and extend special appreciation to Mr. Ali Hassan, Executive Director, for his valuable support during the year. Together, we remain focused on building a stronger, more innovative, and sustainable HTL.

HASSAN TAHIR
CEO

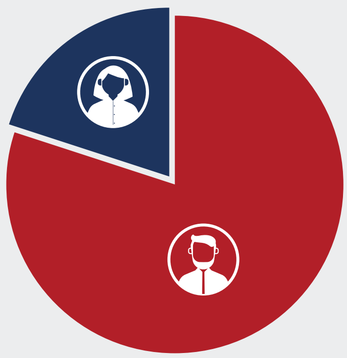
CORPORATE
GOVERNANCE AND OVERSIGHT

Strong governance is not just compliance — it is the bedrock of long-term success.

GOVERNANCE OVERVIEW

BOARD AT A GLANCE

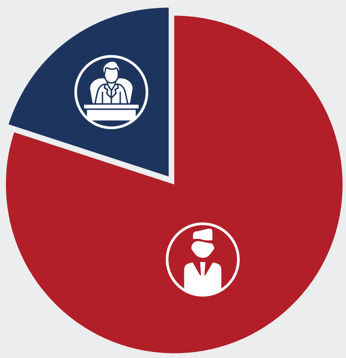
In 2025, the Board enhanced its governance practices, strengthened oversight, and deepened strategic engagement, ensuring effective leadership and positioning the Company for sustainable long-term growth.



Male   Female

Male 80%

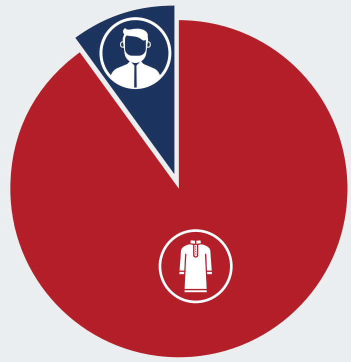
Female 20%



Non Executive Director   Executive Director

Non Executive Director 80%

Executive Director 20%



Pakistani   Non Pakistani

Pakistani 90%

Non Pakistani 10%

Areas of Expertise of Directors

01 SHAUKAT HASSAN
Operations, Finance, Audit, Risk Management, Corporate Strategy and Human Resource

02 HASSAN TAHIR
Operations, Finance, Audit, Risk Management, Supply Chain and Corporate Strategy.

03 MUHAMMAD ALI HASSAN
Operations, Finance, Audit, Supply Chain, Corporate Strategy and Technology

04 MAVIRA TAHIR
Finance, Risk Management, Sustainability, Corporate Strategy, Technology, Human Resource and Project Management

05 FARAZ AKHTAR ZAIDI
Legal/Regulatory, Finance, Risk Management, Sustainability, Corporate Strategy and Human Resource

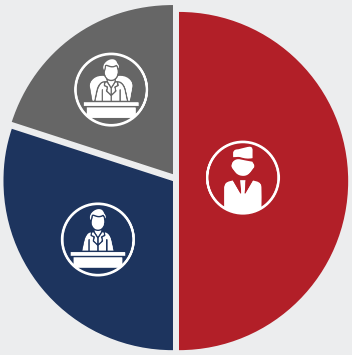
06 MEHVISH KHAN
Risk Management, Sustainability, Corporate Strategy, Technology and Human Resource

07 DONGHYUN KIM
Global Business Specialist, Energy & Lubricants Sector Expertise, Strategic Leadership & Team Building and Trade & Industrial Business Management

08 SHAFIQ UR REHMAN
Finance, Audit, Risk Management, Sustainability and Project Management

09 MAHMOOD AKHTAR
Power & Energy Sector Leadership, Sales & Marketing Excellence, Hospitality & Healthcare Management, Human Resource and Relationship Management

10 MUNTIZER ABBAS HUSSAIN
Data Analytics & Optimization, E-commerce & Online Sales, Financial & Commercial Strategy, Mergers & Acquisitions and Public Sector Engagement



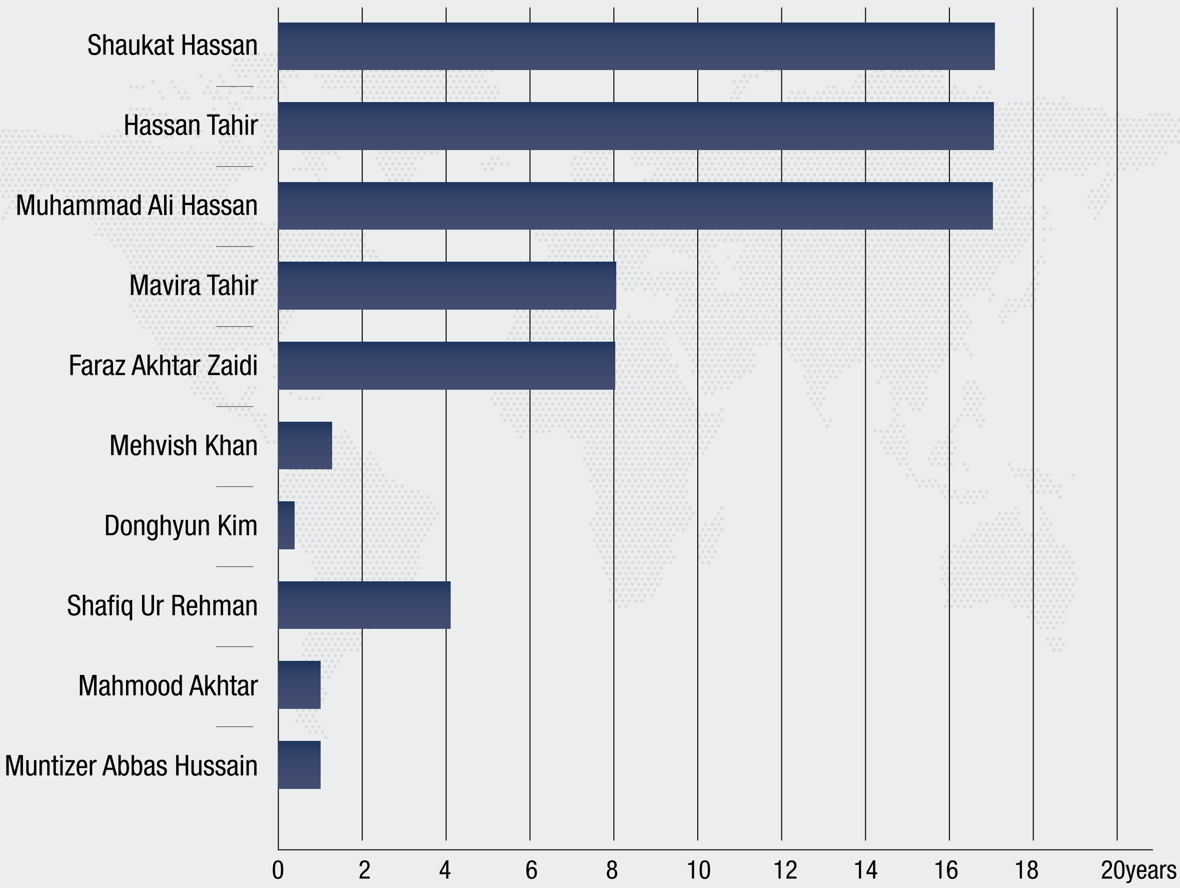
Non Excutive Director Executive Director
Non Executive Independence

Non Excutive Director 50%

Non Executive Independence 30%

Executive Director 20%

Board Service Duration



BOARD OF DIRECTORS' PROFILE

MR. SHAUKAT HASSAN

Chairman — Non-Executive Director

Mr. Shaukat Hassan holds a Master's degree in Economics from Punjab University, Lahore, and brings more than four decades of financial and entrepreneurial expertise to Hi-Tech Lubricants Limited. As a founding partner since 1976, he has played a pivotal role in transforming the Company into one of Pakistan's leading energy and automotive solutions providers. He was instrumental in developing transparent and sustainable financial systems that continue to guide the Company's long-term success. With a strong commitment to human capital development, training, and talent retention, he has consistently emphasized people as the foundation of organizational excellence. His business acumen extends to international collaborations and industrial equipment sales to leading global Exploration & Production companies. Beyond business, he is actively engaged in philanthropy, particularly in education and social empowerment through the Sabra Hamida Trust.

OTHER POSITIONS HELD

- Principal Director – MAS Associates (Private) Limited
- Director – WASL Investment Finance Limited
- Director – Gulf Rubber Works (Private) Limited
- Director – MAS Infosoft (Private) Limited
- Chairman & Trustee – HTL Employees Provident Fund Trust, MAS Associates Employees Provident Fund Trust, Sabra Hamida Trust
- President – Alliance Française de Lahore

MR. HASSAN TAHIR

Chief Executive Officer & Executive Director

Mr. Hassan Tahir holds an MBA in Banking and Finance from the Lahore School of Economics and has more than 20 years of professional experience. As Chief Executive Officer of Hi-Tech Lubricants Limited, he has played a defining role in expanding the Company's brand and strengthening its market presence. He successfully introduced mid-tier and semi-synthetic lubricant ranges in Pakistan through strategic partnerships with global oil companies, significantly enhancing the Company's competitiveness. Earlier in his career, he established IT operations and back-office services for major clients in the United Kingdom and Europe, demonstrating strong technical and business leadership. At HTL, he is recognized for his customer-focused approach, commitment to employee motivation, and ability to foster a performance-driven corporate culture.

OTHER POSITIONS HELD

- Executive Director – Hi-Tech Blending (Private) Limited
- Director – Hi-Tec Energy (Private) Limited, MAS Infosoft (Private) Limited, MAS Associates (Private) Limited, Haut Buys (Private) Limited, Haut Notch (Private) Limited
- Trustee – HTL Employees Provident Fund Trust, HTBL Employees Provident Fund Trust, MAS Associates Employees Provident Fund Trust, MAS Services Employees Provident Fund Trust, Sabra Hamida Trust

MR. MUHAMMAD ALI HASSAN

Executive Director

Mr. Muhammad Ali Hassan holds a Bachelor's degree in Marketing and Human Resources from Sydney University, Australia. At HTL, he leads the Sales, Human Resources, and Administration functions, where he has introduced best practices in organizational development and performance management. He has built strong strategic alliances and long-term partnerships with clients, reflecting his ability to drive growth in a competitive environment. A strong advocate of results-driven performance and talent development, he has been instrumental in fostering a progressive and inclusive organizational culture.

OTHER POSITIONS HELD

- Chief Executive Officer & Executive Director – Hi-Tech Blending (Private) Limited
- Director – Hi-Tec Energy (Private) Limited, MAS Infosoft (Private) Limited, MAS Associates (Private) Limited, Gulf Rubber Works (Private) Limited
- Partner – MAS Services, ANALI
- Trustee – HTL Employees Provident Fund Trust, HTBL Employees Provident Fund Trust, MAS Associates Employees Provident Fund Trust, MAS Services Employees Provident Fund Trust, Sabra Hamida Trust

MS. MAVIRA TAHIR

Non-Executive Director

Ms. Mavira Tahir is a dynamic professional with more than 20 years of experience in healthcare administration, project management, and fiscal operations. She holds a degree in Health Administration from Canada, where she also completed several research and professional assignments. Her expertise includes project management, budgeting, training, and process optimization. Known for her emphasis on team development and mentoring, she has managed complex projects with efficiency and precision. She firmly believes that time management, creativity, and hard work are the cornerstones of sustainable success.

OTHER POSITIONS HELD

- Trustee – HTL Employees Provident Fund Trust, MAS Associates Employees Provident Fund Trust, Sabra Hamida Trust

BOARD OF DIRECTORS' PROFILE

MR. FARAZ AKHTAR ZAIDI

Non-Executive Director

Mr. Faraz Akhtar Zaidi has more than 25 years of international experience in investment banking and asset management. He began his career at Credit Suisse in New York in 2002, advising companies on restructuring and distressed financing. He later joined Polygon Investment Partners in New York and London, where he helped build the firm's $9 billion credit business. Before returning to Pakistan, he worked with Standard Chartered Principal Finance in Dubai, focusing on alternative investments across the Middle East and Pakistan. His expertise spans public and private market transactions, with specialization in special situations and distressed investments. He holds an MBA from the Darden School of Business, University of Virginia, and a Bachelor's degree from Rhodes College.

OTHER POSITIOWHELD

- Chief Executive Officer & Director – WASL Investment Finance Limited
- Chairman & Director – WASL Modaraba Management Limited, WASL Mobility Modaraba

MS. MEHVISH KHAN

Non-Executive Director

Ms. Mehvish Khan brings more than 12 years of entrepreneurial and management experience, primarily in the apparel retail sector. She has successfully managed her own brand, overseeing all aspects of operations from product development to supply chain and finance. Her hands-on experience in building a retail business from concept to market execution has equipped her with deep insight into operational efficiencies and strategic positioning. With an academic background in Fine Arts and Humanities, she combines creativity with business acumen, enabling her to contribute valuable perspectives to HTL's governance and innovation agenda.

MR. DONGHYUN KIM

Non-Executive Director (Nominee of SK Enmove Co. Ltd.)

Mr. DongHyun Kim has more than 15 years of global business experience and currently leads the e-Fluids Global Business Team at SK Enmove Co. Ltd. He began his career with Hanwha Corporation, Trade Division, where he served for 13 years across multiple regions, including the Middle East and North Africa. In 2022, he joined SK Enmove and managed the e-Fluids B2B business in Europe. In 2025, he was promoted to lead the Company's global lubricants business. He holds a Bachelor's degree in Business Administration from Chung-ang University, South Korea.

MR. SHAFIQ UR REHMAN

Independent Director

Mr. Shafiq ur Rehman is a Chartered Accountant with more than 35 years of senior-level experience in the industry, banking, education, and energy sectors. He qualified as a Chartered Accountant in 1991 and is a Fellow of the Institute of Chartered Accountants of Pakistan. He also holds the qualification of Corporate Secretary from the Institute of Corporate Secretaries of Pakistan. He has served in advisory and consulting roles, and is listed on the panel of Certified Directors with the Pakistan Institute of Corporate Governance. He is also registered with the Securities and Exchange Commission of Pakistan as an Expert for Provisional Management, Official Liquidation, and Insolvency under the Corporate Rehabilitation Regulations, 2019.

OTHER POSITIONS HELD

- Independent Director – Nagina Cotton Mills Limited
- Independent Director – WASL Investment Finance Limited
- Chief Executive Officer – Chenab Energy (Private) Limited
- Managing Partner – JSSR Consulting Pakistan
- Nominee Director – WASL Modaraba Management Limited
- Director – Hima Lime (Private) Limited
- Director – Pakistan Export Display Centre Limited

MR. MAHMOOD AKHTAR

Independent Director

Mr. Mahmood Akhtar holds an MBA from the University of the Punjab and brings more than 45 years of managerial experience across multiple industries. His career spans sales and marketing of engineering products, manufacturing of cables and aluminum conductors, power generation, healthcare, hospitality, and relationship management. He currently serves as Chief Executive Officer of Lalpir Power Limited and holds directorships in several companies within the Nishat Group. He is also actively involved in philanthropy, particularly in education and healthcare.

OTHER POSITIONS HELD

- Chief Executive Officer – Lalpir Power Limited
- Director – Nishat Power Limited, Nishat Mills Limited, Nishat Packaging Limited, Nishat (Aziz Avenue) Hotels and Properties Limited, Nishat Commodities (Private) Limited

MR. MUNTIZER ABBAS HUSSAIN

Independent Director

Mr. Muntizer Abbas Hussain is a seasoned business leader with more than 35 years of experience in technology and retail. He serves as Partner & Executive Director of Five Tech Limited, a UK-based technology hardware supplier, where he has overseen its expansion into a dynamic organization employing over 120 people with annual sales exceeding USD 100 million. Under his leadership, the company acquired Box.co.uk and diversified into the gaming and education sectors. His expertise includes online sales, financial strategy, systems integration, and innovative marketing. He has also guided Five Tech to achieve international accreditations including ISO 9001, ISO 14001, ISO 27001, ISO 45001, and Cyber Essentials. His strategic vision combines technological innovation with sound business leadership, making him a forward-thinking director.

OTHER POSITIONS HELD

- Director – Retail Direct (Private) Limited

Name of Director	Board Meeting Participation
Mr. Shaukat Hassan	4/4
Mr. Hassan Tahir	4/4
Mr. Muhammad Ali Hassan	4/4
Ms. Mavira Tahir	4/4
Mr. Faraz Akhtar Zaidi	4/4
Ms. Mehvish Khan	1/4
Mr. Mr. Donghyun Kim	0/4
Mr. Shafiq Ur Rehman	4/4
Mr. Mahmood Akhtar	3/4
Mr. Muntizer Abbas Hussain	3/4

CORPORATE **GOVERNANCE**

At Hi-Tech Lubricants Limited (HTL), corporate governance is regarded as the foundation of sustainable growth, investor confidence, and organizational integrity. The Company is committed to the highest standards of governance in accordance with the Companies Act, 2017, the Listed Companies (Code of Corporate Governance) Regulations, 2019, and other applicable frameworks. Our governance philosophy ensures that strategic oversight, management execution, and stakeholder engagement remain aligned with long-term value creation.

BOARD **LEADERSHIP**

ROLE OF THE CHAIRMAN

The Chairman of the Board provides effective leadership by ensuring that the Board functions as a cohesive and high-performing body. He presides over Board and shareholder meetings, approves agendas, and facilitates constructive debate and decision-making. The Chairman fosters a culture of trust, openness, and collaboration that enables executive, non-executive, and independent directors to contribute meaningfully.

He ensures that directors are equipped with the necessary information and training to discharge their fiduciary duties effectively, oversees compliance with governance standards, and aligns Board performance with shareholder and stakeholder expectations.

ROLE OF THE **CHIEF EXECUTIVE OFFICER (CEO)**

The CEO leads the management of HTL in line with strategies approved by the Board and within the framework of statutory obligations. He is responsible for the execution of policies, management of core businesses, and ensuring operational and financial discipline.

Key responsibilities include:

- Overseeing the Company's day-to-day operations.
- Driving business growth and sustainability through innovation and efficiency.
- Maintaining effective internal controls and risk management systems.
- Keeping the Board informed of material risks, opportunities, and developments.

The distinction between the Chairman's oversight role and the CEO's executive role ensures balance of authority and promotes accountability.

INDEPENDENT DIRECTORS **– ELIGIBILITY AND COMPLIANCE**

HTL confirms that all Independent Directors fully meet the eligibility criteria as prescribed under Section 166 of the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019. This ensures independence of judgment, objectivity, and balance in Board deliberations and decision-making.

DECISIONS AND **DELEGATIONS**

The Board retains overall authority for approving strategic direction, policies, budgets, and performance objectives of the Company. At the same time, it delegates operational authority to management for efficient execution of day-to-day affairs.

Management is responsible for:

- Short-term investments and treasury functions.
- Contractual negotiations and procurement.
- Policy implementation.
- Litigation, taxation, and compliance with regulations.
- Risk identification, mitigation, and reporting.
- Financial reporting and operational efficiency.

Regular reporting ensures that accountability and transparency are maintained, while ultimate responsibility rests with the Board.

BOARD ORIENTATION **AND DEVELOPMENT**

Newly appointed directors are provided with a comprehensive orientation pack that includes:

- The Companies Act, 2017.
- The Securities Act, 2015.
- The PSX Rulebook.
- The Listed Companies (Code of Corporate Governance) Regulations, 2019.
- HTL's Articles of Association and key governance policies.

This orientation equips directors with the knowledge necessary to fulfill their duties. Furthermore, directors are encouraged to attend external training programs to remain updated on evolving governance practices, emerging risks, and regulatory developments.

BOARD MEETINGS **AND AGM PRESENCE**

- No Board meeting was held outside Pakistan during the reporting year.
- The Chairman of the Audit Committee did not attend the AGM, as the meeting coincided with the election of directors and his term concluded under retirement by rotation.

STATEMENT ON **MANAGEMENT RESPONSIBILITY**

The management of HTL accepts responsibility for preparing and presenting financial statements in accordance with applicable accounting and reporting standards in Pakistan. These statements present a true and fair view of the Company's financial position, performance, and cash flows.

All financial statements are reviewed by the Audit Committee and approved by the Board prior to publication, ensuring accuracy, transparency, and compliance.

CHAIRMAN'S COMMITMENTS

Mr. Shaukat Hassan continues to serve as Chairman of the Board and has no significant commitments other than his responsibilities at Hi-Tech Lubricants Limited.

EXTERNAL SEARCH **CONSULTANCY**

No external consultancy was engaged for the appointment of directors during FY2025.

COMMITTEES OF THE BOARD

To ensure effective governance, the Board of Directors has constituted various committees in compliance with the Companies Act, 2017, the Listed Companies (Code of Corporate Governance) Regulations, 2019, and international best practices.

These committees assist the Board in discharging its oversight responsibilities in specific areas. The composition, objects, salient features of Terms of Reference, and the number of meetings held during the financial year ended June 30, 2025 are presented below:

BOARD COMMITTEES – COMPOSITION, **OBJECTS, SALIENT FEATURES, AND MEETINGS (FY2025)**

Committee	Members (with Status)	Objects (Oversight Focus)	Salient Features (Key ToRs)	Meetings Held*
Board's Audit Committee (BAC)	Mr. Shafiq ur Rehman – Independent Director (Chairman, since Oct 26, 2024) Mr. Shaukat Hassan – Non-Executive Director Mr. Faraz Akhtar Zaidi – Non-Executive Director Ms. Mavira Tahir – Non-Executive Director (since Oct 26, 2024)	Ensure transparency and accountability by focusing on financial, regulatory, and compliance risks.	• Review effectiveness of internal controls • Identify, assess, and report risks to the Board • Monitor financial reporting integrity • Review internal & external audit reports • Oversee compliance with laws • Ensure conformity of management decisions • Examine related party transactions • Assess accounting estimates, going concern & policies • Recommend appointment of external auditors	4
Board's Human Resources and Remuneration Committee (HR&RC)	Mr. Mahmood Akhtar – Independent Director (Chairman, since Oct 26, 2024) Mr. Shaukat Hassan – Non-Executive Director Ms. Mavira Tahir – Non-Executive Director Ms. Mehvish Khan – Non-Executive Director Mr. Faraz Akhtar Zaidi – Non-Executive Director (since Oct 26, 2024)	Address human capital risks including succession planning and fair remuneration.	• Lead process for Board appointments • Recommend remuneration policy framework • Conduct annual Board & committee evaluations • Recommend HR policies • Oversee succession planning (CEO, CFO, CS, HoIA) • Ensure succession planning for senior managers • Review corporate goals for HR • Oversee benchmarking & compensation risks • Recommend salary structures & incentive plans • Engage independent HR consultants as required • Review training plans & employee engagement • Review organizational structure, HSE, Code of Ethics • Design and oversee whistle-blowing policy	1
Board's Risk and Sustainability Committee (RSC)	Mr. Faraz Akhtar Zaidi – Non-Executive Director (Chairman) Ms. Mavira Tahir – Non-Executive Director Mr. Shafiq ur Rehman – Independent Director	Monitor and review material controls—financial, operational, and compliance—and recommend mitigation measures.	• Develop sustainability & risk framework • Identify & prioritize sustainability and climate risks • Consider EESG sustainability risks & opportunities • Monitor and review material controls • Recommend risk profile & appetite • Oversee principal risk identification & mitigation • Recommend Governance & Risk Management Policy • Monitor emerging risks and disclosures • Review issues raised by CEO, CFO, auditors, CS • Recommend governance and risk disclosures • Direct investigations & engage experts where necessary	Nil
Board's Investment Committee (BIC)	Mr. Shaukat Hassan – Non-Executive Director (Chairman) Mr. Faraz Akhtar Zaidi – Non-Executive Director Mr. Hassan Tahir – Executive Director Mr. Muhammad Ali Hassan – Executive Director Mr. Muhammad Imran – CFO (till Apr 22, 2025) Mr. Shahzad Sohail – GM Supply Chain (till Oct 26, 2024)	Formulate investment policies and strategies, including risk management.	• Set investment & risk-mitigation policies • Approve investment/divestment decisions • Record rationale & maintain minutes • Ensure ethical execution of decisions • Monitor performance of investments • Review financial risks (currency, price, interest rate, credit, liquidity)	Nil

Board's Corporate Social Responsibility Committee (Board's CSR Committee)	Mr. Shaukat Hassan – Non-Executive Director (Chairman) Ms. Mavira Tahir – Non-Executive Director Mr. Hassan Tahir – Executive Director Mr. Muhammad Ali Hassan – Executive Director Mrs. Sana Sabir – Non-Executive Director (HTBL)	Plan and oversee CSR initiatives aligned with business values.	• Develop CSR policy & annual action plan • Execute community development programs • Provide services for marginalized groups • Reinforce Company's socially responsible identity • Undertake relief & rehabilitation in disasters • Establish long-term sustainable CSR programs • Ensure compliance with Corporate Governance Code • Draft Annual CSR Report for Board approval	Nil
Board's Nomination Committee (BNC)	Mr. Shaukat Hassan – Non-Executive Director (Chairman, since Oct 26, 2024) Ms. Mavira Tahir – Non-Executive Director Ms. Mehvish Khan – Non-Executive Director Mr. Muntizer Abbas Hussain – Independent Director (since Oct 26, 2024)	Review Board structure and composition, and recommend changes.	• Recommend composition & chairmanship of Board committees • Keep Board structure, size & composition under review • Ensure diversity and balance of skills	Nil

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

On behalf of the Board's Audit Committee (BAC), I am pleased to present BAC's report for the year ended 30 June 2025, for information and further guidance of Board of Hi-Tech Lubricants Limited (the company).

The BAC is governed by the mandate given to it under Listed Companies (Code of Corporate Governance) Regulations, 2019 and by the Terms of Reference (TORs) defined by its Board of Directors. The BAC assists the Board to effectively carry out its supervisory & oversight responsibilities on financial reporting, compliance, internal controls, risk management, internal and external audit functions of the company. Sound internal audit function is fundamental for effectively carrying out BAC's responsibilities.

TERMS OF **REFERENCE**

Following are key TORs for BAC:

- 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.
- Ensure conformity of management decisions with company's objectives
- Review related party transactions to ensure their transparency and proper disclosure
- 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 the Institute of Chartered Accountants of Pakistan.

COMPOSITION AND **ATTENDANCE:**

The BAC consists of four members including independent director as Chairman and three non-executive directors. BAC members possess appropriate economic, financial, and business expertise.

During financial year 2024-25, the BAC held four meetings, including one mandatory meeting in each quarter of the financial year

Name of Director	Directorship Type	Status in BAC	No. of meetings attended in financial year 2024-25
Mr. Shafiq Ur Rehman	Independent Director	Chairman since Oct 26, 2024 & Member	4
Dr. Safdar Ali Butt	Independent Director	Chairman & Member till Oct 26, 2024	2
Mr. Shaukat Hassan	Non-Executive Director	Member	4
Mr. Faraz Akhtar Zaidi	Non-Executive Director	Member	4
Ms. Mavira Tahir	Non-Executive Director	Member since Oct 26, 24	2

SUMMARY OF KEY **ACTIVITIES:**

The BAC has concluded its annual review of the financial year ended June 30, 2025, and we hereby report that:

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, 2025, 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, 2023 in the Best Corporate & Sustainability Report Awards 2023 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 Board is satisfied with the Performance of the BAC in its annual performance review of BAC for the year ending 30th June 2025.

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. 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 2024-25.

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.

ON BEHALF **OF BAC**

SHAFIQ UR REHMAN

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, 2025. 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 current HRRC membership consists of five 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	Mr. Mahmood Akhtar	Independent Director	Chairman
2	Mr. Shaukat Hassan	Non-Executive Director	Member
3	Ms. Mavira Tahir	Non-Executive Director	Member
4	Mr. Faraz Akhtar Zaidi	Non-Executive Director	Member
5	Ms. Mehvish Khan	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.

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 2024 to June 2025. 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, 16 training programs were conducted, involving 218 employees and amounting to a total of 830 training hours.

i. Workshop on Updated PPRA Rules Planning & Bidding Process Supplier & Bidder Registration through E - Procurement Fundamentals of Data Analytics

ii. Director Training Program

iii. Essence of Leadership

iv. Fundamentals of Data Analytics - Knowledge Sharing Session

v. Workshop on Updated PPRA Rules Planning & Bidding Process Supplier & Bidder Registration through E - Procurement Fundamentals of Data Analytics - Knowledge Sharing Session

vi. Awareness Session on Najas, Halal Haram & Personal Hygiene

vii. Machine Safety & Safe Work Practices

viii. ISO 14001:2015 EMS Lead Auditor Training Course

ix. Business Analytics with MS Excel & Power BI (Level-1-4)

x. Implementation & Awareness Session on FSSC 22000 V6.0

xi. ESG Fundamentals & GRI Reporting Framework (2 Time)

xii. Sampling Operations

xiii. Performance Management

xiv. Defensive Driving Training

xv. Machine Calibration Training

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 4 management trainees and 19 interns were recruited across different departments.

c. Key Performance Indicators

i.	i.Head Count	371
ii.	Employee Turnover (at all levels)	2.7%
iii.	Training Programs Conducted	16
iv.	Number of persons trained	218

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 One-time throughout the fiscal year in September '24 with full attendance. The active HRRC members are listed above but individuals listed below were active HRRC board members throughout the last fiscal year, which ran from July 2024 to June 2025.

1	Dr. Safdar Ali Butt	Independent Director	Chairman
2	Mr. Shaukat Hassan	Non-Executive Director	Member
3	Mr. Tahir Azam	Non-Executive Director	Member
4	Ms. Mavira Tahir	Non-Executive Director	Member

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.

Mahmood Akhtar
Chairman, HRCC

DISCLOSURE UNDER CIRCULAR
10 OF 2024 REF. NO. SECP/CS/MC/17 DATED APRIL 17, 2024

Statement on Gender Pay Gap as on June 30, 2025

Hi-Tech Lubricants Limited		
Data as of June 30, 2025		
	885	498
*Hourly Rate		
	1,443	824
*Hourly Rate		
	-63%	-65%

INTERPRETATION

A negative gender pay gap means that, on average, females earn more than males (both in mean and median).

Here:

Mean gap = -63% — Females earn 63% more than males on average.

Median gap = -65% — Females earn 65% more than males at the mid-point.

For and on behalf Hi-Tech Lubricants Limited

Authorized Signatory

Chief Executive Officer / Executive Director

DIRECTORS' **REPORT**

DIRECTORS' REPORT **TO THE SHAREHOLDERS**

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, 2025.

PAKISTAN'S **ECONOMIC REVIEW**

Pakistan's economy showed early signs of stabilization in FY 2024-25, with modest growth in Large-Scale Manufacturing, easing inflation, and stronger foreign exchange reserves. To balance price stability with growth, the Monetary Policy Committee maintained the policy rate at 11.00%. While the overall outlook has improved with gradual industrial recovery and stronger external buffers, risks from global commodity prices, agriculture, and external financing persist. The Company remains mindful of these macroeconomic dynamics and incorporates them into its strategic planning and operational decisions.

FINANCIAL PERFORMANCE ON A **CONSOLIDATED BASIS**

The Group, comprising Hi-Tech Lubricants Limited and its wholly owned subsidiary, Hi-Tech Blending (Private) Limited, delivered improved results during the year ended 30 June 2025. Gross Revenue increased to PKR 38,859 million (FY2024: PKR 27,114 million), reflecting a growth of 43.32%, while Net Revenue rose to PKR 33,508 million (FY2024: PKR 24,317 million), an increase of 37.80%. This improvement was driven by higher sales across all three business segments, supported by underlying volumetric growth. Segment-wise, results improved compared to the previous year: the OMC business contributed the most with a 45% increase in sales, while the Lubricants segment grew by 23% and the Polymer segment contributed a 20% increase. The combined effect of these gains resulted in a Gross Profit of PKR 3,078 million (up 30.17%), maintaining a margin close to the prior year at 9.19% of Net Revenue.

The Group's Operating Profit improved to PKR 917 million, a growth of 47.25%. Finance costs decreased by 25.71% to PKR 595 million (FY2024: PKR 801 million), mainly due to the combined impact of the easing monetary policy of the State Bank of Pakistan-with the policy rate declining from 20.50% at the start of FY2025 to 11% by the end of the year along with prudent inventory management.

Consequently, the Group recorded a Profit before Levy and Taxation of PKR 322 million, compared to a Loss of PKR 178 million in FY2024, and a Net Profit after Taxation of PKR 102 million, against a Net Loss of PKR 137 million in FY2024. This translates into a positive turnaround in shareholder returns, with Earnings per Share of PKR 0.73 compared to a Loss per Share of PKR 0.99 in the prior year.

Detailed consolidated financial performance of your Group is presented below:Operational Performance

Particulars	Consolidated Year ended 30 June		Variance (+/-)
	2025	2024	
	PKR IN MILLION		% age
Gross Revenue	38,859	27,114	43.32%
Net Revenue	33,508	24,317	37.80%
Gross Profit	3,078	2,364	30.17%
% of Net Revenue	9.19%	9.72%	
Operating Profit	917	623	47.25
Finance Cost	595	801	-25.71
Profit / (Loss) before levy and taxation	322	(178)	280.90%
Profit / (Loss) after taxation	102	(137)	174.45%
Earnings / (Loss) Per Share	0.73	(0.99)	173.74%

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

HTBL, a wholly owned subsidiary of the Company, continued to strengthen its portfolio by introducing new products and expanding its blending facilities. A significant milestone was achieved during the year through collaboration with SK Enmove Co., Ltd. (SKEN) which enabled the Company to increase local blending to 95% of its lubricant portfolio, compared to previously when only mid-tier products were locally blended. This development not only reduces reliance on imports but also optimizes costs for end customers and enhances competitiveness in the domestic market.

The state-of-the-art blending plant, located near Sundar Industrial Estate, Lahore, incorporates advanced technology for blending and filling operations, with significant production capacity. The facility also manufactures HDPE bottles and caps for lubricants, ensuring integrated quality control and supply chain efficiency.

POLYMER **SEGMENT THROUGH HTBL**

The Polymer Segment, operational since 2023, continued its growth trajectory with sales increasing by 20% during FY 2025. While the gross profit margin declined to 12% from 22% last year, the segment recorded a notable improvement in overall performance as the loss before levy and taxation margin narrowed to –1% from –15% in FY 2024. This improvement was primarily driven by effective cost management and a significant reduction in finance costs.

The results reflect the segment's strengthening market position and demonstrate clear progress towards long-term profitability and sustainability.

PETROLEUM SEGMENT **(HTL FUEL STATIONS)**

The Petroleum segment's retail network reached sixty-one fuel stations, comprising thirty-seven in Punjab, twenty in Khyber Pakhtunkhwa, two in Azad Jammu & Kashmir, and two in Islamabad. Revenue increased by 45%, primarily driven by higher sales volumes and network expansion, resulting in a turnaround with a profit before levy and taxation of PKR 131 million, compared to a loss of PKR 86 million last year.

Looking ahead, the Company remains committed to steady growth in this segment with prudent expansion of the fuel station network, subject to regulatory approvals.

MANAGEMENT OF **LIQUID RESOURCES**

CASH **MANAGEMENT & STRATEGIC DECISION MAKING**

Effective cash management and prudent liquidity control remain central to the Company's strategic framework. With the support of experienced professionals across finance, technical, marketing, and internal audit, the Company has established robust budgeting, forecasting, and internal control systems. Working capital requirements are carefully managed to maintain operational efficiency and financial stability, in a relatively high financing cost environment, despite recent reductions following the easing of monetary policy.

CAPITAL **EXPENDITURE**

The Board confirms that there are no financial constraints that may impede the Company's ability to pursue long-term strategic projects.

Capital expenditures are strategically evaluated to ensure alignment with profitability and risk management objectives, with oversight from the Internal Audit Department and the Audit Committee to ensure timely completion within approved budgets. For the year ended 30 June 2025, the Group incurred PKR 538 million, compared to PKR 371 million in the previous year. These investments support the Group's strategic objectives and long-term value creation.

CONTRIBUTION TO **NATIONAL EXCHEQUER**

The Group contributed PKR 12.75 billion to the national exchequer in FY 2024-25, comprising payments towards Workers' Welfare Fund (WPPF), customs duties, petroleum levy, as well as sales and income taxes. This reflects the Group's continued commitment to supporting the country's economic development and regulatory compliance.

APPROPRIATION OF **PROFITS**

In view of the Company's financial results, the Board of Directors has not proposed any entitlement for the year ended June 30, 2025.

UTILIZTION OF **IPO PROCEEDS**

Detailed information regarding the utilization of IPO proceeds is presented in Note 51 to the Company's unconsolidated financial statements for the year ended June 30, 2025.

Particulars	Rupees
Un-utilized IPO proceeds as at 01 July 2024	218,115,906
Add: Proceeds from Sale of Land	30,000,000
Add: Profit on bank deposits	475864
Add: Dividend on investment in mutual funds	30,589,514
Add: Gain on disposal of investment in mutual fund	9,669
Less: Unrealised loss on investment in mutual funds	(495,199)
Less: Payments made relating to OMC Project	(84,271,679)
Less: Withholding tax on profit	(71,380)
Less: Withholding tax on dividend from mutual funds	(7,647,378)
Less: Withholding tax on disposal of mutual funds	(16,339)
Less: Bank charges	(2,376)
Un-utilized IPO proceeds as at 30 June 2025	186,686,602

FUTURE **OUTLOOK**

The Company remains committed to pursuing sustainable and diversified growth across all business segments. With 95% of lubricants now blended locally through HTBL in collaboration with SKEN, cost efficiencies and stronger market competitiveness are expected.

The Polymer Segment, operational since 2023, continues to show encouraging momentum with rising sales, improved margins, and a steady reduction in net losses, positioning it closer to profitability.

The HTL Express Centres, integrated with the growing fuel station network, are set to expand further, enhancing customer convenience in preventive vehicle maintenance.

In the Petroleum Segment, steady growth is planned with additional fuel stations subject to regulatory approvals, following a year in which the network reached 61 outlets and delivered a profitable turnaround. Collectively, these initiatives provide a strong foundation for sustained performance, value creation, and long-term shareholder returns.

MATERIAL CHANGES AND **COMMITMENTS**

- There have been no material changes or commitments affecting the financial position of the Company or its Group company between the end of the financial year ended June 30, 2025, and the date of this report, except as disclosed in the unconsolidated and consolidated financial statements.
- 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, 2026, at a fee to be mutually agreed.

PATTERN OF **SHAREHOLDING**

A statement of the pattern of shareholding of certain class of shareholders as of June 30, 2025, whose disclosure is required under the reporting framework, is included in the annexed Annual Report 2025 in the format of Form 20 as specified in Companies Regulations, 2024.

BOARD **COMMITTEES**

The Board oversees the risk management process primarily through its committees. The Audit Committee ensures transparency and accountability by focusing on financial, regulatory, and compliance risks, meeting quarterly or more frequently as required. The Human Resource and Remuneration Committee addresses risks in its domain, including succession planning and the evaluation of compensation structures to ensure they do not escalate corporate risk. The Risk and Sustainability Committee monitors and reviews material controls—financial, operational, and compliance—while recommending appropriate mitigation measures. The Investment Committee is responsible for formulating investment policies and strategies, including risk management in relation to investments.

ADEQUACY OF **INTERNAL CONTROLS**

The Board is committed to maintaining sound governance and a robust system of internal controls, integrated across all functions, effectively implemented, and regularly monitored. The Audit Committee reviews these controls to safeguard assets, ensure compliance with laws and regulations, and maintain the reliability of financial reporting. The Internal Audit Department provides independent evaluations of corporate governance, risk management, and internal controls, reporting directly to the Audit Committee. The Company continues to strengthen its governance framework through a Code of Conduct, policies, and procedures aligned with industry best practices.

RISK **MANAGEMENT FRAMEWORK**

The Company has a comprehensive Risk Management Policy that clearly defines the roles and responsibilities of the Board of Directors, the Audit Committee, and the Risk and Sustainability Committee. These bodies regularly review the risk matrix in terms of impact and likelihood, while senior management develops mitigation strategies 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 management of these risks is carried out under policies approved by the Board of Directors, with oversight by the relevant Committees. Detailed disclosures regarding the nature of these risks and their mitigation measures are provided in Note 47 to the unconsolidated financial statements.

The Company has a well-defined Risk Management Policy and governance framework that outlines roles and responsibilities at all levels. The Board and its Committees conduct regular assessments of principal risks, including those that could affect solvency, liquidity, or long-term business performance.

GOVERNANCE **POLICIES AND PROCEDURES**

Comprehensive policies and procedures, approved by the Board, guide the management of financial, operational, and compliance risks. These reflect best practices, reinforce a culture of ethics and values, and delegate appropriate authority to senior management for effective implementation.

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

At Hi-Tech Lubricants, sustainability is embedded in our business strategy, guided by the principles of Economic, Environmental, Social, and Governance (EESG). We continue to align our practices with global frameworks, including the United Nations Sustainable Development Goals (SDGs) 2030, while progressively moving towards adoption of IFRS S1 and S2 standards to strengthen transparency in managing sustainability and climate-related risks.

During FY 2025, we advanced our sustainability agenda across identified material areas, including business resilience, supply chain management, innovation, climate change, digitalization, safety, and human capital development.

On the CSR front, HTL sustained its long-standing commitment to education, healthcare, and community well-being. Through the Sabra Hamida Trust, recognized by the Pakistan Centre for Philanthropy (PCP) and accredited under the Income Tax Ordinance, the Company continued to invest in improving access to quality education. In FY 2025, HTL Group contributed PKR 18 million towards charitable initiatives, reflecting our pledge to create lasting value for society.

Looking ahead, HTL remains committed to enhancing sustainability disclosures, strengthening alignment with global standards, and driving meaningful impact for stakeholders while supporting Pakistan's journey towards a more inclusive and sustainable future.

Further details on our sustainability agenda, initiatives, and performance metrics are presented in the dedicated Sustainability Section of this Annual Report.

ENVIRONMENT, **HEALTH & SAFETY**

HTL places the highest priority on environmental sustainability, health, and safety across its operations. The Company is committed to promoting eco-friendly practices through products with low emissions and reduced environmental impact. We also maintain robust health and safety protocols, supported by regular training, to ensure the well-being of our workforce and stakeholders. These initiatives reflect our values and commitment to a sustainable future. Further details of our activities are presented in the Sustainability section of this Annual Report.

CONTRACTS WITH **RELATED PARTIES**

During the year, HTL revised related party contract for Contractual Employment with Mr. Moeen-Ud-Din (sibling of Non-executive director namely Mr. Shaukat Hassan). In pursuance of the Contractual Employment Agreement with this related party, the resource continue to provide professional services as Advisor Special Projects of the Company. 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 aforesaid contract revision.

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 750,000/- or above.

NAMES OF ALL DIRECTORS OF THE **COMPANY DURING THE FINANCIAL YEAR AND TILL DATE OF THIS REPORT**

- Mr. Shaukat Hassan (Chairman BOD & Non-Executive Director);
- Mr. Hassan Tahir (CEO & Executive Director);
- Mr. Muhammad Ali Hassan (Executive Director)
- Ms. Mavira Tahir (Non-Executive Director);
- Mr. Faraz Akhtar Zaidi (Non-Executive Director);
- Ms. Mehvish Khan (Non-Executive Director)
- Mr. Shafiq ur Rehman (Non-Executive Independent Director)
- Mr. Muntizer Abbas Hussain (Non-Executive Independent Director since election of directors on October 26, 2024)
- Mr. Mahmood Akhtar (Non-Executive Independent Director since election of directors on October 26, 2024)
- Mr. Donghyun Kim (Nominee of SKEN) (Non-Executive Director since February 25, 2025 in place of Mr. Wonjin Yoon (Nominee of SKEN) (Non-Executive Director who remained on the Board till February 25, 2025)
- Syed Asad Abbas Hussain (Non-Executive Independent Director till retirement on October 26, 2024);
- Dr. Safdar Ali Butt (Non-Executive Independent Director till retirement on October 26, 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 02 female directors)
c) Executive Directors: 02

COMMITTEES OF **THE BOARD DURING THE FINANCIAL YEAR ENDED JUNE 30, 2025**

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

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

Mr. Shafiq ur Rehman (Chairman & Member BAC) (Chairman BAC since October 26, 2024 in place of Dr. Safdar Ali Butt)
Mr. Shaukat Hassan (Member BAC)
Mr. Faraz Akhtar Zaidi (Member BAC)
Ms. Mavira Tahir (Member BAC since October 26, 2024)

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

Mr. Mahmood Akhtar (Chairman & Member HR&RC) (Chairman HR&RC since October 26, 2024 in place of Dr. Safdar Ali Butt)
Mr. Shaukat Hassan (Member HR&RC)
Ms. Mavira Tahir (Member HR&RC)
Ms. Mehvish Khan (Member HR&RC)
Mr. Faraz Akhtar Zaidi (Member HR&RC since October 26, 2024)

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

Mr. Shaukat Hassan (Chairman & Member BNC) (Chairman BNC since October 26, 2024 in place of Dr. Safdar Ali Butt)
Ms. Mavira Tahir (Member BNC)
Ms. Mehvish Khan (Member BNC)
Mr. Muntizer Abbas Hussain (Member BNC since October 26, 2024)

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

Mr. Faraz Akhtar Zaidi (Chairman& Member 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 & Member of Board's CSR Committee)
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 & Member BIC)
Mr. Faraz Akhtar Zaidi (Member BIC)
Mr. Hassan Tahir (Member BIC)
Mr. Muhammad Ali Hassan (Member BIC)
Mr. Muhammad Imran (CFO) (Member BIC till resignation on April 22, 2025)
Mr. Shahzad Sohail (GM Supply Chain) (Member BIC till re-constitution of BIC on October 26, 2024)

DIRECTORS **TRAININGS**

Seven out of ten directors of the Company have already acquired Directors' Training Program certification (DTP Certification). The Company has also made arrangements for DTP Certifications for 01 Female Director and 01 Independent Director.

EVALUATION OF **PERFORMANCES**

In compliance with Rule 28(1)(vi) of the Listed Companies (Code of Corporate Governance) Regulations, 2019, the evaluation of the performance of the Board, its Members, Committees, the Chairman, and the Chief Executive Officer for the year ended June 30, 2025, was conducted through an independent external consultant, M/s Nazeer Shaheen & Associates. The assessment confirmed that the performance of the Board and its leadership was satisfactory and provided insights to further strengthen governance and enhance effectiveness.

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 (HRRC) 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. However, while setting the remuneration package of any individual director, the following factors are considered:

a. The particular qualifications, relevant experience and stature of the director.
b. The prevailing market value of his/her particular talent.
c. The nature of association of the director with the company, i.e. type of directorship held.
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 HRRC/ Board of Directors for each individual director within the parameters approved by board.

REVIEW BY THE BOARD – IT, **DISASTER RECOVERY AND BUSINESS CONTINUITY PLANNING**

The Board recognizes the pivotal role of Information Technology (IT) and Management Information Systems (MIS) in ensuring operational resilience across HTL. The IT function maintains the availability and efficiency of the Company's computing systems while enforcing strict information security policies, access controls, and compliance with recognized standards and best practices.

To safeguard business continuity across all core domains—including financials, supply chain, procurement, sales, HR, marketing, OMC, and HTL Express—as well as for employees, distributors, vendors, and business partners, the Company has deployed a comprehensive Business Continuity and Disaster Recovery (BCP/ DR) framework.

Key servers are hosted in a state-of-the-art data center with clustered architecture, providing redundancy in power, connectivity, temperature control, and physical security. A dedicated disaster recovery site has also been established, designed to achieve zero data loss and real-time protection of critical systems, including customer portals and HR platforms. Robust cybersecurity measures, coupled with continuous oversight by trained professionals, ensure resilience against external threats and enable uninterrupted operations and rapid recovery in the event of disruptions.

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

The Board recognizes its responsibility to all shareholders, including minority stakeholders. Both Board members and the management team actively engage with large institutional investors and brokerage houses to understand shareholders' priorities and address any concerns. The Board aims to attract and retain a high-caliber shareholder base that is well-informed about the Company's prospects and strategic direction.

During the Annual General Meeting held on October 26, 2024, members of the Board interacted with shareholders both physically and virtually to gather their views. The Board intends to continue this practice at the upcoming AGM, which is planned to be conducted in a hybrid format, allowing both physical and online participation. Additionally, the Company plans to hold at least one Closed Business Session (CBS) based on the Annual Audited Financial Statements for the year ended June 30, 2025, within one month of the AGM, as permitted under the PSX regulations.

COMPANY'S **WEBSITE**

In accordance with statutory and regulatory requirements, all relevant information pertaining to the Company has been duly placed on its official website at www.hitechlubricants.com for easy access by stakeholders.

COMPANY'S STAFF **AND CUSTOMERS**

The Board extends its sincere appreciation to all employees of the Company for their dedication, hard work, and commitment towards achieving the Company's objectives. Their efforts have been instrumental in delivering commendable results despite the challenging economic environment. We also wish to acknowledge with gratitude the continued trust and support of our stakeholders, particularly our valued customers, whose confidence in our products and services remains a cornerstone of our success.

MR. HASSAN TAHIR
(Chief Executive Officer)
Lahore, September 22, 2025

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, 2025**

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	Mr. Shafiq-ur-Rehman Mr. Mehmood Akhtar Mr. Muntizer Abbas Hussain
Non-Executive Directors	Mr. Shaukat Hassan Ms. Mehvish Khan [Female Director] Mr. Faraz Akhtar Zaidi Ms. Mavira Tahir [Female Director] Mr. DongHyun Kim (Nominee SK Enmove Co., Ltd.) (Appointed as Director with effect from 25 February 2025 in place of Mr. Wonjin Yoon [Nominee SK Enmove Co., Ltd.] who ceased to be the Director on 25 February 2025.)
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
Mr. Mehmood Akhtar
Mr. Shafiq-ur-Rehman
Mr. Shaukat Hassan
Mr. Faraz Akhtar Zaidi
Ms. Mavira Tahir
Mr. Hassan Tahir (Chief Executive Officer)
Mr. Muhammad Ali Hassan

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
Mr. Shafiq-ur-Rehman	Chairman
Ms. Mavira Tahir	Member
Mr. Shaukat Hassan	Member
Mr. Faraz Akhtar Zaidi	Member

b) HR and Remuneration Committee

Names	Designation held
Mr. Mehmood Akhtar	Chairman
Mr. Shaukat Hassan	Member
Ms. Mehvish Khan	Member
Ms. Mavira Tahir	Member
Mr. Faraz Akhtar Zaidi	Member

c) Nomination Committee

Names	Designation held
Mr. Shaukat Hassan	Chairman
Mr. Muntizer Abbas Hussain	Member
Ms. Mehvish Khan	Member
Ms. Mavira Tahir	Member

d) Risk & Sustainability 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 2025.

b) HR and Remuneration Committee

One meeting of HR and Remuneration Committee was held during the financial year ended 30 June 2025.

c) Nomination Committee

No meeting of Nomination Committee was held during the financial year ended 30 June 2025.

d) Risk and Sustainability Committee

No meeting of Risk and Sustainability Committee was held during the financial year ended 30 June 2025.

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	**Representation of Minority shareholders** The minority members as a class shall be facilitated by the Board to contest election of directors by proxy solicitation.	No one intended to contest election as director representing minority shareholders.	5
2	**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)
3	**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.	The Securities and Exchange Commission of Pakistan (SECP) introduced a new regulation 10A in the Regulations on 12 June 2024. The implications of this amendment are currently under review by management. Compliance, where applicable, will be ensured in due course.	10(A)
4	**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.	Seven directors of the Company have acquired Directors' Training Program certification. The Company has planned to arrange Directors' Training Program certification for remaining three directors before 30 June 2026.	19(1)
5	**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 2026.	19(3)

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 22, 2025
Lahore

COMPANY POLICIES AND GOVERNANCE FRAMEWORK

INTRODUCTION

HTL has established a comprehensive framework of policies that guide governance, sustainability, technology, investor relations, and human capital. These policies are approved by the Board of Directors and align with applicable laws and best international practices. They are periodically reviewed by the Board and Committees to ensure ongoing relevance and best practice compliance.

1. GOVERNANCE AND COMPLIANCE POLICIES

1.1 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.

1.2 TRANSACTIONS WITH RELATED PARTIES

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.

2. SUSTAINABILITY AND RESPONSIBILITY POLICIES

2.1 CORPORATE SOCIAL RESPONSIBILITY (CSR)

HTL's CSR Policy demonstrates its commitment to Education, Healthcare, and Environment as priority areas of community engagement. The policy is developed in accordance with SECP CSR Guidelines 2013 and Companies Act 2017, while being guided by international frameworks including GRI Standards 2021, IFRS S1/S2, and the UN SDGs 2030

CSR initiatives are integrated into corporate strategy and overseen by the Risk & Sustainability Committee of the Board.

2.2 SOCIAL & ENVIRONMENTAL RESPONSIBILITY

HTL ensures that its operations do not negatively impact society or the environment. In FY2025, this policy was further strengthened to emphasize sustainable practices across all business functions. The Company now focuses on:

- Improving energy efficiency and encouraging renewable energy use
- Waste reduction and proper disposal
- Minimizing carbon emissions and supporting climate resilience
- Promoting water conservation

Oversight of this policy rests with the Risk & Sustainability Committee of the Board, ensuring that environmental and social considerations remain integral to corporate decision-making. HTL continues to actively support national initiatives such as the Greener Pakistan program and other community welfare activities.

2.3 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.

2.4 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

2.5 DIVERSITY, EQUITY & **INCLUSION (DE&I) POLICY**

HTL promotes a culture of equality, inclusivity, and respect. In line with SECP's governance requirements, the Company maintains female representation on its Board and ensures equal opportunities across all levels.

The policy prohibits discrimination on the basis of age, gender, disability, marital/ parental status, ethnicity, religion, or appearance. It also ensures equity in pay, promotions, and opportunities. Regular DE&I training fosters a collaborative and innovative work environment.

3. INFORMATION TECHNOLOGY **(IT) AND SAFETY OF RECORDS**

3.1 INFORMATION TECHNOLOGY (IT)

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

3.2 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.

4. FINANCIAL AND **INVESTOR POLICIES**

4.1 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.

4.2 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.

5. HUMAN RESOURCE **MANAGEMENT POLICIES**

5.1 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.

5.2 HIRING / **MERIT-BASED RECRUITMENT**

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.

5.3 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.

5.4 PROMOTION, **REWARD & MOTIVATION**

Defines transparent criteria for employee promotion and recognition, based on performance, leadership qualities, innovation, and contribution to Company values. Rewards include promotions, bonuses, recognition awards, and non-monetary incentives.

5.5 TRAINING & **DEVELOPMENT**

Provides continuous opportunities for professional growth through leadership development, technical training, workshops, and external certifications.

5.6 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.

5.7 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.

5.8 EMPLOYEE **ENGAGEMENT & FEEDBACK**

Provides mechanisms for employees to share feedback through surveys, forums, and anonymous channels. Engagement activities and recognition programs strengthen motivation, while management reviews feedback regularly and integrates it into HR strategy.

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, the Company secretary is responsible for all the matters regarding security clearance of foreign directors. Company Secretary files all the required forms, declarations, certified undertaking and other particulars to the SECP for clearance from the relevant Government Agencies.

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 2025

BOARD DISCLOSURE ON **ENTERPRISE RESOURCE PLANNING (ERP) SYSTEM**

A) INTEGRATION OF CORE BUSINESS FUNCTIONS

HTL has implemented Oracle ERP, a globally recognized enterprise system, to integrate and manage its core business processes in a single platform. The system consolidates functions across finance, HR, supply chain, sales, and inventory management, ensuring consistency of information, real-time reporting, and efficiency in decision-making.

B) MANAGEMENT SUPPORT AND CONTINUOUS UPDATION

The management team actively supports the continuous enhancement of ERP by adopting new modules, updates, and process improvements. Regular upgrades ensure that the system remains aligned with evolving business requirements and technological advancements.

C) USER TRAINING

The IT department conducts structured ERP user training programs throughout the year, tailored to departmental needs. These sessions enhance user proficiency, ensure smooth system adoption, and strengthen compliance with governance standards.

D) MANAGEMENT OF ERP RISKS

Before the implementation of ERP projects or system changes, HTL undertakes detailed planning, including the preparation of "to-be" process documents and comprehensive risk assessments. Rigorous pre-implementation testing and stakeholder consultations ensure that controls are embedded into ERP workflows, mitigating operational risks.

E) SYSTEM SECURITY AND ACCESS CONTROLS

HTL enforces strict ERP security protocols, including multi-factor authentication, role-based access controls, and segregation of duties to safeguard sensitive data. Continuous monitoring, regular security audits, and access reviews ensure that only authorized personnel can access critical modules, thereby reducing risks of fraud, error, or misuse.

INFORMATION TECHNOLOGY GOVERNANCE AND CYBER SECURITY

BOARD RESPONSIBILITY AND **CYBER RISK OVERSIGHT**

The Board of Directors of Hi-Tech Lubricants Limited (HTL) recognizes that strong IT governance and cybersecurity practices are fundamental to safeguarding business continuity, stakeholder trust, and regulatory compliance. Cyber risks are assessed within the Company's enterprise risk management framework, including their potential legal and regulatory implications in the event of breaches.

The Chief Executive Officer directly supervises IT governance and digital initiatives, while the Board provides oversight through the Investment Committee (IC), which reviews and approves IT-related capital expenditures, and the Risk and Sustainability Committee (RSC), which evaluates and monitors cybersecurity risk exposures. In case of any material incident, the Board actively engages with management to ensure investigation, remediation, disclosure, and long-term strengthening of control mechanisms.

Key aspects of HTL's IT Governance Policy include:

- Safeguarding of information and data assets.
- Data storage, backup, and retrieval protocols.
- Availability of accurate information for decision-making.
- Alignment of IT objectives with corporate strategy.
- Protection of IT infrastructure and resources.
- Promotion of transparency, accountability, and governance.

IT GOVERNANCE AND **CYBERSECURITY PROGRAMS**

HTL has implemented comprehensive information security policies, procedures, and control frameworks to ensure the confidentiality, integrity, and availability of its data and systems. These cover:

- Network and infrastructure security.
- User access management and identity controls.
- Cloud security and endpoint protection.
- Data privacy and information handling.
- Incident detection, response, and recovery protocols.

These frameworks are continuously updated to address emerging risks and evolving industry requirements.

CYBERSECURITY AND **BOARD OVERSIGHT**

The Board administers its IT and cybersecurity oversight through its committees. The IC ensures alignment of technology investments with business strategy, while the RSC integrates IT-related risks into the overall risk management framework. Periodic updates from management on IT initiatives and cyber threats enable the Board to exercise effective oversight and ensure resilience of the Company's operations.

EARLY WARNING AND **INCIDENT MANAGEMENT**

The Company operates a robust early warning system supported by automated monitoring tools and incident management protocols. Smart Alerts immediately notify IT administrators of abnormal activities or attempted intrusions, enabling rapid assessment and timely escalation to senior management and the Board. This ensures that risks are promptly addressed, mitigated, and disclosed where necessary.

INDEPENDENT **SECURITY ASSESSMENTS**

In line with Company policy, independent third-party security assessments are periodically conducted, supplemented by internal audits of IT systems. Regular vulnerability assessments and half-yearly penetration testing are performed using advanced tools such as Nessus, Kali Linux, and NMAP to detect and remediate potential weaknesses. The most recent independent review was completed in FY2025, reaffirming the Company's preparedness and resilience against cyber threats.

BUSINESS CONTINUITY AND **DISASTER RECOVERY**

HTL has established a comprehensive Business Continuity and Disaster Recovery Plan (BCP/DRP) to ensure operational resilience in the event of IT disruptions or cyberattacks.

Key elements include:

1. Real-time data backups and secondary recovery sites supported by designated recovery teams.
2. Detailed SOPs and process documentation for all critical functions.
3. Multi-skill employee training to maintain continuity during disruptions.
4. Fire detection and safety systems installed at all facilities.
5. Insurance coverage for physical assets and routine digital data backup.
6. Regular testing and independent audits of recovery processes.

Additionally, HTL maintains cyber insurance coverage to mitigate potential financial impacts of cyber incidents.

DIGITAL TRANSFORMATION AND INDUSTRY 4.0

HTL continues to advance its digital transformation agenda by leveraging Industry 4.0 technologies to improve governance, transparency, and operational efficiency.

- The Oracle ERP system serves as the backbone for integrating sales, finance, inventory, and supply chain functions, providing a single source of truth across the business.
- The AutoReady platform has been scaled to enhance e-commerce channels, streamline order management, and improve customer engagement.
- Adoption of Artificial Intelligence (AI), Robotic Process Automation (RPA), Cloud Computing, IoT, and Data Analytics enables informed decision-making, optimized processes, and improved reporting.
- Comprehensive project documentation and "to-be" process mapping

ensure that ERP projects are implemented with strong controls and effective risk management.

These initiatives demonstrate HTL's commitment to digital innovation, long-term value creation, and sustainable growth.

EDUCATION AND TRAINING

Recognizing that employees are a critical line of defense against cyber threats, HTL conducts regular cybersecurity awareness and training programs across the organization.

- Advanced technical training is provided to IT administrators on Next-Generation Firewall systems, Endpoint Security, and threat management.
- Organization-wide awareness sessions educate employees on phishing, password hygiene, and safe online practices.
- Scenario-based exercises and refresher programs ensure preparedness against evolving cyber risks.

ERP SECURITY AND ACCESS CONTROLS

The Company enforces rigorous system security controls across its Oracle ERP system:

- Multi-factor authentication and frequent system audits to secure sensitive data.
- Role-based access controls to ensure that only authorized personnel access critical information.
- Continuous monitoring of system usage to prevent unauthorized access.
- Regular user training to strengthen compliance and efficient system use.

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 2025 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 2025.

RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore
Date: September 23, 2025

STAKEHOLDER ENGAGEMENT AND **SOCIAL IMPACT**

Our stakeholders are at the heart of our journey — creating value together.

STAKEHOLDERS RELATIONSHIP **AND ENGAGEMENT**

STAKEHOLDERS ENGAGEMENT POLICY

At HTL, our Stakeholder Engagement Policy reflects our enduring commitment to building trust, fostering collaboration, and creating long-term value with all stakeholders. We recognize that our stakeholder – including:

Our engagement approach is anchored in the principles of:

- **Transparency** – open, timely, and accurate communication.
- **Accountability** – delivering on commitments and honouring stakeholder trust.
- **Inclusivity** – incorporating diverse voices into decision-making.
- **Responsible Governance** – embedding ethics and sustainability into operations.

Through structured assessments, we identify and prioritize stakeholders based on their relevance, influence, and mutual impact. Engagement is conducted via multiple channels—ranging from meetings, surveys, and corporate events to digital platforms and our corporate website—ensuring two-way dialogue and responsiveness.

By adhering to these principles, we cultivate mutually beneficial, long-term partnerships that strengthen confidence, drive shared value, and contribute to the resilience and sustainability of our organization.

STAKEHOLDER **IDENTIFICATION**

Our stakeholder identification process is rigorous, systematic, and ongoing, ensuring engagement efforts remain strategic and impactful.

Key elements of our approach include:

- Mapping Influence & Relevance – analysing stakeholder impact on business outcomes and sustainability priorities.
- Prioritization – focusing engagement on groups with significant influence or stake in our business.
- Alignment – tailoring communication strategies to address expectations and maintain ethical, responsible practices.

This process ensures our stakeholder voices are embedded into governance, risk management, and strategic decision-making frameworks, reinforcing our commitment to responsible corporate citizenship.

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

Stakeholder group	Key Expectations	Engagement Channels	Frequency	Impact on Company Value	Responsibility
Shareholders	Sustainable returns, transparent reporting, responsible governance	AGM, reports (quarterly, half-yearly, annual), corporate briefings, PSX disclosures, website etc.	Continuous, quarterly, half yearly, annually	Builds confidence, improves stock performance, reduces volatility	Board of Directors, Company Secretary, CFO
Customers	Quality products, timely service, innovation, support	DMS & HMS systems, sales staff, customer support, surveys, retailer events	Continuous, Regular, Annual	Loyalty, innovation, brand reputation, referrals	Sales & Marketing
Suppliers	Fair practices, clear expectations, timely payments	Meetings, Performance Reviews, Sustainability Briefings, Issue Resolution	Regular, Annual, as needed	Efficiency, quality, cost management, risk mitigation, innovation	Procurement & Supply Chain
Employees	Fair pay, safe workplace, growth opportunities	Reviews, Training, HR Policies, Engagement Programs, Town Halls	Continuous, Regular, Annual	Higher productivity, retention, innovation, strong culture	HR Committee and HR department
Society & Communities	Social impact, healthcare, education, environment	CSR Programs, Community Outreach, Welfare Trust Initiatives	Continuous, Annual	Goodwill, license to operate, stronger reputation	CSR & Sustainability Teams
Banks & Financial Institutions	Compliance, timely reporting, repayment discipline	Direct Meetings, Financial Reporting, Compliance Submissions, Website	Continuous, Periodic	Access to financing, stronger liquidity, creditworthiness	CFO & Finance
Media	Accurate and timely information, brand story	Press Releases, Advertisements, Corporate Events, Media Briefings	Periodic, as required	Positive perception, brand visibility, trust	Marketing team
Regulators	Compliance, timely submissions, governance	SECP Filings, PSX Disclosures (PUCARS), Statutory Returns	Continuous, as required	Smooth compliance, reduced risks, credibility	Company Secretary, CFO
Analysts	Transparent financial data, clarity on strategy	Corporate Briefings, Investor Presentations, Reports	Annual, As required	Improved market perception, stronger valuation	CFO

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

HTL 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 line with our commitment to transparency, accessibility, and robust shareholder engagement, the Company maintains a dedicated Investor Relations section on its corporate website, accessible at https://www.hitechlubricants.com/investor. This section serves as a comprehensive and reliable resource for both existing and potential investors, offering timely and accurate information to support informed decision-making.

The Investor Relations section includes:

- Detailed corporate information and governance disclosures.
- Annual reports, financial statements, and highlights.
- Quarterly and half-yearly reports.
- Other material updates and information of interest to investors and analysts.

The website is regularly updated to ensure all stakeholders have access to the most current and relevant information. The Company strictly adheres to all applicable legal and regulatory requirements, ensuring full compliance while fostering openness, accountability, and investor confidence.

INVESTOR ENGAGEMENT AND CORPORATE BRIEFING **SESSION (CBS)**

The Company places strong emphasis on maintaining transparent and constructive relationships with its investor community, including both institutional and minority shareholders as well as market analysts. To this end, we conduct structured investor and analyst briefings that serve as a dedicated platform for direct interaction between the Company's management and the investment community. These sessions enable the timely sharing of insights on our financial performance, strategic direction, competitive environment, and operational priorities, thereby reinforcing investor confidence and trust.

In strict compliance with the regulations of the Pakistan Stock Exchange (PSX), the Company organized its formal Corporate Briefing Session for the year ended June 30, 2024, on November 25, 2024. The session, held virtually via the Zoom application, was accessible to all shareholders and analysts. Management presented a comprehensive overview of operational and financial results, business challenges, and future outlook. The briefing concluded with an interactive question answer session, allowing participants to seek clarifications and engage in open dialogue.

Looking ahead, the Company reaffirms its commitment to maintaining robust investor engagement. In line with PSX requirements, we intend to conduct at least one Corporate Briefing Session for the financial year ending June 30, 2025, within one month of the Annual General Meeting. This commitment reflects our dedication to best practices in corporate governance, transparency, and accountability to all stakeholders.

SHAREHOLDERS' ENGAGEMENT AT THE LAST **ANNUAL GENERAL MEETING (AGM)**

The Sixteenth (16th) Annual General Meeting (AGM) of the Company was convened on October 26, 2024. During the proceedings, shareholders sought clarifications regarding the Company's financial performance and the published financial statements. These queries were comprehensively addressed by the management and satisfactorily resolved to the confidence of the shareholders.

Furthermore, all items of ordinary and special business placed before the shareholders were thoroughly deliberated and approved. Beyond these routine inquiries, no material issues were raised during the meeting.

The constructive participation, complete approval of business items, and resolution of shareholder queries underscore the Company's strong commitment to transparency, sound corporate governance, and safeguarding shareholder rights.

REDRESSAL OF **INVESTOR COMPLAINTS**

During the fiscal year, the Company did not receive any formal complaints from its shareholders. This outcome reflects the effectiveness of our proactive communication framework, timely disclosures, and commitment to maintaining transparent, fair, and responsive shareholder relations.

VIDEO **PRESENTATION**

The Chief Executive Officer's video presentation has been uploaded on the Company's official website and is accessible at www.hitechlubricants.com. This initiative demonstrates the Company's commitment to transparent and inclusive communication, ensuring that both local and international stakeholders can conveniently access key insights on strategy, performance, and outlook.

WHISTLE **BLOWING MECHANISM**

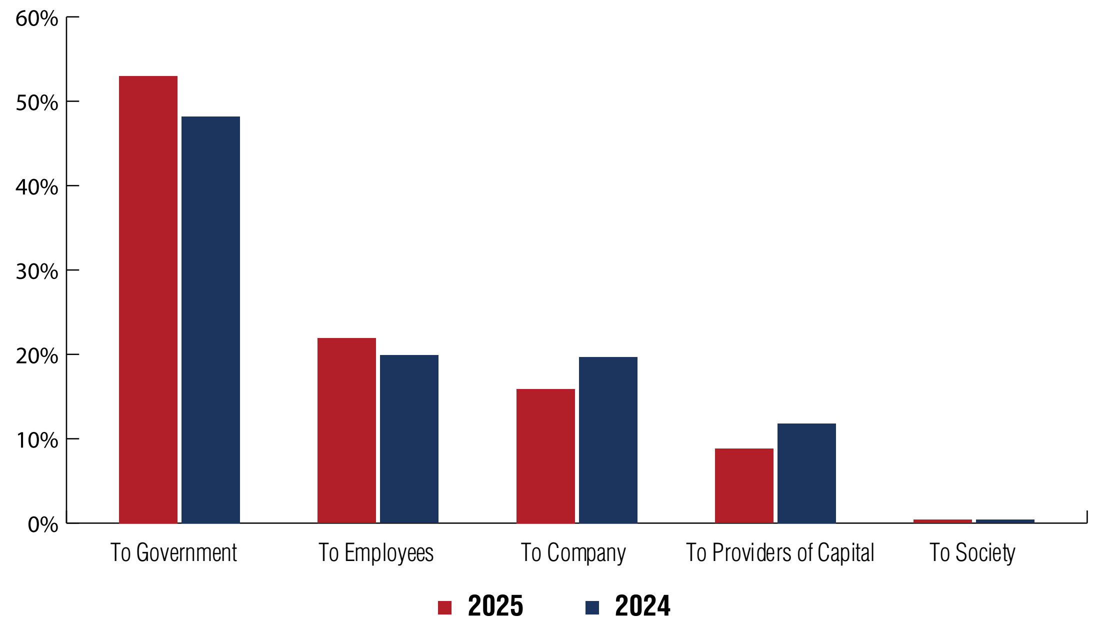
The Company has established a robust whistle blowing mechanism to enable stakeholders to confidentially report any concerns or grievances in a fair, transparent, and secure manner. The mechanism ensures that all complaints are appropriately addressed and that complainants are fully protected against any form of victimization. Oversight of the whistle blowing framework rests with the Audit Committee, which regularly reviews its effectiveness and reports on the same.

It is noteworthy that no whistle blowing incidents were reported during the fiscal year, reflecting the Company's strong ethical culture, effective internal controls, and adherence to the highest standards of integrity and governance.

STATEMENT OF **VALUE ADDITION AND WEALTH DISTRIBUTION**

Particulars	HTL			
	Rs. 2025	% 2025	Rs. 2024	% 2024
WEALTH GENERATED				
Gross Revenue From Contracts With Customers	35,327,362,134		26,130,963,320	
Other Income	279,688,391		1,058,520,303	
Less: Cost Of Bought In Materials And Services	31,003,865,061		22,571,816,010	
	4,603,185,464	**100%**	**4,617,667,613**	**100%**
WEALTH DISTRIBUTION				
To Employees		-		-
Salaries and benefits	1,008,233,450	21.9%	918,958,186	19.9%
To Government				
Sales tax	2,284,458,166	49.6%	2,114,480,990	45.8%
Taxation and Levy	153,363,220	3.3%	111,560,224	2.4%
To Society				
Donations towards betterment of society	19,313,880	0.4%	19,038,480	0.4%
To Providers of Capital				
Finance cost	405,199,105	8.8%	544,046,620	11.8%
To Company				
Depreciation, amortization and other than the above expenses	732,617,643	15.9%	909,583,113	19.7%
	4,603,185,464	100.0%	**4,617,667,613**	100.0%

Distribution of Wealth (FY 2025 vs FY 2024)



PATTERN OF **SHAREHOLDING**
AS OF **JUNE 30, 2025**

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, 2025

PART-II

2.2 Number of Shareholders	Shareholding Slabs				Total Shares Held
734	Shareholding from	1	to	100	25,292
706	Shareholding from	101	to	500	235,376
1325	Shareholding from	501	to	1000	938,651
1394	Shareholding from	1001	to	5000	3,301,796
280	Shareholding from	5001	to	10000	2,139,217
128	Shareholding from	10001	to	15000	1,628,664
67	Shareholding from	15001	to	20000	1,218,500
43	Shareholding from	20001	to	25000	995,875
30	Shareholding from	25001	to	30000	840,480
19	Shareholding from	30001	to	35000	615,519
15	Shareholding from	35001	to	40000	576,353
8	Shareholding from	40001	to	45000	347,640
21	Shareholding from	45001	to	50000	1,038,743
6	Shareholding from	50001	to	55000	317,740
8	Shareholding from	55001	to	60000	475,300
5	Shareholding from	60001	to	65000	312,452
7	Shareholding from	65001	to	70000	478,008
4	Shareholding from	70001	to	75000	291,100
4	Shareholding from	75001	to	80000	314,894
3	Shareholding from	80001	to	85000	251,900
2	Shareholding from	85001	to	90000	174,521
1	Shareholding from	90001	to	95000	94,685
8	Shareholding from	95001	to	100000	791,567
2	Shareholding from	100001	to	105000	205,880
1	Shareholding from	105001	to	110000	110,000
1	Shareholding from	110001	to	115000	113,400
2	Shareholding from	115001	to	120000	238,000
1	Shareholding from	120001	to	125000	124,000
1	Shareholding from	135001	to	140000	136,498
1	Shareholding from	140001	to	145000	140,002
4	Shareholding from	145001	to	150000	593,233
1	Shareholding from	155001	to	160000	157,500
1	Shareholding from	160001	to	165000	163,500
1	Shareholding from	185001	to	190000	187,500
3	Shareholding from	195001	to	200000	597,807
1	Shareholding from	205001	to	210000	206,496
1	Shareholding from	220001	to	225000	222,000
1	Shareholding from	255001	to	260000	255,600
3	Shareholding from	260001	to	265000	788,125
1	Shareholding from	335001	to	340000	339,000
1	Shareholding from	355001	to	360000	360,000
1	Shareholding from	430001	to	435000	431,974
1	Shareholding from	530001	to	535000	534,397
1	Shareholding from	665001	to	670000	666,000
1	Shareholding from	955001	to	960000	960,000

2.2 Number of Shareholders	Shareholding Slabs				Total Shares Held
1	Shareholding from	990001	to	995000	993,330
1	Shareholding from	1125001	to	1130000	1,128,045
1	Shareholding from	1295001	to	1300000	1,298,844
1	Shareholding from	1325001	to	1330000	1,327,114
1	Shareholding from	1700001	to	1705000	1,703,753
1	Shareholding from	2075001	to	2080000	2,078,750
2	Shareholding from	2435001	to	2440000	4,875,194
1	Shareholding from	4895001	to	4900000	4,900,000
2	Shareholding from	5690001	to	5695000	11,387,670
2	Shareholding from	6000001	to	6005000	12,000,622
1	Shareholding from	6990001	to	6995000	6,990,125
1	Shareholding from	9000001	to	9005000	9,000,623
1	Shareholding from	10190001	to	10195000	10,193,955
1	Shareholding from	17385001	to	17390000	17,387,910
1	Shareholding from	29000001	to	29005000	29,003,680
4,867					**139,204,800**

Categories of Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer and their spouse(s) (include 01 Director [substantial shareholder] with more than 10% shares, and 02 minors under guardianship of 01 Director)	74,853,499	53.77
Associated Companies, undertakings and related parties (include 01 substantial shareholder with more than 10% shares)	31,513,430	22.64
NIT & ICP	-	-
Banks Development Financial Institutions, Non Banking Financial Financial Institutions.	32,572	0.02
Insurance Companies	1,911,518	1.37
Modarabas and Mutual Funds	3,145,450	2.26
Share holders holding 10% (public)	-	-
General Public		-
a. Local	23,384,194	16.80
b. Foreign	498,639	0.36
Others (to be specified)		-
(Instutitional Shareholders/Firms/Companies/Brokers etc.)	3,865,498	2.78
Totals	**139,204,800**	**100.00**


SK ZIC
HTL STATION

NOTICE OF **17TH ANNUAL GENERAL MEETING**

Notice is hereby given that 17th Annual General Meeting of shareholders of Hi-Tech Lubricants Ltd. (the "Company") will be held on Friday 24.10.2025 at 11:00 Hours at Jinnah Auditorium, Lahore Chamber of Commerce and Industry (LCCI), situated at 11-Shahrah-e-Aiwan-e-Tijarat, Lahore and via video link / Zoom application to transact following businesses:

ORDINARY **BUSINESS**

1. To confirm minutes of 16th Annual General Meeting held on 26.10.2024, as submitted to PSX.

2. To receive, consider and adopt Annual Audited Financial Statements of the Company for the year ended 30.06.2025 together with Auditor's and Board of Directors' reports thereon.

3. To appoint Auditors of the Company for next financial year 2025-26 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.

SPECIAL **BUSINESS**

4. 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 30.06.2025 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 30.06.2026 and thereafter till next AGM of the Company.

(a) "**Resolved that** following transactions as carried out by the Company with related party Sabra Hamida Trust (SHT) during financial year ended 30.06.2025 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 30.06.2026 and thereafter till next AGM of the Company."

(c) "**Further resolved that** all transactions of the Company with SHT during financial year ending 30.06.2026 and thereafter till next AGM of the Company, 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."

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 wholly owned subsidiary company Hi-Tech Blending (Private) Limited (HTBL) during financial year ended 30.06.2025 and (b) & (c) to authorize Board of Directors to approve all related party transactions carried out and to be carried out with HTBL during financial year ending 30.06.2026 and thereafter till next AGM of the Company;

(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 30.06.2025 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	2,582,362
	Purchase of Lubricants	6,975,090,919
	Lease Rentals Paid	3,000,000
	Short term loan given	512,800,000
	Short term loan repaid	512,800,000
	Interest Received on Short Term loan	36,714,195

(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, 2026 and thereafter till next AGM of the Company."

(c) "**Further resolved that** all the transactions of the Company with HTBL during financial year ending 30.06.2026 and thereafter till next AGM of the Company, 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 transact any other business with the permission of the Chair.

BY ORDER OF THE BOARD

Lahore,
October 03, 2025

FRAZ AMJAD KHAWAJA
COMPANY SECRETARY

Note: 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 18-10-2025 to 24-10-2025 (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 17-10-2025 will be considered in time to be eligible for the purpose of attending and voting at 17th 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 23-10-2025. 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 23-10-2025.

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 30.06.2025 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. **Voting on 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 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 the Special Businesses to be conducted in AGM;

(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 21.10.2025 and close at 17:00 hours on 23.10.2025.** No subsequent change will be allowed once the vote is cast during this period.

B. 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 23.10.2025. The signature on the ballot paper must match with signature on CNIC.

10. 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.

11. Appointment of Scrutinizer and Purpose of Appointment: M/S Riaz Ahmed and Company, Chartered Accountants, (the External Auditors of the HTL) has been appointed by the Board as Scrutinizer for the purposes of Special Business to be conducted in the AGM.

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 17th AGM of Hi-Tech Lubricants Limited which is to be held on **Friday 24.10.2025 at 11:00 Hours at Jinnah Auditorium, Lahore Chamber of Commerce and Industry (LCCI), situated at 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 01.07.2024 to 30.06.2025 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 26.10.2024 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 2024-2025. 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 Transac-tions	Amount (PKR)	Pricing Policy
Sabra, Ha-mida 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 26-10-2024 regarding authorization to the Company's Board of Directors to approve all transactions of the Company with SHT during the financial year 2024-25.

The transactions of the Company with SHT have been approved by the Board in the quarterly/annual financial statements during the fiscal year 2024-25 under the authority given by the shareholders in AGM held on 26.10.2024 to the Board of Directors of the Company, however, the Board decided to place above related party transaction concluded during the fiscal year 2024-25 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. Shaukat Hassan, (iv) Ms. Mavira Tahir and (v) Ms. Mehvish Khan 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 30.06.2026

The company is and shall be conducting transactions of Donations under CSR Policy of the Company with SHT during the financial year ending 30.06.2026 and thereafter till next AGM of the Company , 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 five out of ten Directors due to their common directorship/trusteeship and/or relationship with Trustees of SHT, the related parties' transactions of the fiscal year 2025-26 and thereafter till next AGM of the Company 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 30.06.2026 and thereafter tillup to next AGM of the Company, which transactions shall be deemed to be approved by Shareholders up to the extent of amount 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 30.06.2026 and thereafter till next AGM of the Company, 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. 5 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 01.07.2024 to 30.06.2025 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 26.10.2024 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 2024-2025. 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, whereas 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	2,582,362	As per approved contract between the Company & HTBL, related party policy and approval of shareholders in AGM dated 26.10.2024 regarding authorization to the Company's Board of Directors to approve all transactions of the Company with HTBL during the financial year 2024-25.
	Purchase of Lubricants	6,975,090,919	As per approved contract between the Company & HTBL, related party policy and approval of shareholders in AGM dated 26.10.2024 regarding authorization to the Company's Board of Directors to approve all transactions of the Company with HTBL during the financial year 2024-25.
	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 26-10-2024 regarding authorization to the Company's Board of Directors to approve all transactions of the Company with HTBL during the financial year 2024-25.
	Short term loan given	512,800,000	As per approved contract between the Company & HTBL, related party policy and approval of shareholders in AGM dated 26.10.2024 regarding authorization to the Company's Board of Directors to approve all transactions of the Company with HTBL during the financial year 2024-25.
	Short term loan repaid	512,800,000	As per approved contracts between the Company & HTBL, related party policy and approval of shareholders in AGM dated 26.10.2024 regarding authorization to the Company's Board of Directors to approve all transactions of the Company with HTBL during the financial year 2024-25.
	Interest Received on Short Term loan	36,714,195	As per approved contracts between the Company & HTBL, related party policy and approval of shareholders in AGM dated 26.10.2024 regarding authorization to the Company's Board of Directors to approve all transactions of the Company with HTBL during the financial year 2024-25.

The transactions of the Company with HTBL have been approved by the Board in the quarterly / annual financial statements during the fiscal year 2024-25 under the authority given by the shareholder in AGM held on 26.10.2024 to the Board of Directors of the Company, however, the Board decided to place above related party transaction concluded during the fiscal year 2024-25 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. Shaukat Hassan, (iv) Ms. Mavira Tahir (v) Ms. Mehvish Khan and (vi) Mr. Faraz Akhtar Zaidi 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 30.06.2026

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 30.06.2026 and thereafter till next AGM of the Company, 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 2025-26 and till next AGM of the Company2024-25 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 HTBL during the financial year ending 30.06.2026 and thereafter till next AGM of the Company, 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 30.06.2026 and thereafter till next AGM of the Company, 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.

SUSTAINABILITY **REPORT**

Sustainability is not an option — it is our responsibility to people, planet, and progress

INSIDE THE **SUSTAINABILITY REPORT**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CHAIRMAN'S **MESSAGE**

Dear Stakeholders,

The year 2025 has once again highlighted the realities of an evolving global landscape. Economic uncertainty, geopolitical risks, and intensifying climate-related events continue to challenge businesses and communities alike. Record global temperatures and extreme weather conditions serve as a clear reminder of the urgency for collective action on climate change and sustainable growth.

At Hi-Tech Lubricants Limited (HTL), we continue to respond to these challenges in a measured and consistent way. During the year, we advanced initiatives in energy efficiency, responsible resource management, and climate-risk governance, while maintaining our focus on people and communities. Through investment in talent development, inclusion, and social programs, we remain committed to creating long-term value for all stakeholders.

We recognize that credibility is built on transparency. This Sustainability Report reflects our progressive alignment with international standards. While full implementation will take place in phases, we are gradually integrating the principles of the IFRS S1 and S2 standards, the GRI Standards, the IIRC Framework, and the SECP CSR Guidelines into our reporting practices. This approach allows us to strengthen the quality and reliability of our disclosures while preparing for broader compliance in the years ahead.

Our material topics are also mapped against the UN Sustainable Development Goals (SDGs), reinforcing HTL's contribution to global priorities. Embedding these considerations into our governance, risk management, and strategy ensures that sustainability is not separate from business—it is central to how we create value and safeguard the future.

As Chairman of the Risk and Sustainability Committee, I am encouraged by the progress we have achieved but remain mindful of the journey ahead. We will continue to strengthen accountability, foster innovation, and build resilience to ensure that HTL remains a trusted and forward-looking organization.

On behalf of the Committee and the Board, I sincerely thank our employees, customers, partners, and shareholders for their trust and support. Together, we will continue to pursue responsible growth and resilient futures.

Best regards,
Faraz Zaidi
Chairman, Risk and Sustainability Committee

SUSTAINABILITY **FRAMEWORK**

At HTL, sustainability is embedded at the core of our business strategy. In line with our commitment to transparency and accountability, we are progressively adopting the International Financial Reporting Standards (IFRS) on Sustainability Reporting. Our disclosures incorporate key elements of IFRS S1 (General Requirements for Sustainability-Related Financial Disclosures) and IFRS S2 (Climate-Related Disclosures), alongside the Global Reporting Initiative (GRI) Standards, the IIRC Framework, and the SECP CSR Guidelines. While implementation will continue in phases, we have already integrated core components of governance, strategy, risk management, and metrics & targets into our reporting approach.

GOVERNANCE

Leadership Commitment

HTL's Board is committed to embedding sustainability into the company's long-term strategy. The Board of Directors, supported by the Risk & Sustainability Committee and a dedicated sustainability function, ensures that sustainability principles are consistently aligned with corporate objectives, risk appetite, and stakeholder priorities.

The Board's Risk and Sustainability Committee (RSC), operating under the authority of the Board, provides dedicated oversight of sustainability risks and opportunities. Current composition of the Board's Risk and Sustainability Committee (RSC) is stated below:

Member Name	Role in Committee	Category
Mr. Faraz Akhtar Zaidi	Chairman	Non-Executive Director
Ms. Mavira Tahir	Member	Non-Executive Director
Mr. Shafiq ur Rehman	Member	Non-Executive Independent Director

The Board defines the sustainability vision, approves strategic priorities and budgets, and oversees implementation. This governance framework ensures accountability, transparency, and effective delivery across the organization.

Key Priorities

- **Economic Goals:** Enhance resilience through operational efficiency, supply chain sustainability, and sustainable growth strategies.
- **Environmental Goals:** Reduce carbon footprint, improve energy efficiency, and strengthen waste management practices.
- **Social Goals:** Safeguard employee health and safety, promote diversity and inclusion, and strengthen community engagement.
- **Governance Goals:** Maintain transparency, ethical decision-making, and accountability across all operations.

POLICIES, STANDARDS & **GUIDELINES**

OUR SUSTAINABILITY APPROACH IS GUIDED BY ROBUST POLICIES AND GLOBALLY RECOGNIZED STANDARDS:

Material Matters	Policies & Standards	Purpose
Climate Change	IFRS-S2, Govt. Emission Guidelines	Framework for managing climate risks & GHG accounting
Environmental Stewardship	HTL ESG Policy, ISO 14001:2015	Ensure responsible environmental management and compliance
Innovation & Product Stewardship	ISO 9001:2015, CRM Systems	Drive quality, innovation, and customer satisfaction
Safety & Health	HTL HSE Policy, ISO 45001:2018	Maintain global standards for workplace safety & health
Supply Chain Management	Code of Conduct, Procurement Standards	Ensure ethical sourcing, compliance, and risk mitigation
Community Engagement	SDG Alignment, Code of Conduct	Promote education, skills development, and community partnerships
Talent Management	Diversity & HR Policies, Training Programs	Foster employee development, inclusivity, and well-being
Corporate Governance	Anti-Bribery & Corruption, Whistleblowing, Risk Policy	Safeguard ethical practices and strengthen oversight
Human Rights	UNGP, Labor Laws	Uphold human rights across the value chain
Cybersecurity & digitalization	IT Governance & Cybersecurity Standards	Protect assets, data, and digital infrastructure


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RISK **MANAGEMENT**

Sustainability risks are integrated into HTL's enterprise-wide risk management framework, with structured processes for identification, assessment, prioritization, monitoring, and reporting.

Climate Risks (IFRS S2):

Evaluated under physical (extreme weather events, flooding, heat stress) and transition risks (regulatory changes, consumer shifts). Scenario analysis will be conducted over short (up to 3 years), medium (up to 10 years), and long-term (up to 20 years) horizons, using IPCC and IEA benchmarks.

Risk Appetite & Response:

High-impact risks are addressed through mitigation measures and controls, ensuring alignment with HTL's strategic objectives and long-term resilience.

STRATEGY

HTL's sustainability and climate strategy is aligned with IFRS S1/S2 and global best practices, ensuring effective management of risks and opportunities:

1.Materiality Review

Identification of industry trends, stakeholder concerns, and regulatory requirements.

2.Prioritisation

Mapping material matters against business impact and stakeholder expectations

3.Stakeholder Engagement

Incorporating feedback from internal and external stakeholders.

4.Validation

Board-level approval of sustainability risks, opportunities, and priorities.

5.Implementation

Alignment of policies, capital allocation, and operations with sustainability commitments. Key opportunities include developing eco-friendly lubricants, advancing digital transformation, building resilient supply chains, and strengthening workforce well-being initiatives.

Metrics and Targets

HTL continues to pursue measurable sustainability objectives for 2025 and beyond, aligned with GRI Standards and consistent with global best practices.

Material Matters	2025 and Beyond Targets
Climate Change	Maintain low-emission logistics; invest in renewable technologies to further reduce carbon footprint
Environmental Stewardship	Expand sustainable sourcing across product lines; introduce refillable packaging options
Innovation & Product Stewardship	Launch biodegradable lubricants; increase R&D for sustainable formulations
Safety & Health	Enhance compliance and training; introduce digital monitoring for workplace safety
Supply Chain Management	Expand supplier sustainability program; enforce stricter ESG criteria
Community Engagement	Strengthen partnerships with communities for awareness, education, and recycling initiatives
Talent Management & Well-Being	Advance diversity and inclusion; enhance employee development and well-being programs
Corporate Governance	Strengthen ESG reporting practices; reinforce transparency and ethical compliance
Business Strategy & Financial Resilience	Diversify revenue streams with sustainable products and ecological technologies
Human Rights	Ensure compliance with international standards; implement accessible grievance mechanisms
Cybersecurity & Digitalization	Enhance cybersecurity protocols; expand digital channels for customer interactions

Climate Strategy & Partnership With Sk Enmove

As HTL's principal supplier and long-term partner, SK Enmove plays a vital role in supporting our sustainability objectives. SK Enmove has invested in low-carbon innovation, renewable materials, and advanced climate risk modelling, which strengthens the resilience of HTL's supply chain.

HTL will continue leveraging this partnership to align with international climate practices while developing its own capabilities in scenario analysis, resilience planning, and stakeholder engagement.


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COMMUNITY **ENGAGEMENT**

Alignment with SDGs

HTL's community engagement strategy supports the United Nations Sustainable Development Goals, particularly:

SDG 1 – NO POVERTY
SDG 3 – GOOD HEALTH & WELL-BEING
SDG 4 – QUALITY EDUCATION
SDG 8 – DECENT WORK & ECONOMIC GROWTH
SDG 17 – PARTNERSHIPS FOR THE GOALS

How it matters

HTL delivers its community initiatives primarily through the Sabra Hamida Trust (SHT), which operates the Ilmgah School System and associated welfare programs. These initiatives are designed to uplift underserved communities, expand access to quality education and healthcare, and promote environmental stewardship. By investing in social development, HTL strengthens trust with society and ensures its business growth creates long-lasting positive impact.

Key Achievements in 2025

- PKR 18 million contributed in 2025, consistent with the contribution in 2024.
- Over the last six years, HTL's cumulative contribution through SHT has reached PKR 190.7 million, enabling sustained education, healthcare, and welfare initiatives.

Education – Ilmgah School System (Run by SHT)

More than 550 students are currently studying, and since inception in 2011, over 1,500 students have successfully completed their schooling, maintaining a 100% pass rate.

Teacher Development:

- Training programs on English language, academic excellence, and motivational methods strengthened faculty capabilities.

Student Enrichment

- Debates, speech contests, annual prize distributions, and sports events broadened student learning and confidence.

Vocational & IT Training:

- Nine batches of computer training programs successfully completed, covering fundamentals of IT, Microsoft Office, internet navigation, C++, and graphic design. More than 100 individuals have been trained to date, including 77 students in 2024, equipping participants with practical and employable skills.

Faculty Exposure:

- Cultural and educational trips for Ilmgah staff enhanced professional development and community engagement.

Healthcare & Well-being

Medical Camps:
Free medical camps conducted in underserved communities in partnership with Transparent Hands, focusing on women's and general health.

Pink October Campaign:
Breast cancer awareness sessions with Shaukat Khanum emphasized early detection and preventive care.

Blood Donation Drives:
Partnership with Sundas Foundation enabled regular blood donations by HTL employees to support patients in need.

Medical Check-ups:
Preventive health screenings organized for both Ilmgah faculty and HTL employees.

Community Development & Environmental Stewardship

Tree Plantation with PHA:

Over 5,000 trees planted in 2024, with ongoing plantation drives in 2025, promoting ecological sustainability.

Green Food Initiative:

Establishment of vegetable gardens at Ilmgah Schools and HTL's Blending Plant, encouraging sustainable practices among students and employees.

Gender Equity Campaign:

"Strength Behind the Strength" campaign recognized the contributions of women at the workplace and within households.

Our partners

Shared Initiatives (HTL + Ilmgah)

Faculty Luncheons:

Joint gatherings of HTL management, employees, and Ilmgah faculty fostered collaboration and unity.

Environmental Programs:

Tree plantation and Green Food initiatives included participation of both HTL employees and Ilmgah students, strengthening community and corporate integration.

HUMAN RIGHTS,
TALENT MANAGEMENT AND WELL BEING

Alignment with SDGs
HTL's approach contributes to:

SDG GOAL: 8 – GOOD JOBS & ECONOMIC GROWTH
SDG GOAL: 10 – REDUCED INEQUALITIES

How it matters to HTL and its Stakeholders:

At HTL, we believe that every individual must be treated with dignity, fairness, and respect, regardless of gender, religion, or background. Our commitment to human rights and diversity not only strengthens trust with employees, customers, suppliers, and communities but also serves as the foundation of our license to operate.

We also recognize that a highly skilled and engaged workforce is central to resilience and the execution of strategic priorities. By investing in people, embedding human rights principles, and promoting inclusivity, HTL nurtures a culture that supports innovation, productivity, and long-term growth.

HTL Management Approach

Our approach integrates both human rights safeguards and proactive talent management:

- **Human Rights:**

Risk assessments conducted across operations and supply chains, covering labor conditions, working hours, wages and benefits, and freedom of association. A grievance mechanism is in place to ensure employees can raise concerns without fear of discrimination or reprisal.

- **Talent Development:**

Employee skills are strengthened through structured training, leadership development, and capacity-building programs.

- **Employee Well-being:**

Policies on flexible working, leave, health insurance, and workplace inclusivity are reinforced by wellness initiatives and performance-linked recognition.

The Code of Conduct on Human Rights (CoCHR) emphasizes:

- Freedom of Labour
- Prevention of Child Labour
- Wages and Benefits
- Working Hours
- Grievance Mechanism
- Non-Discrimination
- Freedom of Association
- Humane Treatment
- Foreign & Migrant Workers

PROGRESS AND IMPACT

Training & Development

Training remains a cornerstone of our strategy to enhance employee capabilities and agility.

Training Highlights (FY2024–25):

- **Programs Conducted: 16**
- **Employees Trained: 218**
- **Total Training Hours: 830**

Key Training areas

i. Workshop on Updated PPRA Rules Planning & Bidding Process Supplier & Bidder Registration through E - Procurement Fundamentals of Data Analytics
ii. Director Training Program
iii. Essence of Leadership
iv. Fundamentals of Data Analytics - Knowledge Sharing Session
v. Workshop on Updated PPRA Rules Planning & Bidding Process Supplier & Bidder Registration through E - Procurement Fundamentals of Data Analytics - Knowledge Sharing Session
vi. Awareness Session on Najas, Halal Haram & Personal Hygiene
vii. Machine Safety & Safe Work Practices
viii. ISO 14001:2015 EMS Lead Auditor Training Course
ix. Business Analytics with MS Excel & Power BI (Level-1-4)
x. Implementation & Awareness Session on FSSC 22000 V6.0
xi. ESG Fundamentals & GRI Reporting Framework (2 Time)
xii. Sampling Operations
xiii. Performance Management
xiv. Defensive Driving Training
i. Machine Calibration Training

Halal Haram & Personal Hygiene

Machine Safety & Safe Work Practices

Defensive Driving Training

Management Trainee & Internship Programs:

- **Management Trainees:** 4 recruited
- **Interns:** 19 recruited
- Designed to provide graduates with rotational exposure across departments, ensuring a pipeline of future leaders.

Compensation & Benefits

Category	2025 (PKR)	2024 (PKR)	Change
Total Remuneration	1,313,591,048	1,140,000,000	↑ 15%
Provident Fund	41,366,101	37,041,931	↑ 12%
Long Service Benefits	As per policy	As per policy	Ongoing
Performance Incentives	As per policy	As per policy	Ongoing

HTL maintains performance-based incentives, provident fund contributions, and long-service benefits, demonstrating its recognition and retention culture while ensuring financial security for employees.

Gender Pay Equity (2025)

Category	Male (PKR/hour)	Female (PKR/hour)	Gender Pay Gap
Mean	885	1,443	-63% (Females earn more)
Median	498	824	-65% (Females earn more)

HTL's 2025 Gender Pay Gap analysis shows a negative pay gap, meaning that female employees earn more than male employees in comparable roles. Females earn 63% more on average pay and 65% more on median pay, reflecting HTL's strong commitment to equitable compensation and its Diversity & Inclusion (D&I) policy.

Employee Turnover And Reportable Injuries

Employee turnover remained low at 2.7% in 2025, reflecting high engagement and retention.

Zero reportable injuries or occupational diseases recorded, underscoring HTL's focus on health and safety.

Employee Well-being & Engagement

- **Work-life Balance:** Flexible working hours, supportive leave policies, and casual attire.
- **Health & Insurance:** Comprehensive health coverage, including family medical support.
- **Wellness:** Cricket matches, nutritious lunches, and recreational trips.
- **Recognition:** Performance-based awards integrated into appraisal systems.
- **Sustainability Link:** Employee evaluations incorporate sustainability objectives, embedding accountability across the workforce.

BUSINESS STRATEGY **AND** FINANCIAL RESILIENCE

Alignment with SDGs

HTL's strategy supports:

SDG GOAL: 8 – Decent Work and Economic Growth
SDG GOAL: 11 – Sustainable cities and Communities

How it matters to HTL and Its Stakeholders

A resilient business strategy is the cornerstone of sustainable growth. It enables HTL to withstand challenging economic conditions, navigate geopolitical uncertainties, and address climate-related risks.

HTL has initiated the phased adoption of the Sustainability Accounting Standards Board (SASB) inaugural standards — IFRS S1 (General Requirements) and IFRS S2 (Climate-related Disclosures). While full implementation is ongoing, our disclosures incorporate selected elements of these frameworks, demonstrating our commitment to transparency, accountability, and gradual alignment with global best practices.

HTL Management Approach

Our strategy is shaped by marketing, supply chain, and commercial excellence, supported by the integration of EESG (Economic, Environmental, Social, and Governance) principles across the value chain.

Key features of our management approach include:

- Continuous optimization of HTBL plant operations for efficiency and sustainability.
- Integration of digitalization and sustainability into business processes to build long-term resilience.
- Strategic capital allocation discipline, prioritizing projects aligned with sustainability priorities.
- Long-term focus on climate-friendly initiatives and renewable energy investments.

PROGRESS & IMPACT IN 2025

Operational Strengthening

- The solar energy system installed at the HTBL plant in 2023 is now fully operational, delivering measurable reductions in energy consumption and emissions.
- In 2025, HTL extended this initiative by installing a solar energy system at the Head Office,further reducing reliance on conventional energy sources and supporting long-term climate goals.
- HTL also advanced its sustainability agenda by initiating the process of establishing a dedicated sustainability department, aimed at enhancing oversight and integration of sustainability initiatives across the organization.

Financial Resilience

- Resources were strategically directed toward projects that strengthen operational resilience and align with sustainability priorities.
- Monitoring and evaluation of sustainability-related initiatives were further improved in 2025, ensuring both financial and non-financial outcomes are systematically assessed.
- Investment decisions increasingly integrate environmental and social considerations, reinforcing HTL's commitment to long-term value creation.

SAFETY & **HEALTH**

Alignment with the UN Sustainable Development Goals (SDGs)

SDG GOAL: 3 – GOOD HEALTH AND WELL BEING
SDG GOAL: 6 – CLEAN WATER AND SANITATION

Our Commitment

At HTL, safeguarding the health and safety of our employees, and surrounding communities is a top priority. We are committed to providing safe working environments, ensuring compliance with international standards, and continuously improving occupational health practices. Access to clean water, sanitation facilities, and safe operations forms the backbone of our sustainability agenda in line with SDG 3 and SDG 6.

Management Approach

HOur Health & Safety Strategy focuses on:

1. Proactive Risk Management – Conducting regular hazard identification, risk assessments, and safety audits.
2. Safe Work Environment – Implementing state-of-the-art safety equipment, emergency preparedness drills, and training sessions.
3. Employee Well-being – Providing medical facilities, wellness programs, and health awareness sessions.
4. Sustainable Water & Sanitation Practices – Ensuring safe drinking water and sanitation facilities across all operations.

We encourage a "safety-first culture" by engaging all employees through training, toolbox talks, and active participation in hazard reporting and safety improvements.

HEALTH & SAFETY GOVERNANCE

To ensure strong oversight, a Health & Safety Committee has been established at the HTBL Plant site.

Key members include:

Name	Designation in HTBL
Mr. Muhammad Ali Hassan	Chief Executive Officer
Mr. Yaqub Aziz	Chief Operating Officer
Mr. Syed Ahmad Mujtaba	QHSE Coordinator

The committee is responsible for:

- Monitoring compliance with HSE policies and ISO 45001:2018 requirements.
- Reviewing incident reports, near misses, and corrective actions.
- Coordinating risk assessments and updating the Risk Register.
- Promoting employee awareness and participation in safety initiatives.
- Recommending continuous improvement measures to management.

The Committee serves as a platform for collaboration between management, employees, and health & safety representatives, ensuring that safety considerations remain central to daily operations.

Health And Safety Excellance

Indicator	2025	2024	2023
ISO 45001:2018 certified facilities	✓	✓	✓
Number of Fatalities recorded	Nil	Nil	Nil
Incidents of Major Fire	Nil	Nil	Nil
Incidents of Major Injuries	Nil	Nil	Nil
Total Recordable Occupational Illness Frequency	19	21	48
HSE incidents affecting communities	Nil	Nil	Nil
Summons from authorities/regulatory bodies	Nil	Nil	Nil
Lost Time Injury Frequency (LTIFR – per million man-hours)	Nil	Nil	Nil
Lost Time Injury (Number of Cases)	Nil	Nil	Nil
Total Recordable Case Frequency (TRCF – per million man-hours)	Nil	Nil	Nil
Total Recordable Court Cases	Nil	Nil	Nil

Light/ Luminous Monitoring

Sr no	Monitoring location	IES recommended values	Average lux 2025		Average lux 2024		Average lux 2023	
1	LT Room	200-500	340	338	490	497	422	417
2	EBM Production Hall 1	200-500	314	324	467	474	527	388
3	EBM Production Hall 2	200-500	372	364	438	445	440	274
4	Filling Hall	200-500	379	380	457	466	489	372
5	Kettle Area	200-500	440	453	481	488	497	414
6	Empty package Hall	200-500	380	364	496	490	611	607
7	Control Room	250-500	380	341	468	472	340	597
8	Admin Block	250-500	400	451	496	483	713	614
9	QCD Lab	250-500	300	318	491	494	548	586




PRODUCT STEWARDSHIP & CUSTOMER RELATIONSHIP MANAGEMENT

Alignment with SDGs

SDG GOAL: 12 – RESPONSIBLE CONSUMPTION AND PRODUCTION

HTL advances sustainability by distributing energy-efficient lubricants and supporting the introduction of innovative solutions from its global partner, SK Enmove Co., Ltd. Through this partnership, HTL contributes to responsible consumption practices while strengthening its role as a key enabler of sustainable products in Pakistan

Importance to HTL and Stakeholders

Partnership with SK Enmove Co., Ltd., a pioneer in energy-efficient lubricants and Liquid Immersion Cooling (LIC) technology, reinforces HTL's positioning as a channel for global innovations. Anticipated growth in EV-specific lubricants offers opportunities for HTL to serve the domestic and regional markets with sustainable solutions.

Progress and Market Outlook

- SK Enmove Co., Ltd. has produced EV lubricants since 2013 and rebranded in 2021 to emphasize energy efficiency.
- The global e-fluid market is projected to reach USD 9 billion by 2040, offering HTL significant expansion opportunities.
- Introduction of ZIC e-FLO reflects HTL's commitment to bringing world-class innovations that improve efficiency and sustainability.
- By leveraging global R&D capabilities, HTL is well positioned to capture opportunities in evolving automotive and industrial sectors.

Customer Relationship Management

HTL maintains a responsible approach to product stewardship, ensuring high-quality service and customer trust.

Focus Area	Htl's Approach
Customer Service	Maintains strong order fulfillment ratio (95%), with a target to sustain or improve.
Engagement Platforms	Auto Ready Mobile App and Help Desk Centre for seamless communication.
Complaint Resolution	Structured escalation process through Distributors, Sales, and Business Intelligence teams.
Technical Support	Regular engagement and guidance for distributors and customers.
Knowledge Sharing	Training sessions and technical briefings to maximize product efficiency and usage.

Our International Associations and Membership through SK Enmove Co., Ltd.

ENVIRONMENTAL **STEWARDSHIP**

Alignment with SDGs

SDG GOAL: 12 – RESPONSIBLE CONSUMPTION AND PRODUCTION

SDG GOAL: 15 – LIFE ON EARTH

HTL actively contributes to these goals through sustainable production practices, strict environmental compliance, and initiatives to preserve biodiversity, ensuring long-term ecological sustainability alongside business continuity.

Importance to HTL and the Environment

- Commitment to environmental compliance strengthens brand reputation and meets increasing consumer demand for sustainable products.
- Minimizing environmental impact reduces operational risks, enhances supply chain resilience, and supports business continuity.
- Adoption of eco-friendly practices creates long-term value and positions HTL as a leader in sustainable innovation.

Management Approach

- Compliance with all relevant environmental regulations across operations.
- ISO 14001:2015 certification at key facilities, reflecting a robust Environmental Management System.
- Zero environmental non-compliance reported in FY 2025.

Biodiversity Commitment

- Recognizing the importance of biodiversity in maintaining ecosystem balance, providing food, clean water, medicine, and supporting processes such as pollination and nutrient cycling.
- HTL operations in Pakistan are designed to minimize impacts on biodiversity, adhering to eco-friendly principles.
- Continuous improvement initiatives reinforce the company's commitment to preserving natural habitats.

PROGRESS AND IMPACT

WATER AND WASTEWATER MANAGEMENT

Operations are designed to be waterless, eliminating water intake and discharge, and demonstrating efficient resource utilization.

Waste Management

Waste is processed through EPA-approved Ali Trade Waste Management (ATWM), ensuring environmentally responsible disposal.

Drinking Water Quality

100% compliance with drinking water standards, providing employees with safe and reliable water.

Waste & Effluents

Description	Unit	2025	2024	2023
Total waste generated	Kg	936	10,109	9,857

Blending and production processes generate minimal hazardous and non-hazardous waste, reflecting a responsible approach to resource management.

CLIMATE **CHANGE**

Aligned SDGs

SDG GOAL: 12 – RESPONSIBLE CONSUMPTION AND PRODUCTION

SDG GOAL: 13 – CLIMATE ACTION

HTL recognizes climate change as a critical operational, environmental, and strategic challenge. The company is committed to mitigating climate-related risks, promoting sustainable energy use, and contributing to a low-carbon economy.

Importance to HTL and the Environment

- Climate Risks: Extreme weather events can disrupt supply chains, affecting sourcing, transportation, and product availability.
- Business Continuity: Building climate-resilient operations ensures uninterrupted services and operational reliability.
- Market Demand: Increasing stakeholder awareness drives the adoption of eco-friendly products and processes.

Management Approach

- Climate Monitoring & Reporting: Systems track emissions, climate risks, and sustainability performance in line with GRI frameworks.
- Stakeholder Collaboration: Engaging customers, suppliers, and investors to advance sustainability initiatives and share progress.
- Climate Risk Assessment: Identification of risks and opportunities, with mitigation and adaptation strategies implemented to strengthen resilience.

Progress and Impact

Environmental Management System & Pollution Prevention - ISO 14001-based EMS monitors, evaluates, and improves environmental performance. - Cleaner production methods, eco-friendly materials, and pollution control technologies are applied across operations.

Stack Emissions Monitoring

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. "

Sr. No	Parameter	Units	PEQS	2025	2024	Average
1	O_2	%	NGVS	12.27	7.12	11.76
2	CO_2	%	NGVS	7.29	10.2	6.95
3	CO	Mg/Nm³	800	558.2	315	155.2
4	NO	Mg/Nm³	NGVS	374.9	447	222.3
5	NO_2	Mg/Nm³	NGVS	91.2	41	43.2
6	NOx	Mg/Nm³	600	46.1	488	265.5
7	SO	Mg/Nm³	1700	366.4	314	126.2

Renewable Energy & Energy Efficiency

Site	Description	Units	Total Units (kWh)	Total Cost (Rs.)
HTBL Plant	Energy conserved via solar panels (green energy)	kWh	1,107,406	39,247,361
HTBL Plant	Energy consumed from LESCO	kWh	2,252,000	105,415,831
HTBL Plant	Total energy consumed	kWh	3,359,406	105,415,831
HTBL Plant	Total energy savings	kWh	1,107,406	39,247,361
HO Office	Energy conserved via solar panels	kWh	63,401	4,374,676
HO Office	Energy consumed from LESCO	kWh	135,849	10,093,793
	Total Energy Consumed	kWh	199,250	14,468,469
	Total Saving	kWh	63,401	4,374,676

- Climate Monitoring & Reporting: Systems track emissions, climate risks, and sustainability performance in line with GRI frameworks.

SUPPLY CHAIN MANAGEMENT

Aligned SDGs

SDG GOAL: 12 – RESPONSIBLE CONSUMPTION AND PRODUCTION

SDG GOAL: 08 – (DECENT WORK & ECONOMIC GROWTH)

Importance to HTL and Its Stakeholders

HTL recognizes that a sustainable and resilient supply chain is essential for operational excellence and stakeholder trust. By embedding sustainability into procurement and logistics, HTL enhances efficiency, ensures reliability, and generates positive economic, environmental, and social impacts across the value chain. Suppliers, vendors, investors, customers, and communities benefit from responsible practices that foster long-term value creation.

Management Approach

- **Integrity and Governance:**

Procurement processes are conducted under strict ethical standards, ensuring transparency and fairness.

- **Stakeholder Collaboration:**

Long-term partnerships with suppliers and vendors, active engagement with trade associations, and capability-building programs through training and audits.

- **Sustainability Criteria:**

Contracts incorporate sustainability requirements and encourage adoption of eco-friendly materials and practices.

- **Employee Awareness:**

Employees are trained on environmental and social considerations, embedding sustainability across daily operations.

Progress And Impact

- **Vendor Screening:**

Suppliers evaluated HTL's ethical and sustainability standards to strengthen supply chain integrity.

- **Risk Management:**

Implementation of a structured framework to proactively identify and mitigate supply chain risks, enhancing operational resilience.

- **Employee Engagement:**

Regular awareness programs ensure that sustainability is part of decision-making across the chain.

Key Supply Chain Metrics

Particulars	Fy 2025 Performance	Target
Order Fulfillment Ratio	94%	≥95%
Accidents During Transportation/Supply Chain	0%	Maintain 0%
Local Procurement	[Insert %]	Increase YoY
Suppliers Screened on Sustainability Criteria	[Insert %]	100% by 2030

CYBER SECURETY
& DIGITALIZATION

Importance to HTL and Its Stakeholders

HTL prioritizes digital integration and cybersecurity to enhance operational efficiency, protect data, and maintain stakeholder confidence. Advanced digital tools support agility, informed decision-making, and scalable operations, while robust IT governance mitigates risks such as phishing, ransomware, and cyberattacks.

Management Approach

- **IT Governance:**

Structured frameworks and Board oversight ensure proactive risk management.

- **Early Warning & Assessment:**

Threat detection systems and independent security audits identify vulnerabilities.

- **Digital Transformation:**

Core business processes integrated via Oracle ERP enhance efficiency and oversight.

- **Employee Awareness:**

Mandatory training programs reinforce cybersecurity best practices.

- **Business Continuity:**

Disaster recovery plans ensure uninterrupted operations during disruptions.

Progress and Impact

- **Cybersecurity Assessments:**

Biannual penetration testing and phishing simulations maintained 0% failure rate.

- **Training & Awareness: Employees**

trained in cloud security, endpoint, and firewall protection.

- **Digital Advancements:**

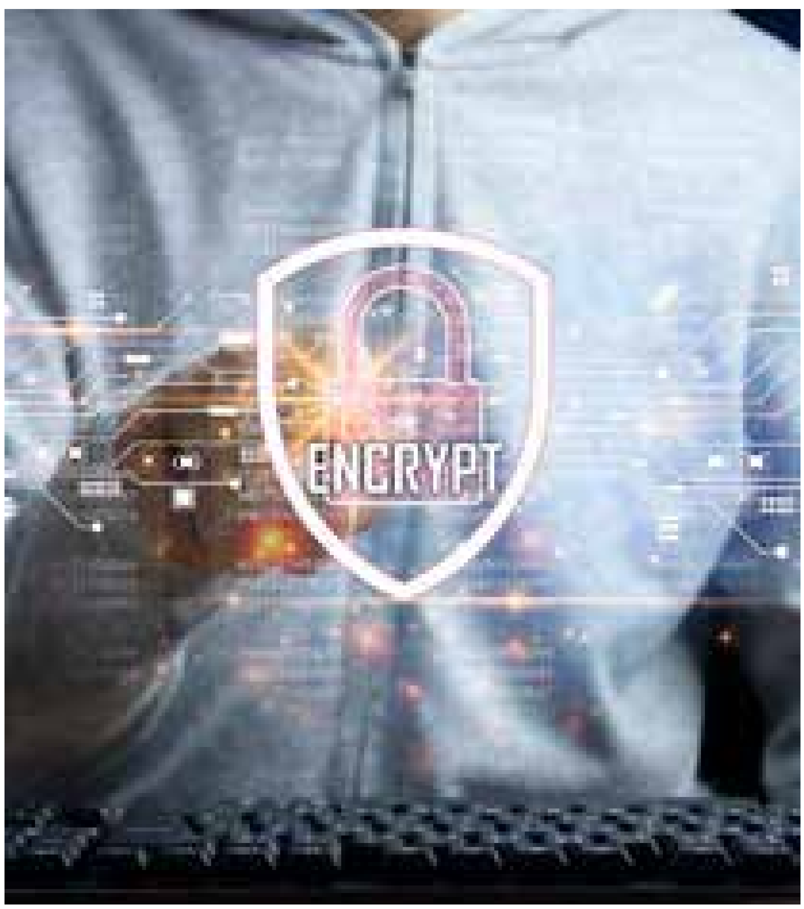
Deployment of EBS, dashboards, and system integrations improved operational monitoring.

- **Monitoring & Response:**

Smart alerts ensure rapid threat mitigation.

Key Metrics

Metric	2025	2024
Phishing Test Fail Rate	0%	0%
Cyber Incidents	0%	0%
Business Critical System Downtime	3%	3%



CORPORATE **GOVERNANCE**

How it Matters to HTL and Stakeholders

At HTL, strong corporate governance is the foundation of sustainable growth. It safeguards stakeholder interests, ensures compliance, and builds resilience in an increasingly complex business environment. As a listed company, HTL is committed to integrity, transparency, and accountability, thereby strengthening stakeholder trust and reinforcing our market credibility.

Sound governance also enables HTL to anticipate risks, respond effectively to regulatory changes, and maintain stakeholder confidence through timely and transparent disclosures. By embedding sustainability into governance, HTL positions itself to create long-term value for stakeholders and society alike.

HTL Management Approach

HTL's governance framework combines regulatory compliance, strategic oversight, and ethical conduct to drive long-term value creation.

- Full compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2024.
- A Statement of Compliance reviewed and certified by external auditors, reinforcing confidence in governance practices.
- Strong internal controls, policies, and Board-approved structures that uphold accountability and ethical conduct.
- Oversight is exercised at both the Board and committee levels, ensuring robust monitoring of financial and non-financial matters.

Progress & Impact in

- Integration of Sustainability into Governance: HTL continues its phased adoption of IFRS S1 and IFRS S2 standards on sustainability-related disclosures, ensuring progressive alignment with international best practices.
- Risk & Sustainability Committee (Operational): The Committee is now fully functional, providing Board-level oversight of economic, environmental, social, and governance (EESG) matters. It evaluates risks and opportunities, reviews climate-related strategies, and recommends long-term targets to the Board.
- Future Strengthening: The formation of a dedicated Sustainability Department remains under consideration to further institutionalize sustainability within HTL's governance framework.
- Enhanced Risk Oversight: The Board continues to reinforce its risk management framework, ensuring structured monitoring and transparent reporting across the organization.

Ethical Business Conduct

HTL enforces a zero-tolerance policy toward fraud, deception, bribery, and corruption. These ethical standards extend across our employees, directors, and business partners.

- Codes of Conduct and compliance clauses integrated into contracts.
- Whistleblowing mechanisms in place to enable safe reporting of concerns.
- Director training programs, as reported in the Directors' Report, to ensure effective oversight and regulatory compliance.

Recognitions and Certifications

Award / Recognition	Category	Year	Host
Business Excellence Award	First Position in Small Business Enterprises	2013–14	UN Global Compact Network Pakistan
Business Excellence Award	Second Position in Large National Category	2015–16	UN Global Compact Network Pakistan
Living the Global Compact Sustainability Award	Multiple First & Second Positions	2017–2021	UN Global Compact Network Pakistan

United Nations Sustainable Development Goals 2030: Our Roadmap to a Sustainable Society

HTL has embraced the United Nations Sustainable Development Goals (SDGs) 2030 as a foundational framework for sustainability. Our commitment reflects the belief that sustainable development is both a business responsibility and an opportunity to create shared value.

By integrating SDGs into our strategy, HTL seeks to:

- Promote inclusive and sustainable economic growth.
- Address pressing societal challenges.
- Empower communities through business-driven solutions.

Out of the 17 SDGs, HTL has purposefully integrated twelve SDGs into its operations. Detailed action plans ensure that sustainability principles are embedded across our business model, guiding decisions at every level of the organization.

We regard the SDGs as a mutually reinforcing opportunity—advancing global development priorities while positioning HTL as a value-driven and sustainable enterprise for the future.

LIMITED ASSURANCE **STATEMENT BY INDEPENDENT AUDITOR'S**

INDEPENDENT LIMITED ASSURANCE **REPORT TO THE MEMBERS OF HI-TECH LUBRICANTS LIMITED**

LIMITED ASSURANCE **REPORT ON SUSTAINABILITY**

INTRODUCTION

We, Z. M. T. & Co., Chartered Accountants, were engaged by the Management of Hi-Tech Lubricants Limited (the "Company") to provide limited assurance under International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, on the Company's Sustainability Report for the year ended 30 June 2025.

APPLICABLE **CRITERIA**

The criteria used by the Company to prepare the Report is the Global Reporting Initiative (GRI) Standards 2021 (the "criteria"), as disclosed in the Report.

INHERENT **LIMITATIONS**

Non-financial information is subject to inherent limitations compared with financial data due to its subjective nature and the varying interpretations involved in determining relevance, materiality, and accuracy. The methods used to gather and assess this data may evolve over time, impacting on the criteria applied and the precision of the information reported.

Furthermore, due to inherent limitations of internal controls, errors or irregularities in the Sustainability Report may occur and may not be detected. Our engagement was not designed to detect all weaknesses in internal controls, as the procedures performed were undertaken on a test basis and not continuous throughout the reporting period.

MANAGEMENT'S **RESPONSIBILITIES**

Management is responsible for the preparation and presentation of the Sustainability Report in accordance with the criteria, including, determining the Company's objectives with respect to sustainable development performance and reporting, identifying stakeholders and material issues, establishing and maintaining appropriate performance management and internal control systems from which reported information is derived, preventing and detecting fraud, ensuring compliance with laws and regulations applicable to its activities, and ensuring staff involved in preparing and presenting the Report are adequately trained and supported by appropriate information systems that reflect all significant business units.

AUDITOR'S **RESPONSIBILITIES**

Our responsibility is to carry out a limited assurance engagement on the Company's Sustainability Report and to draw a conclusion based on the work performed.

We conducted our engagement in accordance with ISAE 3000 (Revised), which requires that we comply with independence and ethical requirements and plan and perform the engagement to obtain limited assurance about whether the Sustainability Report is prepared, in all material respects, in accordance with the criteria.

INDEPENDENCE, ETHICS, AND **QUALITY MANAGEMENT**

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards), founded on principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

Our firm also applies the International Standard on Quality Management 1 (ISQM 1), which requires the design, implementation, and operation of a system of quality management including policies and procedures to ensure compliance with ethical requirements, professional standards, and applicable legal and regulatory obligations.

SUMMARY OF **WORK PERFORMED**

A limited assurance engagement on a sustainability report consists primarily of making inquiries of persons responsible for preparation and applying analytical and other evidence-gathering procedures. Our procedures included:

- interviewing relevant staff responsible for preparing and disclosing the Report,
- gaining an understanding from key personnel of controls and processes for capturing sustainability performance data,
- reviewing adherence to GRI Standards 2021 requirements,
- evaluating whether disclosures are appropriately presented, described, and clearly expressed,
- identifying and reporting any deviations or gaps,
- reading the Report to assess alignment with GRI Standards 2021, and
- obtaining written representations from management on the completeness and authenticity of information, as well as on underlying measurements and calculations.

The procedures performed in a limited assurance engagement are less extensive than for a reasonable assurance engagement. Accordingly, the level of assurance obtained is substantially lower than would be achieved in a reasonable assurance engagement.

LIMITATIONS ON **SCOPE OF WORK**

Our limited assurance engagement excludes:

- data and information outside the defined reporting period (1 July 2024 to 30 June 2025),
- statements of opinion, belief, aspiration, expectation, aim, or future intention, and any national or global socio-economic or environmental aspects, and
- financial and economic performance data, which are derived from the Company's audited financial statements.

LIMITED ASSURANCE **CONCLUSION**

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Sustainability Report of Hi-Tech Lubricants Limited for the year ended 30 June 2025 is not prepared, in all material respects, in accordance with the GRI Standards 2021.

RESTRICTION **ON USE**

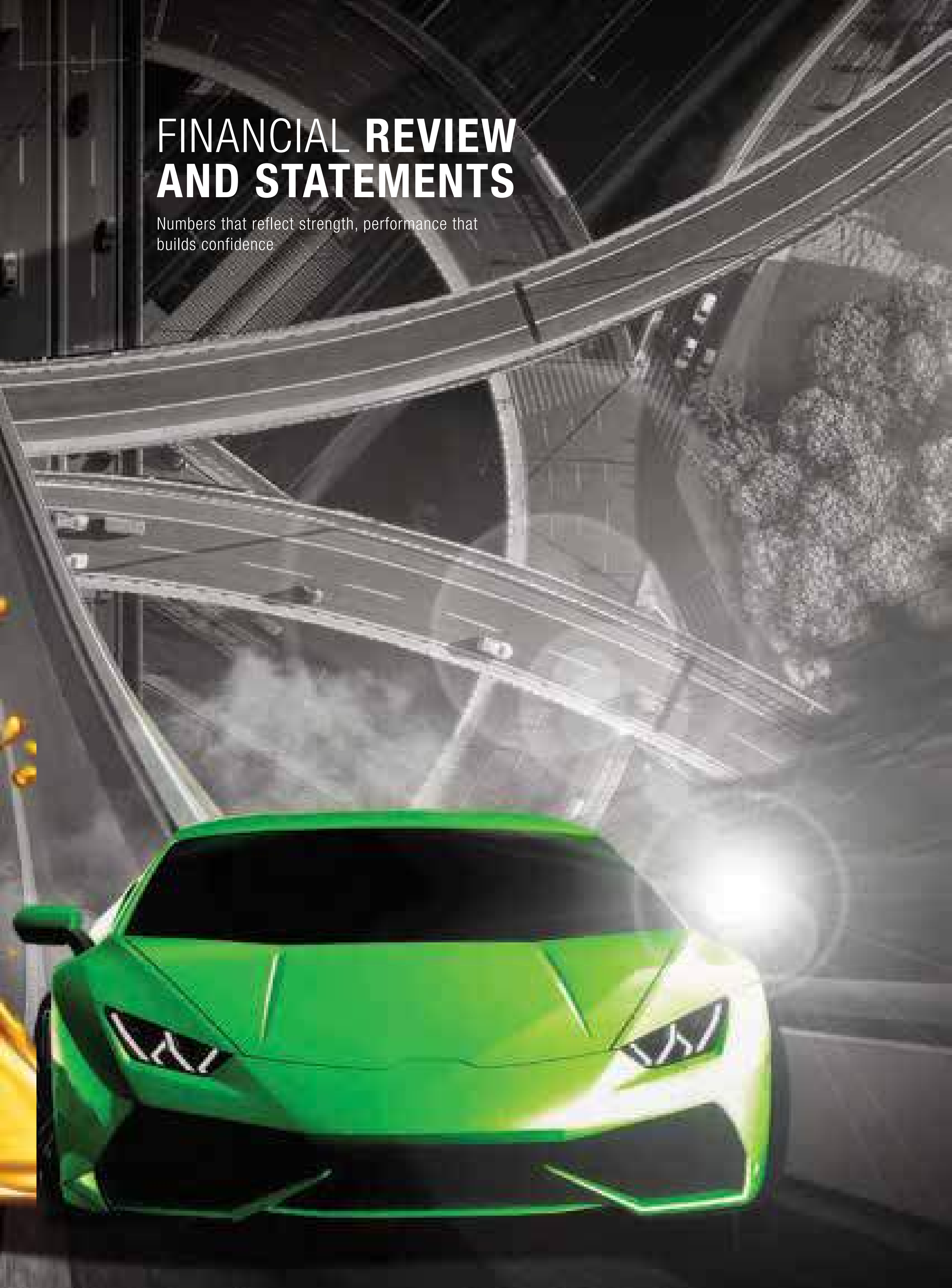
This report has been prepared for the members of Hi-Tech Lubricants Limited in accordance with the terms of our engagement. We do not accept or assume responsibility for reliance on this report by any other party for any purpose. Any reliance placed by such parties shall be at their own risk.

The engagement partner responsible for this independent limited assurance report is Mr. Muhammad Mehran Ur Rashid, ACA.

Z. M. T. & Co.
Chartered Accountants
Lahore
Date: 23 September 2025

FINANCIAL **REVIEW AND STATEMENTS**

Numbers that reflect strength, performance that builds confidence

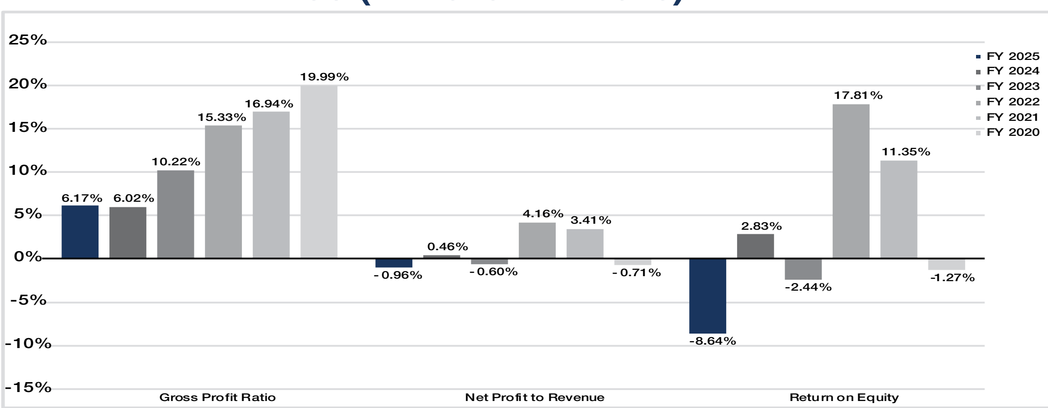


ANALYSIS OF **FINANCIAL STATEMENTS**

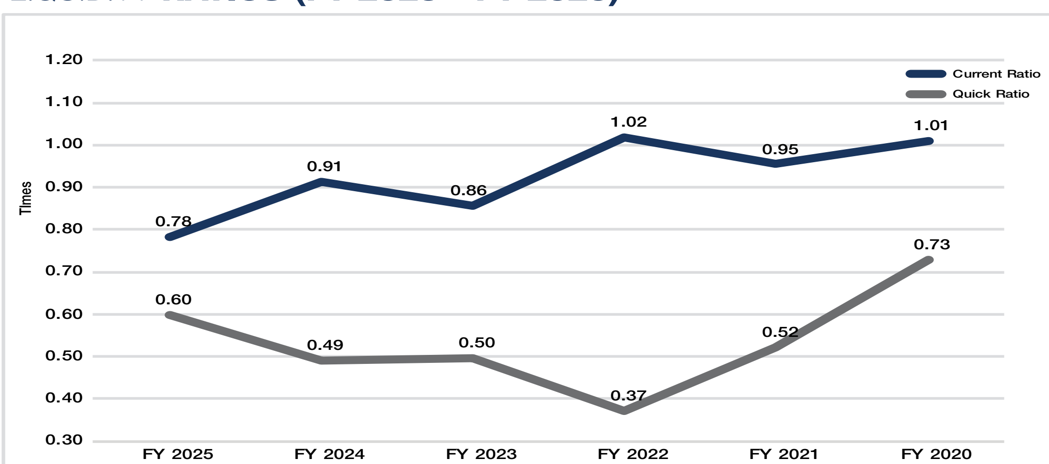
FOR THE CURRENT **AND LAST FIVE YEARS**

Key Performance Indicators	UOM	FY-2025	FY-2024	FY-2023	FY-2022	FY-2021	FY-2020
PROFITABILITY RATIOS							
Gross Profit Ratio	%	6.17%	6.02%	10.22%	15.33%	16.94%	19.99%
Net Profit / (Loss) to Revenue	%	-0.96%	0.46%	-0.60%	4.16%	3.41%	-0.71%
EBITDA Margin to Revenue	%	1.00%	-0.07%	0.59%	7.44%	6.59%	3.31%
Operating Leverage Ratio	Times	-1.67	2.04	6.09	1.59	3.77	-6.41
Return on Equity	%	-8.64%	2.83%	-2.44%	17.81%	11.35%	-1.27%
Return on Capital Employed	%	-5.23%	1.75%	-1.48%	14.10%	8.81%	-0.86%
Shareholders' funds	%	45.76%	43.71%	51.70%	45.34%	56.65%	63.24%
Return on shareholders' funds	%	-8.64%	2.83%	-2.44%	17.81%	11.35%	-1.27%
Total shareholder's return	%	29.38%	56.27%	-41.71%	-44.87%	*	*
LIQUIDITY RATIOS							
Current Ratio	Times	0.78	0.91	0.86	1.02	0.95	1.01
Quick Ratio / Acid Test Ratio	Times	0.60	0.49	0.50	0.37	0.52	0.73
Cash to Current Liabilities	Times	0.04	0.08	0.08	0.15	0.13	0.08
Cash Flow from Operations to Revenue	Times	0.01	-0.03	-0.01	-0.02	0.07	0.22
Cash flow to capital expenditures	Times	1.14	-2.38	-0.95	-1.41	2.63	4.23
Cash flow coverage ratio	Times	0.12	-0.29	-0.05	-0.13	0.72	1.10

PROFITABILITY **RATIOS (FY 2025 - FY 2020)**



LIQUIDITY **RATIOS (FY 2025 - FY 2020)**



PROFITABILITY **RATIOS**

- The Gross Profit Ratio improved slightly to 6.17% in FY 2025 (FY 2024: 6.02%), reflecting better sales volumes and some cost efficiencies.
- The Net Profit to Revenue ratio declined from 0.46% in FY 2024 to -0.96% in FY 2025, as increased operating expenses and lower other income outweighed the benefits of higher revenues and reduced finance costs.
- The EBITDA Margin recovered to 1.00% in FY 2025 from -0.07% in FY 2024, indicating improvement in core operating profitability.
- The Operating Leverage Ratio fell from 2.04x to -1.67x, showing that a higher fixed cost base magnified the effect of expense increases on profits.
- Other Income, which was unusually high at PKR 1.06 billion in FY 2024, dropped to PKR 280 million in FY 2025, reducing support to bottom-line results.
- Return on Equity (ROE) and Return on Capital Employed (ROCE) declined to -8.64% and -5.23% respectively (FY 2024: 2.83% and 1.75%), reflecting negative returns due to the net loss.
- Shareholders' Funds as a share of total assets increased to 45.76% in FY 2025 (FY 2024: 43.71%) due to lower trade and other payables. However, returns on equity turned negative in line with profitability.
- Total Shareholders' Return (TSR) remained positive at 29.38%, though lower than 56.27% in FY 2024, reflecting reduced year-on-year market-based returns.

Overall: Profitability weakened in FY 2025. Despite higher sales, margin stability, and lower finance costs, increased operating expenses and a sharp decline in other income led to negative returns on equity and capital employed.

LIQUIDITY **RATIOS**

- The Current Ratio declined to 0.78 in FY 2025 (FY 2024: 0.91), highlighting tighter short-term liquidity.
- The Quick Ratio improved slightly to 0.60 (FY 2024: 0.49) but remained below the benchmark of 1.0, showing reliance on inventory for liquidity support.
- The Cash to Current Liabilities ratio fell to 0.04 (FY 2024: 0.08), reflecting limited cash availability relative to obligations.
- Cash Flow from Operations to Revenue improved to 0.01 in FY 2025 from -0.03 in FY 2024, though still weak.
- The Cash Flow to Capital Expenditures ratio strengthened to 1.14 (FY 2024: -2.38), showing that internal cash flows were sufficient to fund capex.
- The Cash Flow Coverage Ratio improved to 0.12 from -0.29, but remained below healthy levels.

Overall: Liquidity continues to be a challenge, though FY 2025 reflected improvement in operating cash generation and capex funding capability.

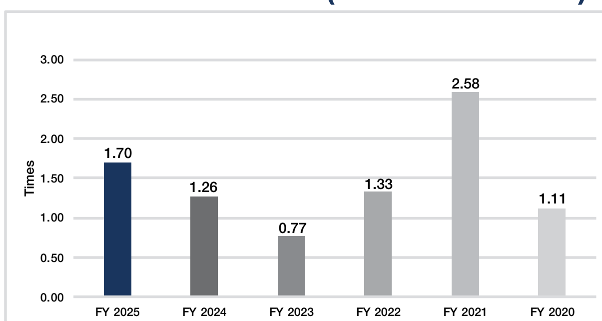
Key Performance Indicators	UOM	FY-2025	FY-2024	FY-2023	FY-2022	FY-2021	FY-2020
INVESTMENT/MARKET RATIOS							
Earnings / (Loss) per share	Rs.	(2.29)	0.80	(0.67)	5.3	2.6	-0.35
Diluted EPS	Rs.	(2.29)	0.80	(0.67)	5.3	2.6	-0.35
Price Earnings Ratio	Times	-19.69	44.56	-31.64	7.48	27.27	-86.51
Price to Book Ratio	Times	1.70	1.26	0.77	1.33	2.58	1.11
Dividend Yield Ratio	Times	0.00	0.00	0.09	0.10	0.04	0.01
Dividend Payout Ratio	Times	0.00	0.00	-2.98	0.72	1.12	(0.71)
Cash Dividend per share	Rs.	-	-	2	3.8	2.9	0.25
Market Value per share (year end)	Rs.	45.09	35.66	21.23	39.65	70.91	30.28
Market Value per share (highest)	Rs.	63.2	37.57	44.86	84	99.15	39.34
Market Value per share (lowest)	Rs.	30.5	21.67	20.05	37	30.1	16.7
Breakup Value / Book Value per share	Rs.	26.49	28.29	27.46	29.76	27.44	27.22
Breakup value per share including investment in related party	Rs.	26.49	28.29	27.46	29.76	27.44	27.22
Break up value per share without surplus on revaluation of freehold land	Rs	20.54	22.83	22.03	24.70	27.44	27.22
Break up value per share with surplus on revaluation of freehold land including investment of all effects	Rs.	26.49	28.29	27.46	29.76	27.44	27.22
No. of Shares based on par value of Rs.10	No.(000)	139,205	139,205	139,205	139,205	116,004	116,004
Total Dividend Paid	Rs.(000)	-	-	278,410	482,576	336,412	29,001

INVESTMENT / MARKET **SHARE RATIOS**

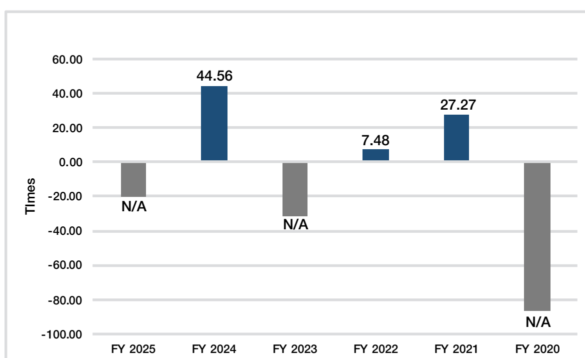
- Earnings per Share (EPS) fell to PKR -2.29 in FY 2025 (FY 2024: PKR 0.80) due to the net loss.
- The Price-to-Earnings (P/E) Ratio turned negative at -19.69x (FY 2024: 44.56x), as losses impacted valuation.
- The Price-to-Book Ratio eased to 1.70 (FY 2024: 1.82), reflecting slightly weaker investor sentiment.
- No dividends were declared in FY 2025 or FY 2024, in line with the Company's earnings position.
- The Market Value per Share (closing) declined to PKR 45.09 in FY 2025 (FY 2024: PKR 55.66), though it remained well above the FY 2023 level of PKR 21.23..
- The Break-up Value per Share decreased to PKR 26.49 (FY 2024: PKR 28.29), reflecting lower equity after losses.

Overall: Market indicators reflected reduced shareholder returns in FY 2025, driven by negative earnings, absence of dividends, and a lower share price compared to FY 2024.

Price To Book Ratio **Trend (FY 2025 - FY 2020)**

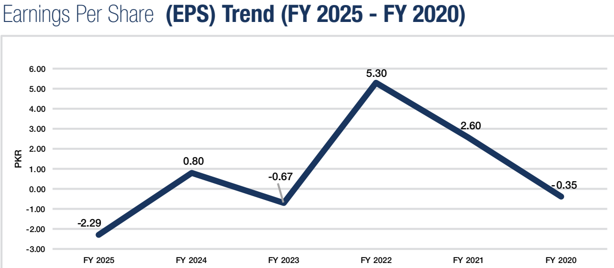


Price To Earning Ratio **Trend (FY 2025 - FY 2020)**



N/A= EPS negative, P/E not meaningful.

Earnings Per Share **(EPS) Trend (FY 2025 - FY 2020)**



ANALYSIS OF **FINANCIAL STATEMENTS**

FOR THE CURRENT **AND LAST FIVE YEARS**

FY-2025	UOM	FY-2025	FY-2024	FY-2023	FY-2022	FY-2021	FY-2020
CAPITAL STRUCTURE							
Financial Leverage Ratio	Times	0.58	0.62	0.65	0.52	0.32	0.27
Long term Debt to Equity Ratio (as per Book Value)	%	-	-	-	-	1.49%	1.84%
Long term Debt to Equity Ratio (as per Market Value)	%	-	-	-	-	0.58%	1.65%
Net assets per share	Rs.	26.49	28.29	27.46	29.76	27.44	27.22
Interest Coverage Ratio	Times	0.65	1.30	0.62	6.19	7.21	0.7
ACTIVITY/TURNOVER RATIOS							
Total Assets Turnover Ratio	Times	4.10	2.67	2.10	1.94	1.89	1.13
Fixed Assets Turnover Ratio	Times	12.44	8.66	6.00	6.85	5.78	3.32
No. of Days in Inventory	Days	14.84	23.38	51.98	45.54	27.49	50.63
No. of Days in Receivables	Days	12.44	8.96	3.12	2.15	3.09	41.03
No. of Days in Payables	Days	27.84	19.99	48.42	49.95	43.32	58.49
Operating Cycle	Days	(0.56)	12.35	6.68	(2.26)	(12.74)	33.17

CAPITAL STRUCTURE **RATIOS**

- The Financial Leverage Ratio declined to 0.58 in FY 2025 (FY 2024: 0.62), showing lower dependence on debt financing.
- Net Assets per Share stood at PKR 26.49 (FY 2024: PKR 28.29), declining due to reduced equity after the net loss.
- The Interest Coverage Ratio weakened to 0.65x (FY 2024: 1.30x), as operating profits were insufficient to comfortably cover finance costs, despite lower borrowings and reduced interest expense.

Overall: The Company maintained a moderate leverage profile with reduced financial risk, but limited interest coverage highlights the need to improve operating profitability for sustainable debt servicing.

ACTIVITY / TURNOVER **RATIOS**

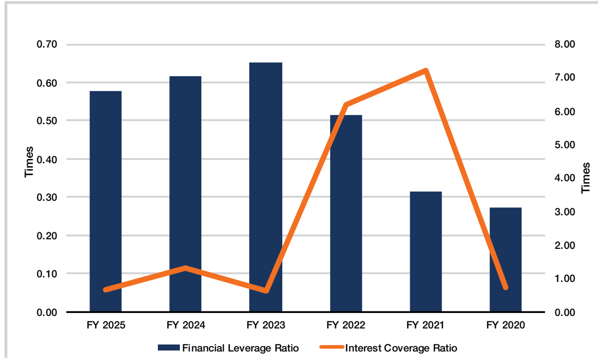
- The Total Assets Turnover Ratio improved to 4.10x in FY 2025 (FY 2024: 2.67x), reflecting stronger revenue generation from assets.
- The Fixed Assets Turnover Ratio rose to 12.44x (FY 2024: 8.66x), highlighting efficient use of fixed assets.
- Days in Inventory reduced sharply to 14.84 days (FY 2024: 23.38 days), reflecting improved stock control.
- Days in Receivables increased to 12.44 days (FY 2024: 8.96 days), indicating slightly slower recovery of trade debts.
- Days in Payables lengthened to 27.84 days (FY 2024: 19.99 days), reflecting improved credit terms with suppliers.
- The Operating Cycle turned negative at (0.56) days in FY 2025 (FY 2024: 12.35 days), underscoring greater efficiency in working capital management.

Overall: Activity ratios were a key strength in FY 2025, with significant efficiency gains in asset utilization, inventory, and receivables management, leading to a shortened operating cycle.

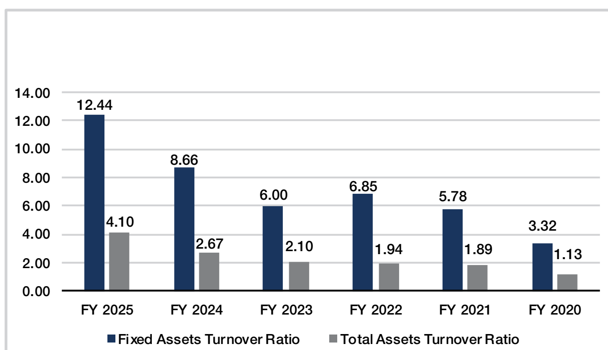
OVERALL **ANALYSIS**

FY 2025 was marked by mixed performance. Profitability ratios weakened due to higher operating expenses and a sharp fall in other income, despite higher revenues, margin stability, and lower finance costs. Liquidity ratios reflected continued constraints, although operating cash flows improved sufficiently to fund capital expenditure. Market ratios showed reduced shareholder returns due to negative earnings and lower share prices. The capital structure remained moderately leveraged with reduced reliance on debt, though interest coverage remained weak. A clear positive was in Activity Ratios, where operational efficiency improved significantly, supported by stronger asset utilization and shorter working capital cycles.

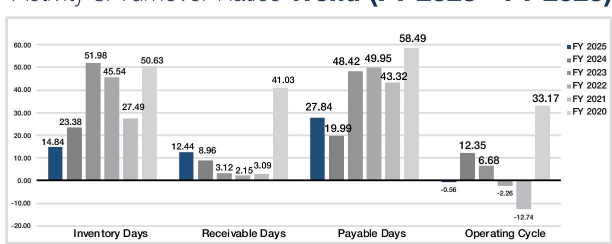
Capital Structure Ratios **Trend (FY 2025 - FY 2020)**



Asset Turnover Ratios **Trend (FY 2025 - FY 2020)**



Activity & Turnover Ratios **Trend (FY 2025 - FY 2020)**



INFORMATION ABOUT BUSINESS SEGMENT **AND NON-BUSINESS SEGMENT**

As required under IFRS 8 – Operating Segments, Hi-Tech Lubricants Limited (HTL) presents segmental information to provide a transparent view of the performance and financial position of its reportable segments.

The Company has identified the following reportable segments:
- **Lubricants** – purchase and sale of lubricants, parts, and rendering of services.
- **Petroleum Products** – Marketing and sale of petroleum products.

Other items, such as levy and taxation, are presented as unallocated. Operating income/expenses and finance costs are allocated to the respective segments.

SEGMENTAL ANALYSIS

A summary of segment information is presented below. Further details are available in Note 52 to the unconsolidated financial statements.

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

A) SEGMENTAL **PERFORMANCE**

Particulars	Lubricants FY2025	Lubricants FY2024	Petroleum FY2025	Petroleum FY2024
	(PKR in million)			
Revenue from contracts with customers - net	9,811	8,056	23,232	15,961
Gross Profit	1,414	1,054	625	391
Profit from Operations	74	680	189	26
(Loss)/Profit Before Tax	(274)	248	131	(86)
Segment Assets	5,454	3,762	2,282	4,925
Segment Liabilities	1,647	1,622	1,169	1,906

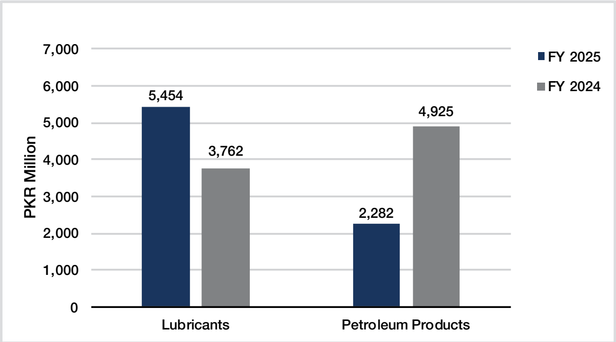
B) COMMENTARY

- The Lubricants segment achieved revenue growth of 22%, reaching PKR 9.81 billion, supported by higher volumes and distribution strength. However, profitability declined, with a loss before tax of PKR 274 million (FY2024: profit of PKR 248 million), reflecting higher operating expenses and finance charges.

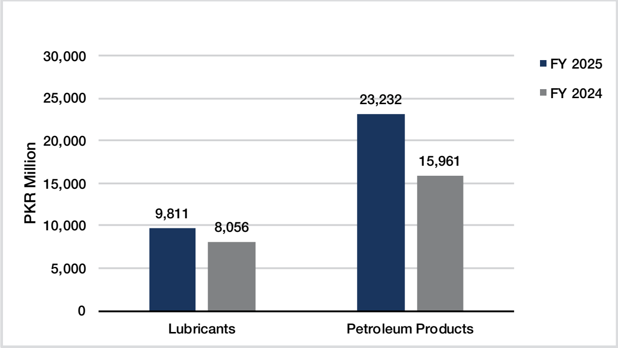
- The Petroleum Products segment demonstrated strong momentum, with revenue growing by 45% to PKR 23.23 billion on account of the expansion of HTL's retail fuel network. The segment posted a profit before tax of PKR 131 million (FY2024: loss of PKR 86 million), evidencing improved operational efficiencies and better cost absorption.

On the statement of financial position side, segment assets stood at PKR 7.74 billion (FY2024: PKR 8.69 billion), while segment liabilities reduced to PKR 2.82 billion (FY2024: PKR 3.53 billion), reflecting disciplined capital and working capital management.

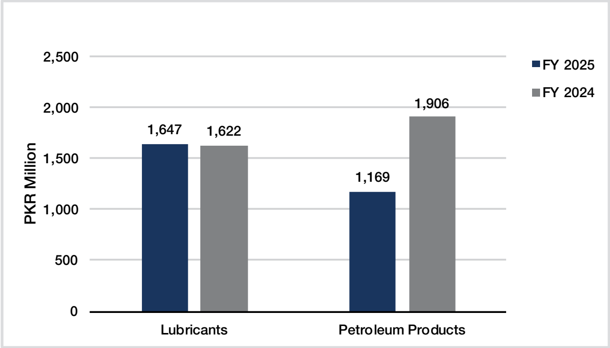
Segment **Assets (FY 2025 - FY 2024)**



Segment **Revenue (FY 2025 - FY 2024)**



Segment **Liabilities (FY 2025 - FY 2024)**



VERTICAL **ANALYSIS**

FOR THE CURRENT **AND LAST FIVE YEARS**

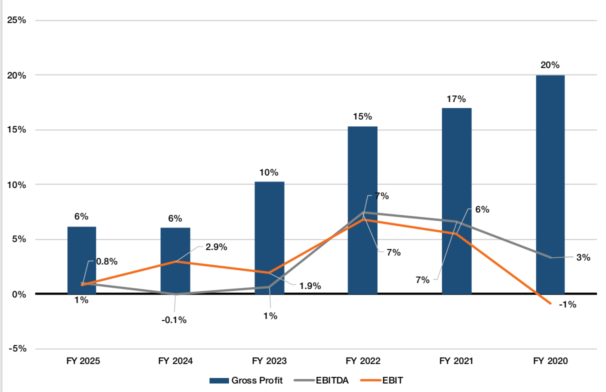
Statement of Profit or Loss	2025		2024		2023		2022		2021		2020	
	Rs. (000)	%age	Rs. (000)	%age	Rs. (000)	%age	Rs. (000)	%age	Rs. (000)	%age	Rs. (000)	%age
Net Revenue	33,042,904	100.00%	24,016,482	100.00%	15,531,692	100%	17,739,037	100%	10,598,209	100%	5,628,659	100%
Cost of Sales	(31,003,865)	93.83%	(22,571,816)	93.98%	(13,944,983)	90%	(15,019,145)	85%	(8,802,509)	83%	(4,503,767)	80%
Gross Profit	2,039,039	6.17%	1,444,666	6.02%	1,586,709	10%	2,719,892	15%	1,795,700	17%	1,124,892	20%
Administrative Expenses	(735,431)	2.23%	(689,468)	2.87%	(683,246)	4%	(524,457)	3%	(431,094)	4%	(328,992)	6%
Distribution Cost	(972,588)	2.94%	(771,180)	3.21%	(811,509)	5%	(876,129)	5%	(666,407)	6%	(609,514)	11%
EBITDA	331,020	1.00%	(15,982)	-0.07%	91,954	1%	1,319,306	7%	698,199	7%	186,386	3%
Depreciation and Amortization	(294,847)	0.89%	(281,532)	1.17%	(267,484)	2%	(255,338)	1%	(184,463)	2%	(157,102)	3%
Other Expenses	(53,368)	0.16%	(54,559)	0.23%	(36,143)	0.2%	(236,055)	1.3%	(41,275)	0.4%	(20,180)	0.4%
Other Income	279,688	0.85%	1,058,520	4.41%	505,106	3%	382,803	2%	112,541	1%	126,125	2%
EBIT	262,493	0.79%	706,447	2.94%	293,433	1.9%	1,210,716	7%	585,002	6%	(51,157)	-1%
Finance Cost	(405,199)	1.23%	(544,047)	2.27%	(474,617)	3%	(195,516)	1%	(81,148)	1%	(186,326)	3%
(Loss) / Profit Before Taxation	(142,706)	-0.43%	162,400	0.68%	(181,184)	-1%	1,015,200	6%	503,854	5%	(51,097)	-1%
Taxation	(176,075)	0.53%	(50,996)	0.21%	87,771	-0.6%	(277,278)	1.6%	(142,533)	1.3%	10,980	-0.2%
(Loss) / Profit After Taxation	(318,781)	-0.96%	111,404	0.46%	(93,413)	-1%	737,922	4%	361,321	3%	(40,117)	-1%

STATEMENT OF PROFIT OR LOSS **VERTICAL ANALYSIS**

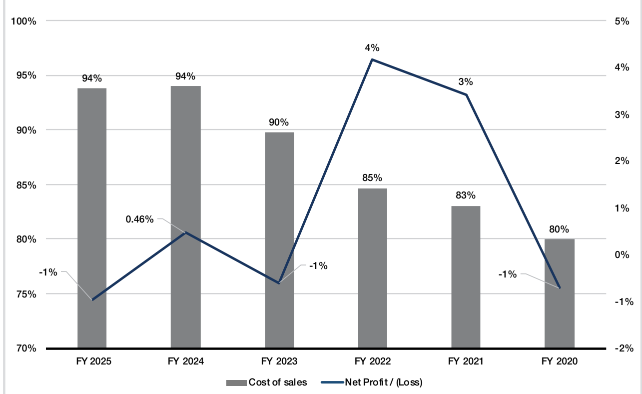
- In FY 2025, Cost of Sales consumed 93.83% of revenue (FY 2024: 93.98%), leaving a Gross Margin of 6.17% — a marginal improvement but still significantly below the 15–20% levels recorded in FY 2020–2022.
- Operating expenses (Administrative 2.23% + Distribution 2.94%) represented 5.17% of revenue, slightly reduced from 6.08% in FY 2024, reflecting better cost discipline.
- EBITDA recovered to 1.00% of revenue in FY 2025 (FY 2024: -0.07%), though still below the 7% margin achieved in FY 2022.
- Other income contribution fell sharply to 0.85% of revenue (FY 2024: 4.41%), removing a key support that had previously boosted results.
- Consequently, EBIT declined to 0.79% (FY 2024: 2.94%), despite the recovery in EBITDA.
- Finance cost absorbed 1.23% of revenue (FY 2024: 2.27%), showing the positive effect of reduced borrowing.
- After levy and taxation (0.53% of revenue), the Net Loss stood at 0.96% of revenue in FY 2025 versus a small net profit of 0.46% in FY 2024.

Takeaway: FY 2025 performance was revenue-driven with modest margin gains and lower finance costs but reduced other income and persistent expense pressure led to a net loss position.

Profitability Margins **Trend (FY 2025 - FY 2020)**



Cost of Sales VS **Profit Margin (% of Net Revenue) (FY 2025 - FY 2020)**



Statment of Financial Position	2025		2024		2023		2022		2021		2020	
	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age
ASSETS												
Non-current assets												
Fixed assets	2,656,770	33.0%	2,771,812	30.8%	2,589,503	35.0%	2,590,342	28.3%	1,833,546	32.6%	1,693,746	33.9%
Right-of-use assets	449,029	5.57%	591,487	6.56%	605,121	8.2%	555,745	6.1%	359,293	6.4%	270,943	5.4%
Intangible assets	2,710	0.03%	1,198	0.01%	3,982	0.1%	6,658	0.1%	10,646	0.2%	7,597	0.2%
Investment property	-	0.00%	-	0.00%	135,000	1.8%	130,000	1.4%	93,750	1.7%		
Investment in subsidiary company	1,300,001	16.13%	1,300,001	14.43%	1,300,001	17.6%	1,300,001	14.2%	1,300,001	23.1%	1,300,001	26.0%
Long term loans to employees	1,117	0.01%	2,051	0.02%	2,985	0.0%	783	0.0%	-	0.0%	-	0.0%
Long term security deposits	14,337	0.18%	37,719	0.42%	51,943	0.7%	37,695	0.4%	29,402	0.5%	9,720	0.2%
Deferred income tax asset-net	121,450	1.51%	144,162	1.60%	83,599	1.1%	-	0.0%	48,246	0.9%	107,956	2.2%
	4,545,414	56.4%	4,848,430	53.8%	4,772,134	64.5%	4,621,224	50.6%	3,674,884	65.4%	3,389,963	67.9%
Current assets												
Stock-in-trade	731,023	9.1%	1,789,236	19.9%	1,102,921	14.9%	2,868,898	31.4%	878,742	15.6%	447,345	9.0%
Trade debts	1,232,490	15.3%	1,019,802	11.3%	159,240	2.2%	106,219	1.2%	103,225	1.8%	76,104	1.5%
Loans and advances	307,360	3.8%	245,699	2.7%	625,011	8.5%	192,210	2.1%	89,718	1.6%	151,182	3.0%
Short term deposits and prepayments	33,574	0.4%	27,757	0.3%	32,337	0.4%	24,309	0.3%	19,317	0.3%	31,144	0.6%
Accrued Interest	10	0.0%	3,486	0.0%	52,988	0.7%	571	0.0%	390	0.0%	2	0.0%
Other receivables	412,524	5.1%	365,876	4.1%	188,392	2.5%	440,065	4.8%	141,381	2.5%	50,015	1.0%
Short term investments	240,352	3.0%	222,717	2.5%	222,583	3.0%	226,804	2.5%	446,043	7.9%	723,285	14.5%
Cash and bank balances	145,890	1.8%	352,417	3.9%	239,412	3.2%	657,142	7.2%	264,544	4.7%	124,178	2.5%
	3,103,223	38.5%	4,026,990	44.7%	2,622,884	35.5%	4,516,218	49.4%	1,943,360	34.6%	1,603,255	32.1%
Non-current asset classified as held for sale	410,000	5.1%	135,000	1.5%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
TOTAL ASSETS	8,058,637	100.0%	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%
EQUITY AND LIABILITIES												
SHARE CAPITAL AND RESERVES												
Issued, subscribed and paid up capital	1,392,048	17.27%	1,392,048	15.45%	1,392,048	18.8%	1,392,048	15.2%	1,160,040	20.6%	1,160,040	23.2%
Share premium	1,441,698	17.9%	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%
Surplus on revaluation of freehold land	829,070	10.3%	760,858	8.4%	756,847	10.2%	704,626	7.7%				
Un-appropriated profit	24,975	0.3%	343,756	3.8%	232,352	3.1%	604,175	6.6%	580,837	10.3%	555,928	11.1%
Total equity	3,687,791	45.8%	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%
Non-current liabilities												
Long term financing	-	0.0%	-	0.0%	-	0.0%	-	0.0%	47,490	0.8%	42,268	0.8%
Lease liabilities	381,667	4.7%	497,633	5.5%	492,139	6.7%	471,952	5.2%	334,670	6.0%	204,637	4.1%
Long term deposit	26,000	0.3%	15,000	0.2%	16,500	0.2%	17,000	0.2%	17,000	0.3%	500	0.0%
Deferrred income tax liability - net	-	0.0%	-	0.0%	-	0.0%	69,878	0.8%	-	0.0%	-	0.0%
Deferred liabilities	-	0.0%	-	0.0%	-	0.0%	-	0.0%	362	0.0%	1,863	0.0%
	407,667	5.1%	512,633	5.7%	508,639	6.9%	558,830	6.1%	399,522	7.1%	249,268	5.0%
Current liabilities												
Trade and other payables	2,169,593	26.9%	2,559,182	28.4%	974,284	13.2%	2,725,758	29.8%	1,385,265	24.7%	704,279	14.1%
Accrued mark-up	37,294	0.5%	67,682	0.8%	81,020	1.1%	38,150	0.4%	9,757	0.2%	22,103	0.4%
Short term borrowings	1,618,958	20.1%	1,777,188	19.7%	1,851,556	25.0%	1,494,219	16.4%	461,181	8.2%	766,263	15.3%
Current portion of non-current liabilities	131,961	1.6%	149,684	1.7%	150,743	2.0%	172,182	1.9%	162,698	2.9%	90,201	1.8%
Unclaimed dividend	5,373	0.1%	5,689	0.1%	5,831	0.1%	5,756	0.1%	6,327	0.1%	3,438	0.1%
Provision for taxation and levy - net	-	0.0%	-	0.0%	-	0.0%	-	0.0%	10,919	0.2%	-	0.0%
	3,963,179	49.2%	4,559,425	50.6%	3,063,434	41.4%	4,436,065	48.5%	2,036,147	36.2%	1,586,284	31.8%
TOTAL EQUITY AND LIABILITIES	8,058,637	100.0%	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%

VERTICAL **ANALYSIS**

FOR THE CURRENT **AND LAST FIVE YEARS**

FINANCIAL POSITION'S **VERTICAL ANALYSIS**

The vertical analysis of the statement of financial position provides a clear view of the Company's financial structure, highlighting the composition of assets, equity, and liabilities across both short-term and long-term categories.

As of June 30, 2025, the Company's total assets were divided into non-current assets, which accounted for 56.4%, and current assets, representing 43.6% of the asset base. The asset mix reflects a stronger tilt toward fixed investments and long-term holdings, with a relatively smaller proportion tied to liquid and working capital resources.

On the financing side, the Company's structure consisted of equity of 45.8%, non-current liabilities of 5.1%, and current liabilities of 49.2% of total assets.

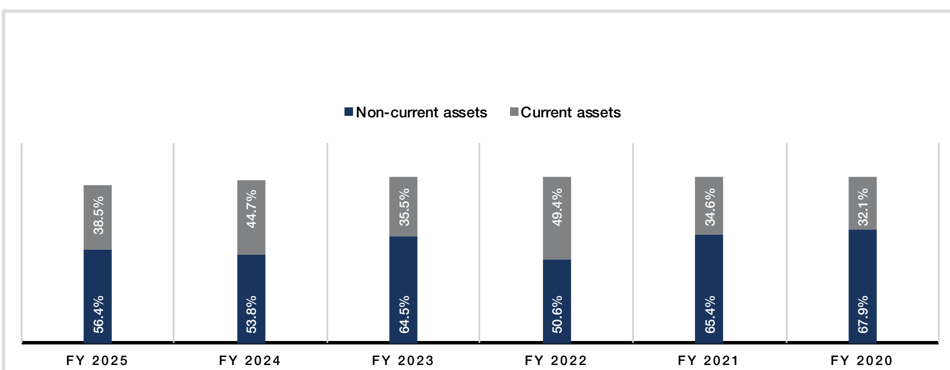
Within equity, the largest components were:
- Issued, subscribed and paid-up share capital: 17.3%
- Share premium: 17.9%
- Surplus on revaluation of freehold land: 10.3%
- Unappropriated profit: 0.3%

Non-current liabilities were modest, comprising mainly lease liabilities (4.7%) and long-term deposits (0.3%), representing the Company's limited long-term obligations.

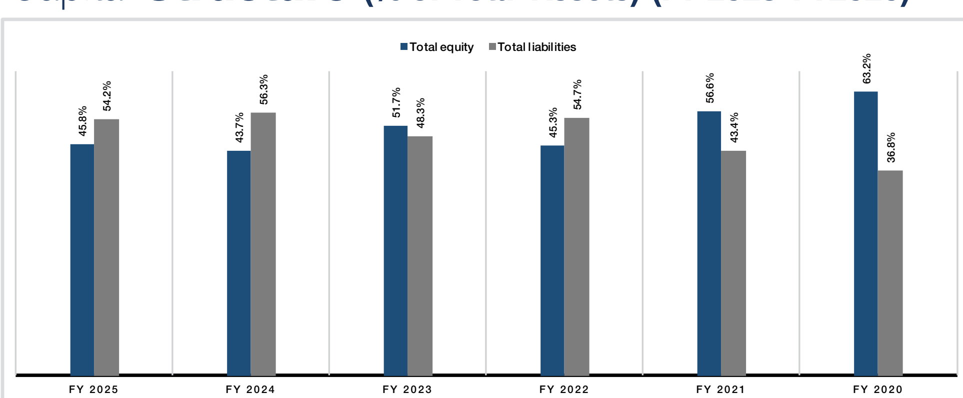
On the other hand, current liabilities accounted for 49.2% of total assets, primarily comprising short-term borrowings (20.1%) and trade and other payables (26.9%), reflecting the Company's reliance on working capital financing and trade-related obligations.

Overall Insight: The financial position demonstrates a relatively balanced structure, with a substantial equity base, reduced long-term liabilities, and continued reliance on current liabilities for funding operations. While non-current assets dominate the statement of financial position, liquidity remains constrained due to the significant proportion of short-term obligations.

Asset **Composition** (% of Total Assets) (FY 2025-FY2020)



Capital **Structure** (% of Total Assets) (FY 2025-FY2020)



HORIZONTAL **ANALYSIS**

FOR THE CURRENT **AND LAST FIVE YEARS**

Statment of Financial Position	2025		2024		2023		2022		2021		2020	
	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age
ASSETS												
Non-current assets												
Fixed assets	2,656,770	-4.15%	2,771,812	7.04%	2,589,503	-0.03%	2,590,342	41.27%	1,833,546	8.25%	1,693,746	14.25%
Right-of-use assets	449,029	-24.08%	591,487	-2.25%	605,121	8.88%	555,745	54.68%	359,293	32.61%	270,943	0.00%
Intangible assets	2,710	126.17%	1,198	-69.91%	3,982	-40.19%	6,658	-37.46%	10,646	40.13%	7,597	0.00%
Investment property	-	0.00%	-	-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	1,117	-45.55%	2,051	-31.29%	2,985	281.23%	783	0.00%	-	0.00%	-	0.00%
Long term security deposits	14,337	-61.99%	37,719	-27.38%	51,943	37.80%	37,695	28.21%	29,402	202.49%	9,720	-32.26%
Deferred income tax asset-net	121,450	100.00%	144,162	100.00%	83,599	100.00%	-	-100.00%	48,246	-55.31%	107,956	0.00%
	4,545,414	-6.25%	4,848,430	1.60%	4,772,134	3.27%	4,621,224	25.75%	3,674,884	8.40%	3,389,963	8.40%
Current assets												
Stock-in-trade	731,023	-59.14%	1,789,236	62.23%	1,102,921	-61.56%	2,868,898	226.48%	878,742	96.43%	447,345	-16.56%
Trade debts	1,232,490	20.86%	1,019,802	540.42%	159,240	49.92%	106,219	2.90%	103,225	35.64%	76,104	401.98%
Loans and advances	307,360	25.10%	245,699	-60.69%	625,011	225.17%	192,210	114.24%	89,718	-40.66%	151,182	-74.91%
Short term deposits and prepayments	33,574	20.96%	27,757	-14.16%	32,337	33.02%	24,309	25.84%	19,317	-37.98%	31,144	75.03%
Other receivables	412,524	12.75%	365,876	94.21%	188,392	-57.19%	440,065	211.26%	141,381	182.68%	50,015	87.51%
Accrued Interest	10	-99.71%	3,486	-93.42%	52,988	9179.86%	571	46.41%	390	19400.00%	2	-49.32%
Short term investments	240,352	7.92%	222,717	0.06%	222,583	-1.86%	226,804	-49.15%	446,043	-38.33%	723,285	-3.80%
Cash and bank balances	145,890	-58.60%	352,417	47.20%	239,412	-63.57%	657,142	148.41%	264,544	113.04%	124,178	-66.30%
	3,103,223	-22.94%	4,026,990	53.53%	2,622,884	-41.92%	4,516,218	132.39%	1,943,360	21.21%	1,603,255	13.05%
Non-current asset classified as held for sale	410,000	203.70%	135,000									
TOTAL ASSETS	8,058,637	-10.56%	9,010,420	21.84%	7,395,018	-19.07%	9,137,442	62.64%	5,618,244	12.52%	4,993,218	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	0.00%	1,392,048	20.00%	1,160,040	0.00%	1,160,040	0.00%
Share premium	1,441,698	0.00%	1,441,698	0.00%	1,441,698	0.00%	1,441,698	0.00%	1,441,698	0.00%	1,441,698	
Surplus on revaluation of freehold land	829,070	8.97%	760,858	0.53%	756,847	7.41%	704,626	100.00%	-	0.00%	-	
Un-appropriated profit	24,975	-92.73%	343,756	47.95%	232,352	-61.54%	604,175	4.02%	580,837	4.48%	555,928	0.00%
Total equity	3,687,791	-6.36%	3,938,361	3.02%	3,822,945	-7.72%	4,142,547	30.16%	3,182,575	0.79%	3,157,666	-17.11%
Non-current liabilities												
Long term financing	-	0.00%	-	0.00%	-	0.00%	-	-100.00%	47,490	12.35%	42,268	-87.77%
Liabilities against assets subject to finance lease	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	-66.34%
Lease liabilities	381,667	-23.30%	497,633	1.12%	492,139	4.28%	471,952	41.02%	334,670	63.54%	204,637	0.00%
Long term deposits	26,000	73.33%	15,000	-9.09%	16,500	-2.94%	17,000	0.00%	17,000	3300.00%	500	-33.33%
Deferrred income tax liability - net	-	0.00%	-	0.00%	-	0.00%	69,878	100.00%				-
Deferred liabilities	-	0.00%	-	0.00%	-	0.00%	-	-100.00%	362	-80.57%	1,863	-100.00%
	407,667	-20.48%	512,633	0.79%	508,639	-8.98%	558,830	39.87%	399,522	60.28%	249,268	0.5%
Current liabilities												
Trade and other payables	2,169,593	-15.22%	2,559,182	162.67%	974,284	-64.26%	2,725,758	96.77%	1,385,265	96.69%	704,279	20.38%
Accrued mark-up	37,294	-44.90%	67,682	-16.46%	81,020	112.37%	38,150	291.00%	9,757	-55.86%	22,103	281.93%
Short term borrowings	1,618,958	-8.90%	1,777,188	-4.02%	1,851,556	23.91%	1,494,219	224.00%	461,181	-39.81%	766,263	179.09%
Current portion of non-current liabilities	131,961	-11.84%	149,684	-0.70%	150,743	-12.45%	172,182	5.83%	162,698	80.37%	90,201	16.11%
Unclaimed dividend	5,373	-5.56%	5,689	-2.44%	5,831	1.30%	5,756	-9.02%	6,327	84.03%	3,438	
Provision for taxation and levy - net	-	0.00%	-	0.00%	-	0.00%	-	0.00%	10,919	0.00%	-	-98.95%
	3,963,179	-13.08%	4,559,425	48.83%	3,063,434	-30.94%	4,436,065	117.87%	2,036,147	28.36%	1,586,284	87.90%
TOTAL EQUITY AND LIABILITIES	8,058,637	-10.56%	9,010,420	21.84%	7,395,018	-19.07%	9,137,442	62.64%	5,618,244	12.52%	4,993,218	10.75%

Statment of Profit or Loss	2025		2024		2023		2022		2021		2020	
	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age
Net Revenue	33,042,904	38%	24,016,482	55%	15,531,692	-12%	17,739,037	67%	10,598,209	88%	5,628,659	2%
Cost of Sales	(31,003,865)	37%	(22,571,816)	62%	(13,944,983)	-7%	(15,019,145)	71%	(8,802,509)	95%	(4,503,767)	11%
Gross Profit	2,039,039	41%	1,444,666	-9%	1,586,709	-42%	2,719,892	51%	1,795,700	60%	1,124,892	-33%
Administrative Expenses	(735,431)	7%	(689,468)	1%	(683,246)	30%	(524,457)	22%	(431,094)	31%	(328,992)	11%
Distribution Cost	(972,588)	26%	(771,180)	-5%	(811,509)	-7%	(876,129)	31%	(666,407)	9%	(609,514)	31%
EBITDA	331,020	2171%	(15,982)	117%	91,954	-93%	1,319,306	89%	698,199	275%	186,386	-89%
Depreciation and Amortization	(294,847)	5%	(281,532)	5%	(267,484)	5%	(255,338)	38%	(184,463)	17%	(157,102)	41%
Other Expenses	(53,368)	-2%	(54,559)	51%	(36,143)	-85%	(236,055)	472%	(41,275)	105%	(20,180)	64%
Other Income	279,688	-74%	1,058,520	110%	505,106	32%	382,803	240%	112,541	-11%	126,125	5%
EBIT	262,493	-63%	706,447	141%	293,433	-76%	1,210,716	107%	585,002	333%	135,229	-96%
Finance Cost	(405,199)	-26%	(544,047)	15%	(474,617)	143%	(195,516)	141%	(81,148)	-56%	(186,326)	185%
(Loss) / Profit Before Levy and Taxation	(142,706)	-188%	162,400	190%	(181,184)	-118%	1,015,200	-101%	503,854	1086%	(51,097)	-123%
Levy and Taxation	(176,075)	245%	(50,996)	-158%	87,771	-132%	(277,278)	-95%	(142,533)	1398%	10,980	-26%
(Loss) / Profit After Levy and Taxation	(318,781)	-386%	111,404	219%	(93,413)	-113%	737,922	-104%	361,321	1001%	(40,117)	-178%

HORIZONTAL **ANALYSIS**

FOR THE CURRENT **AND LAST FIVE YEARS**

FINANCIAL POSITION **HORIZONTAL ANALYSIS**

Non-current assets exhibited a modest decrease of -6.25% in comparison to FY 2024. This decrease was primarily attributed to the lower of a long term security deposit during the year.

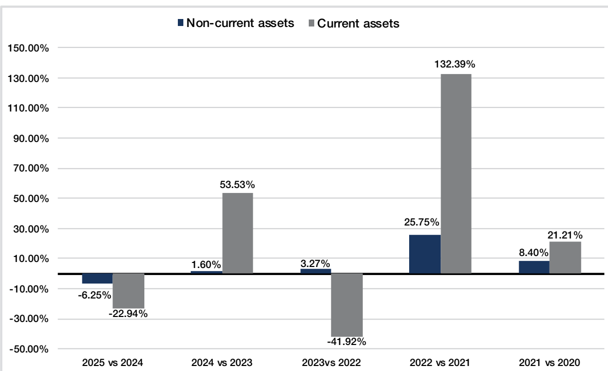
There was a substantial decrease of -22.94% in current assets. This decline can be attributed to a reduction in inventory stocks, trade debts, other receivables and cash and bank balances.

The total equity of the company witnessed a decline of -6.36%. This decline was primarily driven by the loss incurred during the fiscal year and dividend payments to shareholders.

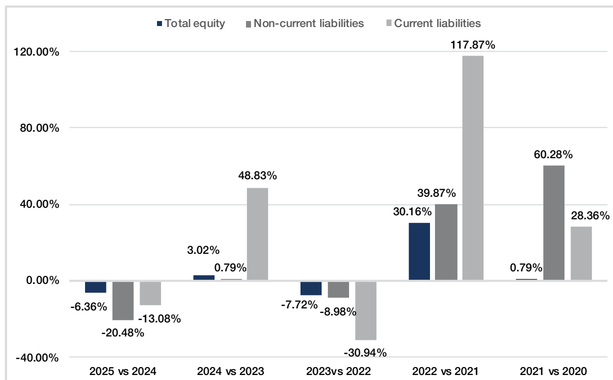
Non-current liabilities showed a reduction of -20.48%. This decline was mainly attributed to reductions in lease liability.

Similarly, current liabilities experienced a significant reduction of -13.08%. This reduction was primarily due to a decrease in trade and other payables, indicating improved short-term financial obligations.

YOY Change in Current **and Non-Current Assets %**



YOY Change in Equity **and Liabilities %**



STATEMENT OF PROFIT OR LOSS **HORIZONTAL ANALYSIS**

In the fiscal year 2025, the company faced a notable decline in its financial performance compared to the preceding fiscal year, FY2024:

The Company's net revenue witnessed a significant decrease of 38% in FY2025 when contrasted with FY2024 mainly on account of reduction in sales revenue.

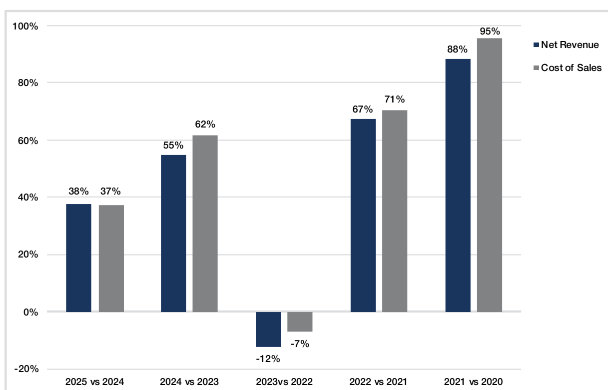
The cost of sales experienced a 37% reduction in FY2025. This reduction in the cost of sales align with the decrease in revenue.

Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) plummeted by 2171%, indicating a substantial decline in the company's operational performance.

Finance costs saw a decline of -26%. These decreases attributed to lower interest rates during the year.

The company incurred a loss of Rupees 318,781 after taxation in FY2025, underscoring the challenges faced during this financial year.

YOY Change in **Net Revenue VS Cost of Sales**



DISCLOSURE OF **MARKET**

SHARE OF THE COMPANY ALONG **WITH SHARE PRICE SENSITIVITY ANALYSIS**

MARKET SHARE **OF THE COMPANY**

Hi-Tech Lubricants Limited (HTL) maintains a notable presence in the lubricants sector of Pakistan. While official industry-wide market share statistics are not published, the Company's relative position can be measured through its extensive distribution network, strong brand recognition, and consistent growth in volumes across its key segments.

HTL is among the leading players in the lubricants segment, supported by its long-standing partnership with SK Enmove Co., Ltd. In the petroleum segment, HTL continues to expand its retail footprint with 61 fuel stations across Punjab, Khyber Pakhtunkhwa, Azad Jammu & Kashmir, and Islamabad. The polymer segment further diversifies the Company's presence in industrial and consumer markets.

The Company remains committed to enhancing its market positioning by leveraging local blending facilities, expanding Express Canters, strengthening its Petroleum segment retail network, and pursuing product innovation in line with evolving customer needs.

SHARE PRICE **SENSITIVITY ANALYSIS**

HTL's share price is influenced by operating performance, market sentiment, macroeconomic conditions, and movements in interest rates and currency. The Company disseminates all price-sensitive information to the Pakistan Stock Exchange Limited (PSX) in a timely manner in line with applicable listing regulations.

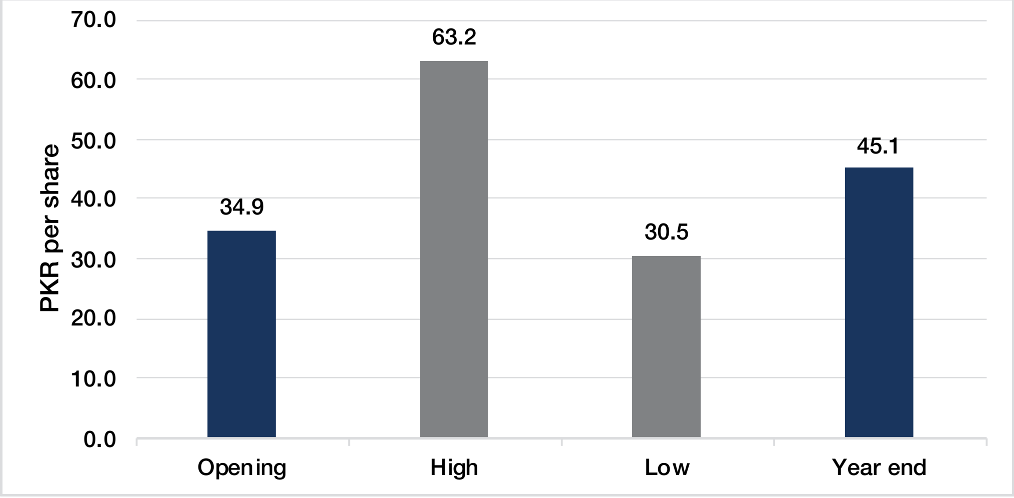
Methodology (Directional, All Else Equal): Sensitivities show the isolated effect on earnings from standard shocks to each driver; they are illustrative only and not a forecast.

Key Driver	Standard Variation	Expected Effect on Earnings	Relationship
Selling price	±5%	Higher price expands margins and lifts earnings; lower price reduces earnings	Direct (+)
Stock-in-trade / Input Costs	±5%	Higher costs compress margins and reduce earnings	Inverse (–)
Interest Rates	±100 bps	Higher rates increase finance costs and weigh on earnings	Inverse (–)
PKR vs USD	±5%	PKR depreciation raises imported input costs, pressuring margins and earnings	Inverse (–)

SHARE PRICE **BEHAVIOUR (FY2025)**

The Company's share price opened at PKR 34.90 on 1 July 2024 and closed at PKR 45.09 on 30 June 2025, reflecting an annual increase of approximately 29%. During the year, the stock traded between a low of PKR 30.50 and a high of PKR 63.20, depicting volatility influenced by macroeconomic conditions, market sentiment, and sectoral developments.

HTL Share Price **Behaviour FY 2025**

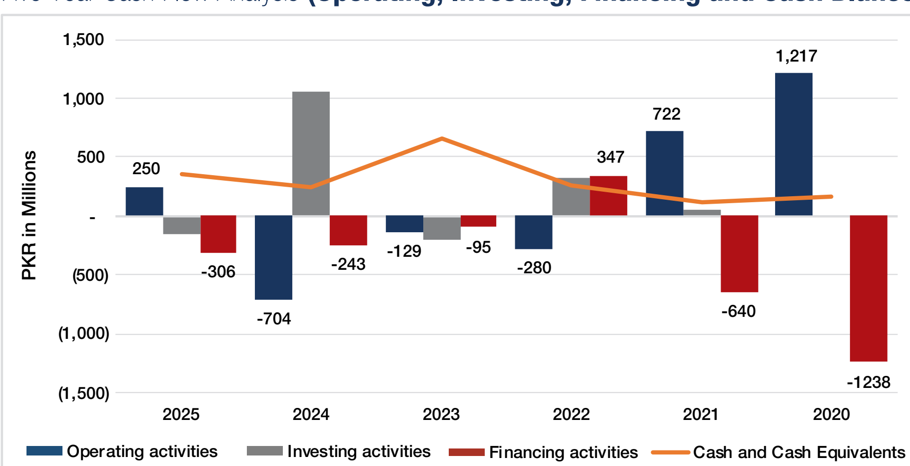


CASH FLOWS **ANALYSIS**

FOR THE CURRENT **AND LAST FIVE YEARS**

Summary of Cash Flow Statement	2025	2024	2023	2022	2021	2020
			Rs.(000)			
CASH FLOWS FROM OPERATING ACTIVITIES						
(Loss) / profit before taxation	(142,706)	162,400	(181,184)	1,015,200	503,854	(51,098)
Adjustments for non-cash items and other items	588,277	40,852	310,629	283,334	192,073	218,949
Working capital changes	469,381	(228,469)	377,161	(1,349,853)	160,289	1,354,187
Finance cost paid	(435,587)	(557,384)	(431,385)	(162,381)	(85,570)	(233,431)
Income tax paid	(255,463)	(137,305)	(200,960)	(58,722)	(56,195)	(74,725)
Net (increase) / decrease in long term loan to employees	-	-	(3,136)	(983)	-	280
Decrease / (increase) in long term security deposits	14,880	17,589	103	(6,682)	(8,702)	2,898
Increase / (decrease) in long term deposits	11,000	(1,500)	(500)	-	16,500	(500)
Net cash generated from / (used in) operting activities	249,781	(703,817)	(129,272)	(280,087)	722,249	1,216,560
CASH FLOWS FROM INVESTING ACTIVITIES						
Capital expenditures on operating fixed assets	(215,606)	(296,132)	(134,758)	(198,381)	(267,487)	(282,116)
Capital expenditures on intangible assets	(2,778)	-	(1,500)	(825)	(7,069)	(5,362)
Initial direct cost incurred on right of use assets	-	-	-	(3,411)	(1,204)	-
Proceeds from disposal of operating fixed assets	15,706	21,929	59,958	2,557	13,776	15,395
Loans to subsidiary company	(512,800)	(391,900)	(1,093,657)	-	-	-
Repayment of loans by subsidiary company	512,800	877,400	608,157	-	-	-
Short term investments - net	(16,964)	5,417	4,938	220,880	277,775	153,963
Dividend received	31,398	692,512	295,937	282,797	20,453	10,437
Interest received on loans to subsidiary company	36,714	115,830	44,386	-	-	7,741
Profit on bank deposits and term deposits received	1,129	35,121	22,813	21,992	21,829	86,942
Net cash (used in) / from investing activites	(150,400)	1,060,177	(193,726)	325,609	58,073	(13,000)
Cash flow from financing activities						
Repayment of lease liabilities	(147,363)	(168,845)	(125,883)	(107,111)	(81,501)	(48,576)
Dividends paid	(317)	(141)	(278,334)	(483,148)	(333,524)	(29,589)
Long term financing obtained	-		-	-	126,582	63,404
Long term financing repaid	-	-	(47,851)	(95,704)	(46,431)	(14,894)
Short term borrowings - net	(158,229)	(74,368)	357,337	1,033,038	(305,082)	(1,208,652)
Net cash used in financing activites	(305,908)	(243,354)	(94,731)	347,075	(639,956)	(1,238,307)
Net (decrease) / increase in cash and cash equivalents	(206,527)	113,006	(417,729)	392,597	140,366	(34,747)
Cash and cash equivalents at the beginning of the year	352,417	239,412	657,141	264,544	124,178	158,925
Cash and cash equivalents at the end of year	145,890	352,418	239,412	657,141	264,544	124,178

Five Year Cash Flow Analysis **(Operating, Investing, Financing and Cash Blance)**



CASH FLOWS **ANALYSIS**

In FY2025, the Company generated net operating cash inflows of PKR 249 million, a marked improvement from the net outflows of PKR 703 million in FY2024. This reflects stronger working capital management and reduced financing costs, highlighting better efficiency in day-to-day operations.

On the other hand, investing activities shifted from a net inflow of PKR 1,060 million in FY2024 to a net outflow of PKR 150 million in FY2025, primarily due to short-term loans extended to the subsidiary company, which offset income from investments and asset disposals.

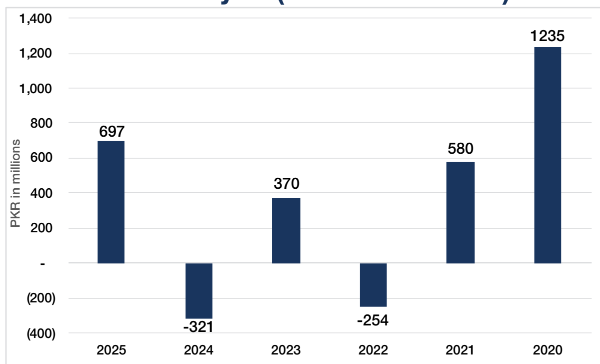
Financing activities recorded net outflows of PKR 306 million in FY2025 compared to PKR 243 million in FY2024, largely driven by higher repayments of lease liabilities and short-term borrowings. This indicates a higher cash outflow for financial obligations during the year.

As a result, the Company's cash and cash equivalents declined to PKR 146 million at the end of FY2025 from PKR 352 million in FY2024. Despite improved operating performance, the increased investing and financing outflows outweighed operating inflows, leading to a lower year-end cash position.

ANALYSIS OF FREE **CASH FLOWS**

Free Cash Flows	2025	2024	2023
	Rupees in thousand		
(Loss) / Profit before taxation	(142,706)	162,400	(181,184)
Adjustments for non-cash items and other items	588,277	40,852	310,629
Working capital changes	469,381	(228,469)	377,161
Capital additions	(218,383)	(296,132)	(136,258)
Free Cash Flows	696,569	(321,349)	370,348

Free Cash Flows **Anlysis (FY 2025 - FY 2020)**



DIRECT METHOD **CASH FLOWS**

Cash Flows From Operating Activities	2025	2024
	Rupees	
Collection from customers	35,540,050,550	24,976,176,601
Payments to employees as remuneration	979,946,215	(918,958,186)
Payments to suppliers and service providers	(33,367,187,890)	(21,854,190,232)
Income tax paid	(255,463,325)	(137,305,411)
Sales tax paid	(2,211,977,021)	(2,212,155,756)
Finance cost paid	(435,587,099)	(557,384,460)
Net cash generated from / (used in) operating activities	249,781,430	(703,817,444)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on operating fixed assets	(215,606,316)	(296,131,583)
Capital expenditure on intangible assets	(2,777,527)	-
Short term loan given to subsidiary company	(512,800,000)	(391,900,000)
Short term loan repaid by subsidiary company	512,800,000	877,400,000
Proceeds from disposal of operating fixed assets	15,705,735	21,928,948
Short term investments - net	(16,963,811)	5,416,933
Dividends received	31,398,163	692,512,052
Interest received on short term loan to subsidiary company	36,714,195	115,829,997
Profit on bank deposits and term deposit receipt received	1,129,385	35,120,772
Net cash (used in) / from investing activities	(150,400,176)	1,060,177,119
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(147,362,625)	(168,844,507)
Dividend paid	(316,556)	(141,327)
Short term borrowings - net	(158,229,315)	(74,368,418)
Net cash used in financing activities	(305,908,496)	(243,354,252)
Net (decrease) / increase in cash and cash equivalents	(206,527,242)	113,005,423
Cash and cash equivalents at the beginning of the year	352,417,143	239,411,720
Cash and cash equivalents at the end of the year	145,889,901	352,417,143

QUARTERLY **ANALYSIS**

FOR THE **CURRENT YEAR**

Statement of Profit or Loss	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	Rupees in thousand			
GROSS REVENUE	7,421,037	9,948,593	8,624,529	9,833,735
DISCOUNTS	(14,311)	(225,770)	(119,087)	(141,363)
SALES TAX	(417,890)	(670,266)	(596,217)	(600,084)
NET REVENUE	6,988,836	9,052,557	7,909,224	9,092,287
COST OF SALES	(6,390,489)	(8,708,762)	(7,357,732)	(8,546,882)
GROSS PROFIT	598,347	343,795	551,492	545,406
DISTRIBUTION COST	(261,475)	(331,395)	(383,653)	(228,075)
ADMINISTRATIVE EXPENSES	(197,119)	(194,641)	(185,979)	(220,527)
OTHER EXPENSES	(4,824)	(8,644)	(16,137)	(23,763)
	(463,418)	(534,680)	(585,769)	(472,366)
OTHER INCOME	96,156	110,850	42,148	30,534
PROFIT / (LOSS) FROM OPERATIONS	231,084	(80,035)	7,871	103,574
FINANCE COST	(136,526)	(103,349)	(87,926)	(77,398)
(LOSS) / PROFIT BEFORE TAXATION AND LEVY	94,558	(183,385)	(80,055)	26,176
LEVY	(31,340)	(40,143)	(36,995)	(43,520)
(LOSS) / PROFIT BEFORE TAXATION	63,218	(223,528)	(117,050)	(17,344)
TAXATION	18,592	(27,823)	-	(14,846)
(LOSS) / PROFIT AFTER TAXATION	81,810	(251,351)	(117,050)	(32,190)

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 (2024: 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	2,628,122	2,376,772	2,259,722	2,295,743
Total Equity	4,020,170	3,768,820	3,651,770	3,687,791
LIABILITIES				
NON-CURRENT LIABILITIES				
Lease Liabilities	480,203	424,348	416,408	381,667
Long term deposits	14,872	22,500	24,000	26,000
	495,075	446,848	440,408	407,667
CURRENT LIABILITIES				
Trade and other payables	1,554,421	2,087,683	2,800,485	2,169,592
Accrued mark-up	67,160	52,147	37,674	37,294
Short term borrowings	2,100,310	1,759,183	1,575,432	1,618,958
Current portion of non-current liabilities	145,290	132,959	120,224	131,961
Unclaimed dividend	5,689	5,403	5,403	5,373
Provision for taxation - net	25,613	-	22,773	-
	3,898,483	4,037,376	4,561,991	3,963,179
Total liabilities	4,393,558	4,484,224	5,002,398	4,370,846
Contingencies and Commitments	-	-	-	-
TOTAL EQUITY AND LIABILITIES	8,413,728	8,253,043	8,654,168	8,058,637

Statement of Financial Positiion	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	Rupees in thousand			
ASSETS				
NON-CURRENT ASSETS				
Fixed assets	2,813,053	2,856,293	2,846,817	2,656,770
Right-of-use assets	561,720	514,793	474,897	449,029
Intangible assets	910	735	600	2,710
Investment in subsidary company	1,300,001	1,300,001	1,300,001	1,300,001
Long term security deposits	29,719	33,363	33,363	14,337
Long term loans to employees	1,817	1,584	1,350	1,117
Deferred income tax asset - net	162,754	134,931	134,931	121,450
	4,869,973	4,841,700	4,791,959	4,545,414
CURRENT ASSETS				
Stock-in-trade	1,429,151	1,415,349	1,412,721	731,023
Trade debts	582,093	766,795	1,200,027	1,232,490
Loans and advances	564,922	221,190	224,642	307,360
Short term deposits and prepayments	52,399	41,070	46,498	33,574
Other receivables	470,455	467,412	420,918	412,524
Accrued interest	19,900	17,002	92	10
Short term investments	217,928	236,788	242,801	240,352
Cash and bank balances	71,907	85,737	154,510	145,890
	3,408,755	3,251,343	3,702,209	3,103,223
Non-current asset classified as held for sale	135,000	160,000	160,000	410,000
TOTAL ASSETS	8,413,728	8,253,043	8,654,168	8,058,637

QUARTERLY **ANALYSIS**
REVENUE **PERFORMANCE**

The Company demonstrated consistent growth in gross revenues, rising from PKR 7,421 million in Q1 to PKR 9,833 million in Q4, reflecting strong market demand. However, after accounting for discounts and sales tax, net revenue growth was partially offset by higher cost of sales, leading to fluctuating gross profit margins.

OPERATING **COSTS**

Operating performance was adversely impacted by elevated distribution and administrative expenses, particularly in Q1 and Q2, which eroded margins despite healthy sales volumes.

FINANCE **COST BURDEN**

Finance costs remained a significant burden throughout the year due to reliance on short-term borrowings, averaging above PKR 100 million per quarter.

PROFITABILITY **TREND**

As a result, profitability showed volatility: the Company achieved positive results in Q1 (PKR 82 million) and Q4 (PKR 53 million), while Q2 and Q3 closed with sizeable losses of PKR 251 million and PKR 117 million respectively.

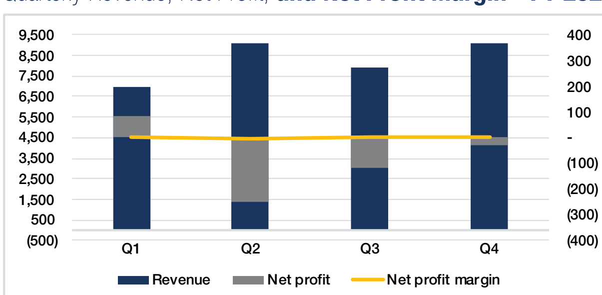
OVERALL **ASSESSMENT**

The Company's top-line trajectory is encouraging, but the mid-year losses highlight the importance of enhancing operational efficiency, rationalizing expenses, and reducing finance cost exposure to ensure consistent and sustainable profitability.

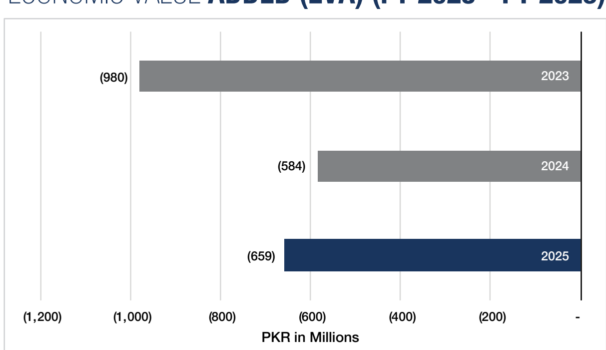
ECONOMIC VALUE ADDED

Economic Value Added (EVA) measures value created after covering the cost of capital. Over FY2023–FY2025, EVA remained negative—PKR (980) million, (584) million, and (659) million, respectively. The improvement in FY2024 reflected stronger operating execution and capital discipline. In FY2025, despite a lower weighted average cost of capital, softer operating earnings led to a modest increase in the EVA shortfall compared with FY2024. Management remains focused on restoring positive EVA through margin enhancement and product-mix optimisation, accelerating working-capital turns to reduce the capital base, and further optimising funding costs

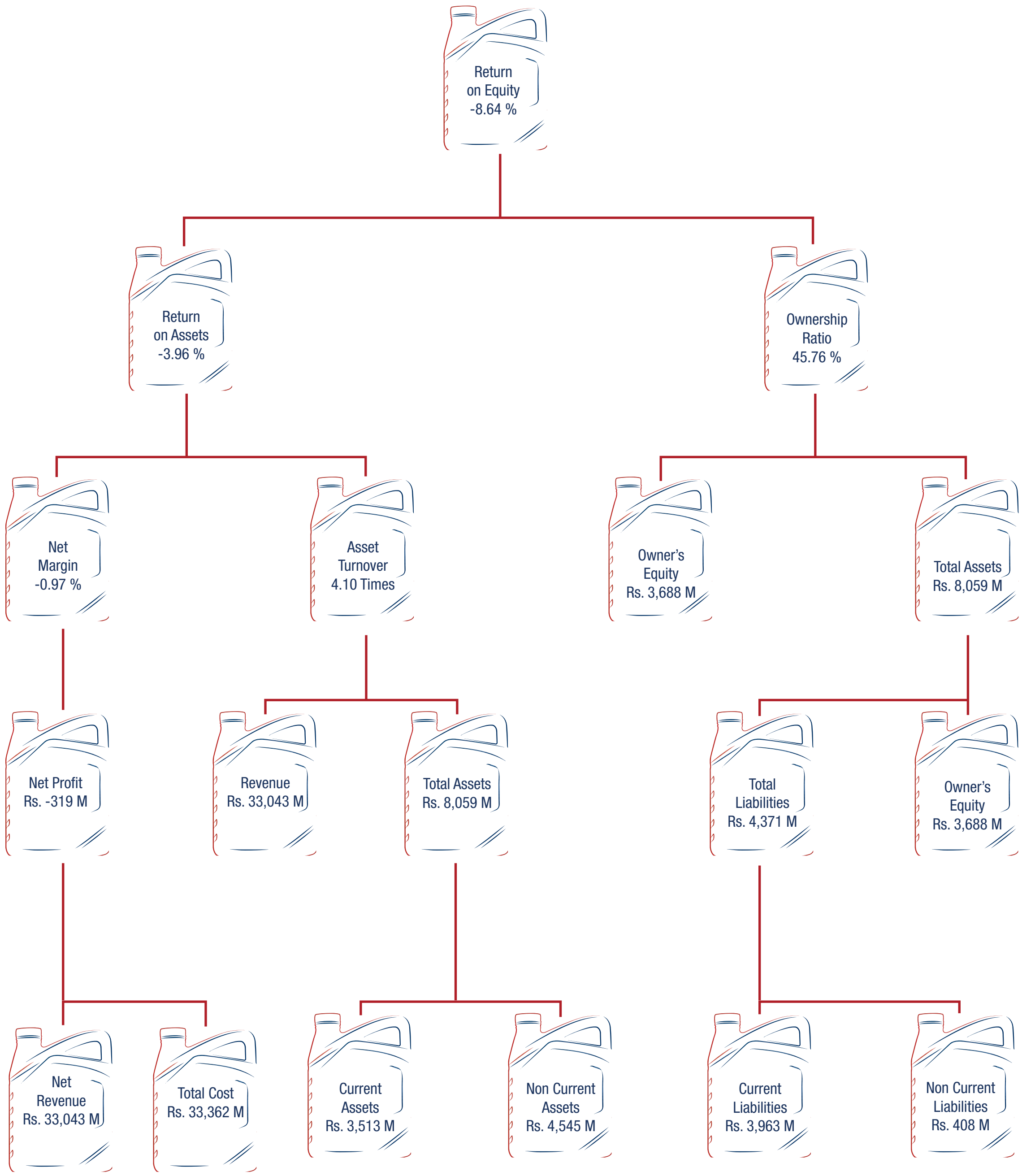
Quarterly Revenue, Net Profit, **and Net Profit Margin - FY 2025**



ECONOMIC VALUE **ADDED (EVA) (FY 2025 - FY 2023)**



DUPONT ANALYSIS



The DuPont analysis provides a structured framework to assess the Company's fundamental performance by breaking down the drivers of return on equity (ROE). Over the past six years, results reflect mixed returns for shareholders, with strong profitability in 2021–2022 followed by subdued outcomes in later years.

In 2025, both Return on Assets (ROA) and Return on Equity (ROE) turned negative, reflecting weaker operational performance despite a declining trend in finance costs owing to lower interest rates. The Ownership Ratio has also declined steadily, indicating higher reliance on debt financing, which continues to magnify the impact of earnings volatility.

Management remains vigilant in monitoring all DuPont drivers—profitability, asset utilization, and financial leverage—to identify strengths and weaknesses and implement corrective measures. This disciplined approach is aimed at restoring operational efficiency, optimizing the capital structure, and ensuring sustainable shareholder value creation.

Year	Return on assets	Ownership ratio	ROE
	(Net profit / total assets) A	Total equity / total assets B	A/B
2025	-3.96%	45.76%	-8.64%
2024	1.24%	43.71%	2.84%
2023	-1.26%	51.70%	-2.44%
2022	8.08%	45.34%	17.82%
2021	6.43%	56.65%	11.35%
2020	-0.80%	63.24%	-1.27%

ANALYSIS OF FINANCIAL **AND** NON-FINANCIAL PERFORMANCE (FY 2025)

FINANCIAL PLANNING **AND BUDGETING**

HTL's Financial Department plays a pivotal role in the annual budgeting process. Business units and cost centers prepare financial plans through a system-based budgeting module, which are reviewed by senior management, scrutinized by the Audit Committee, and approved by the Board of Directors. Forecasts and assumptions are aligned with business realities and tested through sensitivity analyses. Balanced scorecards are assigned to management teams to ensure accountability for both financial and non-financial objectives.

PERFORMANCE AGAINST **FINANCIAL MEASURES**

The Company monitors financial performance against defined targets for revenue, liquidity, and working capital.

Gross Revenue increased by 34% to PKR 35.83 billion (FY2024: PKR 26.76 billion).
Net Revenue rose to PKR 33.04 billion (FY2024: PKR 24.02 billion).
Gross Profit improved by 41% to PKR 2.04 billion (FY2024: PKR 1.44 billion), supported by higher volumes despite margin pressures.
Distribution & Administrative Expenses increased moderately, in line with business expansion and inflationary impact.
Other Income declined to PKR 280 million (FY2024: PKR 1.06 billion) due to the absence of exceptional one-off items recognized in the prior year.
Profit from Operations stood at PKR 262 million (FY2024: PKR 706 million).
Finance Cost decreased by 26% to PKR 405 million (FY2024: PKR 544 million), reflecting lower interest rates and better working capital management.
After levy and taxation, the Company reported a net loss of PKR 318.8 million (FY2024: net profit of PKR 111.4 million), translating into a loss per share of PKR 2.29 (FY2024: EPS 0.80).

PERFORMANCE AGAINST **NON-FINANCIAL MEASURES**

HTL continued to strengthen its non-financial performance through investment in people, operational readiness, technology, and sustainability.

Human Capital: Workforce strength increased to 529 employees (FY2024: 490). Revenue per employee almost doubled to PKR 63.0 million (FY2024: PKR 32.5 million). Employee turnover remained low at 2.70% (FY2024: 1.70%), reflecting stability and retention. Structured training, internships, and succession planning supported long-term capability building and diversity.
Operational Readiness: Maintenance cost as a percentage of operating expenses increased to 2.14% (FY2024: 1.56%), reflecting enhanced focus on preventive maintenance and operational reliability.
Health, Safety & Environment (HSE): Fire safety drills, ISO 45001 compliance, and workplace safety initiatives were maintained across facilities, ensuring employee well-being and compliance with HSE requirements.
Technology & Innovation: The IT function ensured uninterrupted systems and improved cybersecurity, while investments in automation strengthened operational efficiency and reporting accuracy.
Sustainability & CSR: Through the Sabra Hamida Trust, the Company continued to contribute to education, healthcare, and community welfare. Environmental measures such as solar energy deployment, rainwater harvesting, and recycling programs reinforced HTL's long-term sustainability agenda.

ECONOMIC **AND PERFORMANCE ANALYSIS**

Pakistan's economy in FY2025 showed signs of stabilization, with GDP growth estimated at 2.5%–3.5%, inflation moderating to 5.5%–7.5%, and the SBP reducing its policy rate to 11%. These macroeconomic improvements supported demand and lowered borrowing costs.

Despite these positive conditions, HTL recorded a net loss of PKR 318.8 million on an unconsolidated basis, compared to a profit of PKR 111.4 million in FY2024. The decline was primarily driven by a significant fall in other income, which offset gains from higher revenues, improved gross profit, and reduced finance costs.

OPERATIONAL EXPANSION **AND STRATEGIC INITIATIVES**

- The fuel station network expanded from 55 to 61, comprising 37 in Punjab, 20 in Khyber Pakhtunkhwa, and 2 each in Azad Jammu & Kashmir and Islamabad.
- Investments in automation, retail expansion, and process efficiency enhanced competitiveness and customer service.
- The partnership with SK Enmove Co., Ltd. continued to strengthen cost efficiency through local blending and reduced reliance on imports.

GOVERNANCE, COMPLIANCE, **AND REPORTING STANDARDS**

- The Company ensured timely payment of debts and government dues during the year, reaffirming its commitment to financial discipline and stakeholder trust.
- HTL remained fully compliant with International Accounting Standards (IAS) / International Financial Reporting Standards (IFRS) as adopted by the Securities and Exchange Commission of Pakistan (SECP). This ensures transparency, fairness, and reliability in the preparation and presentation of financial statements.
- As a Shariah-compliant company listed on the Islamic Index, HTL confirms that it is not engaged in Shariah non-permissible business activities as its core business activities, in accordance with the disclosure requirements of the Companies Act, 2017 (Note 48 to the unconsolidated financial statements).
- The Company continued to make progress towards the adoption of the International Integrated Reporting Framework (IIRC) by embedding its fundamental concepts, guiding principles, and content elements

ANALYSIS OF FINANCIAL **AND NON-FINANCIAL PERFORMANCE**

into corporate disclosures, further strengthening transparency and alignment with global best practices.

RECOGNITION **AND AWARDS**

HTL has been consistently recognized at the Best Corporate and Sustainability Report Awards organized by ICAP and ICMAP. The Company has proudly secured this award for six consecutive years (2018–2023), securing positions among the top-ranked reports each year. Details of HTL's consistent recognition at the Best Corporate and Sustainability Report Awards in the Fuel and Energy sector are presented in the table.

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
2023	Fourth	Fuel and Energy

BEST CORPORATE REPORT **AWARDS**

CONSOLIDATED **FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2025

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 2025, 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 2025, 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 33,508.497 million for the year ended 30 June 2025. 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 2025 amounted to Rupees 2,791.956 million and represented a material position in the consolidated statement of financial position. Stock-in-trade is stated at lower of cost and net realizable value. We identified existence and valuation of stock-in-trade as a key audit matter due to its size, representing 21.02% of the total assets of the Company as at 30 June 2025, and the judgment involved in valuation. 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.

- 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 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 2025

UDIN: AR202510132GIMqP6Jxg

CONSOLIDATED STATEMENT OF
FINANCIAL POSITION
As at 30 June 2025

	Note	**2025 Rupees**	2024 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
150,000,000 (2024: 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
Capital reserve - share premium	5	1,441,697,946	1,441,697,946
Capital reserve - surplus on revaluation of freehold land	6	2,214,713,998	2,112,974,748
Revenue reserve - un-appropriated profit		1,076,599,030	974,791,235
Total equity		6,125,058,974	5,921,511,929
LIABILITIES			
Non-current liabilities			
Long term financing	7	422,694,812	506,839,256
Lease liabilities	8	365,994,276	479,848,129
Long term deposits	9	26,000,000	15,000,000
Deferred liabilities	10	158,333,267	130,031,085
		973,022,355	1,131,718,470
Current liabilities			
Trade and other payables	11	3,523,361,168	3,922,081,945
Accrued mark-up	12	63,829,553	98,461,634
Short term borrowings	13	2,352,877,670	2,064,242,674
Current portion of non-current liabilities	14	235,898,930	263,618,482
Unclaimed dividend		5,372,861	5,689,417
		6,181,340,182	6,354,094,152
Total liabilities		7,154,362,537	7,485,812,622
Contingencies and commitments	15		
TOTAL EQUITY AND LIABILITIES		13,279,421,511	13,407,324,551
ASSETS			
Non–current assets			
Fixed assets	16	6,662,504,508	6,572,529,763
Right-of-use assets	17	438,073,505	596,393,130
Intangible assets	18	5,229,515	9,653,391
Long term security deposits	19	19,931,951	43,313,369
Long term loans to employees	20	1,116,772	2,050,936
		7,126,856,251	7,223,940,589
Current assets			
Stores	21	100,551,505	71,548,897
Stock-in-trade	22	2,791,955,568	3,239,996,513
Trade debts	23	1,315,356,996	1,101,435,544
Loans and advances	24	447,576,236	387,407,108
Short term deposits and prepayments	25	42,925,735	41,369,100
Other receivables	26	350,572,008	311,042,045
Advance income tax and prepaid levy - net	27	298,762,187	261,369,147
Accrued interest	28	10,052	186,102
Short term investments	29	240,351,519	222,717,061
Cash and bank balances	30	154,503,454	411,312,445
		5,742,565,260	6,048,383,962
Non-current asset classified as held for sale	31	410,000,000	135,000,000
		6,152,565,260	6,183,383,962
TOTAL ASSETS		13,279,421,511	13,407,324,551

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 2025

HTL LIMITED
Hi-Tech Lubricants Ltd

	Note	2025 Rupees	2024 Rupees
GROSS REVENUE FROM CONTRACTS WITH CUSTOMERS	32	38,858,811,104	27,114,204,101
Discounts		(500,531,587)	(628,306,843)
Sales tax		(4,501,027,861)	(2,168,673,908)
Federal excise duty		(348,754,546)	-
NET REVENUE FROM CONTRACTS WITH CUSTOMERS		33,508,497,110	24,317,223,350
COST OF SALES	33	(30,430,628,415)	(21,952,726,092)
GROSS PROFIT		3,077,868,695	2,364,497,258
DISTRIBUTION COST	34	(1,259,846,403)	(1,075,662,872)
ADMINISTRATIVE EXPENSES	35	(1,033,475,870)	(924,260,349)
OTHER EXPENSES	36	(142,262,071)	(99,132,656)
		(2,435,584,344)	(2,099,055,877)
OTHER INCOME	37	275,139,568	357,580,703
PROFIT FROM OPERATIONS		917,423,919	623,022,084
FINANCE COST	38	(594,995,113)	(800,962,232)
PROFIT / (LOSS) BEFORE LEVY AND TAXATION		322,428,806	(177,940,148)
LEVY	39	(171,654,910)	(128,674,168)
PROFIT / (LOSS) BEFORE TAXATION		150,773,896	(306,614,316)
TAXATION	40	(48,966,101)	169,237,721
PROFIT / (LOSS) AFTER TAXATION		101,807,795	(137,376,595)
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED	41	0.73	(0.99)

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 2025

	2025 Rupees	2024 Rupees
PROFIT / (LOSS) AFTER TAXATION	101,807,795	(137,376,595)
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Surplus on revaluation of freehold land	101,739,250	15,180,500
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the year	101,739,250	15,180,500
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR	203,547,045	(122,196,095)

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 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 loss 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
Profit for the year ended 30 June 2025	-	-	-	-	101,807,795	101,807,795	101,807,795
Other comprehensive income for the year ended 30 June 2025	-	-	101,739,250	101,739,250	-	101,739,250	101,739,250
Total comprehensive income for the year ended 30 June 2025	-	-	101,739,250	101,739,250	101,807,795	203,547,045	203,547,045
Balance as at 30 June 2025	1,392,048,000	1,441,697,946	2,214,713,998	3,656,411,944	1,076,599,030	4,733,010,974	6,125,058,974

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 2025

	Note	2025 Rupees	2024 Rupees Restated
Cash flows from operating activities			
Cash generated from operations	42	979,449,194	1,988,858,341
Finance cost paid		(607,855,888)	(803,486,680)
Income tax paid		(210,412,314)	(179,658,306)
Net decrease in long term loans to employees		934,164	934,164
Net decrease in long term security deposits		20,444,925	22,759,420
Increase / (decrease) in long term deposits		11,000,000	(1,500,000)
Net cash generated from operating activities		193,560,081	1,027,906,939
Cash flows from investing activities			
Capital expenditure on operating fixed assets		(535,622,383)	(371,234,321)
Capital expenditure on intangible assets		(2,777,527)	-
Proceeds from disposal of operating fixed assets		15,705,735	22,050,013
Short term investments - net		(16,963,811)	5,416,933
Dividends received		31,398,163	42,511,752
Profit on bank deposits and term deposit receipts received		9,518,151	35,120,772
Net cash used in investing activities		(498,741,672)	(266,134,851)
Cash flows from financing activities			
Short term borrowings - net		288,634,996	(342,624,311)
Dividend paid		(316,556)	(141,327)
Repayment of long term financing		(78,036,139)	(70,665,676)
Repayment of lease liabilities		(161,909,701)	(192,105,893)
Net cash from / (used in) financing activities		48,372,600	(605,537,207)
Net (decrease) / increase in cash and cash equivalents		(256,808,991)	156,234,881
Cash and cash equivalents at beginning of the year		411,312,445	255,077,564
Cash and cash equivalents at end of the year	30	154,503,454	411,312,445

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.
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	Johar Town, Lahore
HTL Express Centre	Gulistan-e-Johar, Karachi
HTL Express Centre	Askari XIV, Sector – A, Rawalpindi
HTL Express Centre	Khudadaad Colony, Karachi
HTL Express Centre	Sadi Town, Karachi
HTL Express Centre	Bahria Town, Lahore

Business units	Address
Oil Boy Filling Station	Mouza Neel Kot, Head Muhammad Wala Road, Multan
Punjab Filling Station	Main Satiana 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	Shamkay Bhattian, Lahore
Green City Fuel Station	Hasilpur Road, Bahawalpur
Khokhar Fuel Station	Small Industrial Estate, Jinnah Road, Gujranwala
Minhas CNG	Multan Road, Lahore
S&S	Toba Road, Jhang
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, Dhamyal 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 Darban Road, 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 G.T 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, Murree Road, Abbottabad
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.C.C Kamra Road, Attock City, Attock
Al-Yousaf CNG Filling Station	Faisalabad Jhand Road, Jhang
Ekhwan Petroleum	Peshawar Road, Charsadda
Nawaz Filling Station	Tehsil Thanna Baizai, Malakand
Power Gas CNG & Filling Station	GT Road Mouza Dheri Katti Khel, Nowshera
Hill Top Filling Station	Tehsil Tara Khal, Sadhonti
Galaxy Filling Station	Main Ferozepur Road, Lahore
HTL - ONE Fuel Station	Plot No. 2, Block K, Main Boulevard,Gulberg-II, Lahore

2. MATERIAL ACCOUNTING POLICY INFORMATION

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 and Levy

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.

Lease term for lease liability and right-of-use asset

The Company applies judgment to determine the lease term for lease contracts in which it is a lessee. The judgement significantly affects the amount of lease liabilities and right-of-use assets recognized.

Recovery of deferred income tax assets

Deferred income tax assets are recognised for deductible temporary differences only if the Company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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 as held for sale

Fair values of freehold land and investment property classified as held for sale are determined by independent valuer engaged by the Group. The key assumptions used to determine the fair values of freehold land and investment property classified as held for sale are complex in nature. Further, determining adjustments for any differences in nature, location and condition of freehold land and investment property classified as held for sale 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 2024:

- Amendments to IAS 1 ‘Presentation of Financial Statements’ – Classification of liabilities as current or non-current;
- Amendments to IAS 1 ‘Presentation of Financial Statements’ – Non-current liabilities with covenants;
- Amendments to IFRS 16 ‘Leases’ – Lease liability in a sale and leaseback transaction; and.
- Amendments to IAS 7 ‘Statement of Cash Flows’ and IFRS 7 ‘Financial Instruments: Disclosures – Supplier finance arrangements.

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 2024 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 2025 or later periods:

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'.

IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information'. IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

IFRS S2 'Climate-related Disclosures'. IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

The implementation of IFRS S1 and IFRS S2 will be phased as per the SECP's order dated 31 December 2024, with different effective dates based on annual turnover, number of employees, and total assets (Criteria). Phase I will apply to listed companies having specific Criteria for annual reporting periods beginning on or after 01 July 2025. Phase II will apply to other listed companies having specific Criteria for annual reporting periods beginning on or after 01 July 2026. Phase III will cover non-listed public interest companies and remaining listed companies for annual reporting periods beginning on or after 01 July 2027.

Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' regarding the classification and measurement of financial instruments (effective for annual periods beginning on or after 01 January 2026). The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9.

The International Accounting Standards Board (IASB) has published 'Annual Improvements to IFRS Accounting Standards — Volume 11'. The amendments are effective for annual reporting periods beginning on or after 01 January 2026. It contains amendments to following five standards as result of the IASB's annual improvements project.

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash flows.

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 2025 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). Fair value is determined using valuation techniques that incorporate significant inputs not based on 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 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 consolidated statement of profit or loss.

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 liabilities

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 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as investment property that are carried at fair value, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the consolidated statement of financial position.

2.32 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 SUMMARY OF OTHER ACCOUNTING POLICIES

3.1 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.

3.2 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.

3.3 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.

3.4 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.

3.5 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.

3.6 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.

3.7 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.

3.8 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

2025	2024		2025	2024
(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 (2024: 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.

5. CAPITAL RESERVE - SHARE PREMIUM

5.1 This reserve can be utilized for the purposes specified in section 81 of the Companies Act, 2017.

	2025 Rupees	2024 Rupees
6. CAPITAL RESERVE - SURPLUS ON REVALUATION OF FREEHOLD LAND		
As at 01 July	2,112,974,748	2,097,794,248
Add: Surplus on revaluation of freehold land	101,739,250	15,180,500
As at 30 June	2,214,713,998	2,112,974,748
7. LONG TERM FINANCING		
From banking company - secured		
Subsidiary Company		
Bank AL-Habib Limited (Note 7.1)	506,982,031	585,018,170
Less: Current portion shown under current liabilities (Note 14)	84,287,219	78,178,914
	422,694,812	506,839,256

	LENDER	2025	2024	RATE OF INTEREST	NUMBER OF INSTALLMENTS	INTEREST REPRICING	INTEREST PAYABLE	SECURITY
7.1	**Long term loans**							
	Subsidary Company							
	Bank AL-Habib Limited (Note 7.1.1)	255,065,925	289,972,569	SBP rate for TERF + 3.00%	Two hundred and thirty five 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 1,334 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 7.1.1)	138,426,081	157,217,920	SBP rate for TERF + 4.00%	One hundred and twenty six unequal quarterly installments commenced from 13 October 2023 and ending on 16 December 2031.	-	Quarterly	
		393,492,006	447,190,489					
	Bank AL-Habib Limited (Note 7.1.2)	32,156,558	36,161,013	SBP rate for renewable energy financing scheme + 2.50%	One hundred and seventeen unequal quarterly installments commenced from 20 July 2022 and ending on 03 June 2032.	-	Quarterly	
	Bank AL-Habib Limited (Note 7.1.3)	81,333,467	101,666,668	3 months KIBOR + 1.25% per annum	Twenty four equal quarterly installments commenced from 18 August 2023 and ending on 18 May 2029.	Quarterly	Quarterly	
		506,982,031	585,018,170					

7.1.1 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.

7.1.2 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.

7.1.3 Effective rate of mark-up charged during the year ranged from 13.34% to 21.47% (2024: 22.71% to 24.15%) per annum.

		2025 Rupees	2024 Rupees
8.	**LEASE LIABILITIES**		
	Total lease liabilities	498,182,554	643,392,513
	Less: Current portion shown under current liabilities (Note 14)	(132,188,278)	(163,544,384)
		365,994,276	479,848,129
8.1	**Reconciliation of lease liabilities is as follows:**		
	Opening balance	643,392,513	662,217,503
	Add: Additions during the year	53,229,486	162,958,870
	Add: Interest accrued during the year (Note 38)	77,876,059	87,216,860
	Add: Impact of lease modifications during the year	-	10,367,143
	Less: Impact of lease reassessment during the year	-	(45,110)
	Less: Impact of lease terminations during the year	(36,529,744)	-
	Less: Payments made during the year	(239,785,760)	(279,322,753)
		498,182,554	643,392,513
	Less: Current portion shown under current liabilities (Note 14)	(132,188,278)	(163,544,384)
		365,994,276	479,848,129
8.2	**Maturity analysis of lease liabilities is as follows:**		
	Upto 6 months	102,990,568	132,409,361
	6-12 months	78,502,109	94,935,663
	1-2 years	114,685,693	164,213,004
	More than 2 years	608,976,070	691,428,965
		905,154,440	1,082,986,993
	Less: Future finance cost	406,971,886	439,594,480
	Present value of lease liabilities	498,182,554	643,392,513
8.3	**Amounts recognised in the consolidated statement of profit or loss:**		
	Interest accrued during the year (Note 38)	77,876,059	87,216,860
	Expense relating to short term and low value leases (included in administrative expenses)	1,836,676	1,478,759
	Expense relating to leases of low-value assets (included in distribution cost)	7,108,252	3,628,183
	Total amount recognised in consolidated statement of profit or loss	86,820,987	92,323,802

8.4 Implicit rates against lease liabilities range from 7.40% to 24.48% (2024: 7.40% to 25.93%) per annum.

8.5 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 22.973 million (2024: Rupees 44.016 million).

9. 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.

		2025 Rupees	2024 Rupees
10.	**DEFFERED LIABILITIES**		
	Deferred income tax liability - net (Note 10.1)	105,981,283	58,379,546
	Deferred income - Government grant (Note 10.2)	52,351,984	71,651,539
		158,333,267	130,031,085
10.1	**Deferred income tax liability**		
	The net deferred income tax liability comprise of temporary differences relating to:		
	Deductible temporary differences		
	Available unused tax losses	14,714,778	14,714,778
	Unabsorbed tax depreciation	213,572,459	189,041,680
	Allowance for expected credit losses	3,879,977	5,295,357
	Provision for doubtful advances to suppliers	913,305	913,305
	Turnover tax carried forward	338,955,475	200,081,733
	Provision for slow moving and obsolete store items	1,522,929	1,963,691
	Provision for slow moving and obsolete stock-in-trade	7,276,413	12,273,992
	Lease liabilities	145,728,759	191,938,266
		726,564,095	616,222,802
	Taxable temporary differences		
	Accelerated tax depreciation and amortization	(416,979,031)	(419,340,621)
	Right-of-use assets	(127,041,316)	(177,210,642)
		(544,020,347)	(596,551,263)
	Net deferred income tax asset	182,543,748	19,671,539
	Deferred income tax asset not recognized in these financial statements	(288,525,031)	(78,051,085)
	Deferred income tax liability recognized in these financial statements	(105,981,283)	(58,379,546)

10.1.1 Movement in deferred income tax balances during the year is as follows:

	2025		
	Opening balance	Recognised in statement of profit or loss	Closing balance
		Rupees	
Accelerated tax depreciation and amortization	(419,340,621)	2,361,590	(416,979,031)
Right-of-use assets	(177,210,642)	50,169,326	(127,041,316)
Unabsorbed tax depriciation	189,041,680	24,530,779	213,572,459
Available unused tax losses	14,714,778	-	14,714,778
Allowance for expected credit losses	5,295,357	(1,415,380)	3,879,977
Provision for doubtful advances to suppliers	913,305	-	913,305
Provision for slow moving and obsolete store items	1,963,691	(440,762)	1,522,929
Provision for slow moving and obsolete stock-in-trade	12,273,992	(4,997,579)	7,276,413
Lease liabilities	191,938,266	(46,209,507)	145,728,759
Turnover tax carry forward			
Available	200,081,733	138,873,742	338,955,475
Movement in deferred income tax not recognized	(78,051,085)	(210,473,946)	(288,525,031)
Deferred income tax recognized	122,030,648	(71,600,204)	50,430,444
	(58,379,546)	(47,601,737)	(105,981,283)

	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)

10.1.2 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
	2025	138,873,742	2028
		338,955,475	

	Accounting year to which the tax loss relates	Amount Rupees	Accounting year in which tax loss will expire
Unabsorbed tax depreciation	2023	421,688,371	Unlimited
	2024	314,768,384	Unlimited
		736,456,755	

	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

	2025 **Rupees**	2024 Rupees
10.2 Deferred income - Government grant		
Opening balance	93,546,723	117,080,513
Add: Recognized during the year	-	-
Less: Amortized during the year (Note 37)	21,771,306	23,533,790
Closing balance	71,775,417	93,546,723
Less: Current portion shown under current liabilities (Note 14)	19,423,433	21,895,184
	52,351,984	71,651,539

10.2.1 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 7 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.

	2025 Rupees	2024 Rupees
11. TRADE AND OTHER PAYABLES		
Creditors (Note 11.1)	2,488,227,781	2,811,515,418
Accrued liabilities (Note 11.2)	196,762,985	122,730,637
Infrastructure development cess payable	175,002,601	175,002,601
Contract liabilities - unsecured	98,699,643	57,048,672
Retention money payable	-	18,251,825
Customs duty and other charges payable	134,261,445	453,221,994
Income tax deducted at source	35,039,428	31,744,298
Payable to employees' provident fund trust	7,033,444	1,310,177
Workers' profit participation fund payable (Note 11.3)	273,997,991	204,019,336
Workers' welfare fund payable (Note 11.4)	59,655,772	47,236,987
Advance against sale of 'non-current asset classified as held for sale'	30,000,000	-
Federal excise duty payable	24,680,078	-
	3,523,361,168	3,922,081,945

11.1 These include Rupees 1,286.659 million (2024: Rupees 1,168.518 million) payable to SK Enmove Co., Ltd. - principal supplier and long term partner.

11.2 This includes Rupees 65.215 million (2024: Rupees 56.143 million) payable against royalty to SK Enmove Co., Ltd. - principal supplier and long term partner.

	2025 Rupees	2024 Rupees
11.3 Workers' profit participation fund		
Balance as on 01 July	204,019,336	170,106,672
Add: Provision for the year (Note 36)	33,989,644	18,604,049
Add: Interest for the year (Note 38)	35,989,011	43,243,950
	273,997,991	231,954,671
Less: Payments made during the year	-	(27,935,335)
Balance as on 30 June	273,997,991	204,019,336

11.3.1 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.

	2025 Rupees	2024 Rupees
11.4 Workers' welfare fund		
Opening balance	47,236,987	40,882,272
Add: Provision for the year (Note 36)	12,418,785	6,354,715
Closing balance	59,655,772	47,236,987
12. ACCRUED MARK-UP		
Long term financing	8,368,595	9,088,735
Short term borrowings	55,460,958	89,372,899
	63,829,553	98,461,634

13. SHORT TERM BORROWINGS

	2025 Rupees	2024 Rupees
From banking companies - secured		
- Holding Company		
Short term finances (Note 13.1 and Note 13.2)	1,618,958,452	1,777,187,767
- Subsidiary Company		
Short term finances (Note 13.3 and Note 13.4)	733,919,218	287,054,907
	2,352,877,670	2,064,242,674

13.1 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.

13.2 The effective rates of mark-up ranged from 12.23% to 22.99% (2024: 21.19% to 28%) per annum.

13.3 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.

13.4 The effective rates of mark-up ranged from 12.13% to 21.83% (2024: 21.75% to 24.40%) per annum.

14. CURRENT PORTION OF NON-CURRENT LIABILITIES

	2025 Rupees	2024 Rupees
Long term financing (Note 7)	84,287,219	78,178,914
Lease liabilities (Note 8)	132,188,278	163,544,384
Deferred income - Government grant (Note 10.2)	19,423,433	21,895,184
	235,898,930	263,618,482

15. CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

15.1.1 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.

15.1.2 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 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 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.

15.1.3 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 CIR(A) against the order of DCIR. CIR(A) accepted the Holding Company's stance on certain issues assailed in the appeal and reduced the aggregate demand to Rupees 10.735 million. Being aggrieved by the order of CIR(A), the Holding Company and tax department filed appeals before ATIR. On 25 August 2025, subsequent to the reporting period, ATIR dismissed the department's appeal and upheld the relief provided by CIR(A). However, ATIR also dismissed the Holding Company's appeal on 25 August 2025, subsequent to the reporting period, based on the grounds that judgement of Honourable Sindh High Court as well as various earlier judgements of ATIR on similar issue exists. However, the management is in the process of filing income tax reference before Honourable Lahore High Court, Lahore against the order passed by ATIR. 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 the matter.

15.1.4 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 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 ATIR against the order passed by CIR(A) which is pending adjudication. 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.

15.1.5 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 CIR(A) on 19 April 2022. On 29 August 2022, CIR(A) provided the partial relief to the Holding Company. 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 ATIR, which is pending adjudication. The management, based on the advice of tax advisor, is confident of favourable outcome of the matter. Therefore, no provision has been recognized in these consolidated financial statements.

15.1.6 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 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 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.

15.1.7 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 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.

15.1.8 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 along with 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 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 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. On 12 December 2024, ATIR disposed of the appeal filed by tax department and remanded back the case to assessing officer for fresh consideration. Being aggrieved with the order of ATIR, the Holding Company has filed a sales tax reference before the Honourable Lahore High Court, Lahore on 17 January 2025 which is pending adjudication. On 02 February 2025, the tax department has initiated remand back proceedings in accordance with the directives of ATIR. The management, based on advise of the legal advisor, is confident of favourable outcome of the matter. Therefore, no provision has been recognized in these consolidated financial statements.

15.1.9 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 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 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. On 10 September 2024, ATIR disposed of the appeal filed by the department in favour of the Holding Company. No legal proceedings against the order passed by ATIR have been initiated by the department yet.

15.1.10 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 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.

15.1.11 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 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 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 filed income tax reference before Honourable Lahore High Court, Lahore on 02 September 2024, which is pending for hearing. 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.

15.1.12 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 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 have 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.

15.1.13 On 18 March 2024, Deputy Commissioner Inland Revenue (DCIR) passed 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 the Holding Company's financial statements and the amount adopted in sales tax declaration. Against the aforesaid order, the Holding Company preferred an appeal before 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.

15.1.14 During the year ended 30 June 2022, Additional Commissioner Inland Revenue (ACIR) issued amended assessment orders 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 Subsidiary Company. 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 matter 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 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 these cases will be decided in favor of the Subsidiary Company. Therefore, no provision has been made in these consolidated financial statements.

15.1.15 On 04 February 2022, Deputy Commissioner Inland Revenue (DCIR) passed an order under section 11 of the Sales Tax Act, 1990 for tax periods November 2019 and March 2020 creating a demand of Rupees 2.040 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 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 ATIR on 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. On 13 June 2025, ATIR has remanded back the matter to the department for adjudication afresh. However, the remand back proceedings have not been started yet. The management, based on the advice of its 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.

15.1.16 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. However, the management has written off the entire amount of Rupees 6.514 million in respect of this matter on prudence basis during the year ended 30 June 2025.

15.1.17 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 before the Board 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, the Board has condoned the time limit to adjust the aforementioned input sales tax amounting to Rupees 10.086 million.

15.1.18 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 against the Subsidiary Company. Being aggrieved with the order, the Subsidiary Company preferred an appeal before CIR(A) on 12 October 2023. CIR(A) through its order dated 25 April 2024 granted partial relief to the Subsidiary Company whereas default surcharge on various issues was upheld. Being aggrieved with the order of CIR(A), the Subsidiary Company filed an appeal before the ATIR on 15 May 2024 except for default surcharge in respect of short declaration of taxable supplies amounting to Rupees 0.110 million which was duly provided for in the financial statements for the year ended 30 June 2024. 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.

15.1.19 Corporate guarantees of Rupees 2,967.5 million (2024: Rupees 2,967.5 million) have been given by the Holding Company to the banks in respect of financing to Subsidiary Company.

15.1.20 Guarantees of Rupees 123 million (2024: Rupees 123 million) are given by the bank of the Group to Director Excise and Taxation, Karachi against disputed amount of infrastructure cess.

15.1.21 Guarantees of Rupees 66.314 million (2024: Rupees 66 million) are given by the bank of the Group to Chairman, Punjab Revenue Authority, Lahore against disputed amount of infrastructure cess.

15.1.22 Guarantees of Rupees 17.700 million (2024: Rupees 17.700 million) and Rupees 2.25 million (2024: 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.

		2025 Rupees	2024 Rupees
15.2	**Commitments**		
	For capital expenditures	42,499,189	34,265,983
	Letters of credit other than capital expenditures	641,635,481	366,300,016

16. FIXED ASSETS

	2025 Rupees	2024 Rupees
Operating fixed assets (Note 16.1)	6,520,662,345	6,408,880,218
Capital work-in-progress (Note 16.2)	141,842,163	163,649,545
	6,662,504,508	6,572,529,763

16.1 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 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 2024														
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
Year ended 30 June 2025														
Opening 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
Additions	-	175,849,268	14,858,411	137,406,319	38,111,572	23,322,027	13,510,503	4,134,581	131,479,751	1,370,517	-	2,933,378	14,447,683	557,424,010
Revaluation surplus	101,739,250	-	-	-	-	-	-	-	-	-	-	-	-	101,739,250
Transferred from right-of-use assets:														
Cost	-	-	-	-	-	-	-	-	-	111,721,580	-	-	-	111,721,580
Accumulated depreciation	-	-	-	-	-	-	-	-	-	(52,458,045)	-	-	-	(52,458,045)
	-	-	-	-	-	-	-	-	-	59,263,535	-	-	-	59,263,535
Disposals:														
Cost	-	-	-	-	(578,690)	(1,911,654)	-	-	-	(20,015,367)	-	-	(6,043,202)	(28,548,913)
Accumulated depreciation	-	-	-	-	174,875	732,136	-	-	-	10,840,641	-	-	2,923,104	14,670,756
	-	-	-	-	(403,815)	(1,179,518)	-	-	-	(9,174,726)	-	-	(3,120,098)	(13,878,157)
Writen-off:														
Cost	-	-	(17,871,926)	-	-	-	-	(345,988)	-	-	-	-	(82,040)	(18,299,954)
Accumulated depreciation	-	-	9,044,056	-	-	-	-	180,056	-	-	-	-	77,765	9,301,877
	-	-	(8,827,870)	-	-	-	-	(165,932)	-	-	-	-	(4,275)	(8,998,077)
Transferred to 'non-current assets classified as held for sale'	(250,000,000)	-	-	-	-	-	-	-	-	-	-	-	-	(250,000,000)
Depreciation	-	(68,623,662)	(41,757,121)	(102,361,943)	(19,123,609)	(9,881,363)	(15,294,504)	(2,246,571)	(22,370,246)	(27,976,576)	(422,912)	(11,413,106)	(12,296,821)	(333,768,434)
Closing net book value	2,662,261,000	1,037,095,948	184,626,969	1,702,472,258	246,283,001	92,948,353	143,104,922	21,128,580	151,763,147	140,750,684	1,691,650	104,432,861	32,102,972	6,520,662,345
At 30 June 2025														
Cost / revalued amount	2,662,261,000	1,447,955,256	390,240,770	2,306,036,110	336,798,706	117,657,289	225,029,277	46,236,776	186,337,191	499,482,119	4,463,125	197,803,947	85,476,866	8,755,778,432
Accumulated depreciation	-	(410,859,308)	(205,613,801)	(603,563,852)	(90,515,705)	(24,708,936)	(81,924,355)	(25,108,196)	(34,574,044)	(358,731,435)	(2,771,475)	(93,371,086)	(53,373,894)	(2,235,116,087)
Net book value	2,662,261,000	1,037,095,948	184,626,969	1,702,472,258	246,283,001	92,948,353	143,104,922	21,128,580	151,763,147	140,750,684	1,691,650	104,432,861	32,102,972	6,520,662,345
Annual rate of depreciation (%)		5 - 10	10	5 - 10	8	10	10	10	33	20	20	10	30	

16.1.1 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	Consideration	Gain / (loss)	Mode of disposal	Particulars of purchasers
		Rupees						
Vehicles								
Honda Civic - LEB - 18A - 6311	1	2,987,635	2,210,971	776,664	3,000,000	2,223,336	Group's policy	Mr. Shahzad Sohail, Holding Company's employee, Lahore
Hyundai Tucson - BL - 0107	1	7,074,150	2,905,118	4,169,032	5,512,000	1,342,968	Group's policy	Mr. Syed Javed Mohsin, Holding Company's employee, Lahore
Honda City - AGG - 825	1	3,452,730	1,826,111	1,626,619	3,200,000	1,573,381	Group's policy	Mr. Rana Junaid Ullah Minhas, Holding Company's employee, Lahore
Honda City - BWT - 214	1	2,997,500	1,297,584	1,699,916	-	(1,699,916)	Group's policy	Mr. Qaiser Khan, Holding Company's ex- employee, Lahore
Dispensing Pump	1	842,829	335,888	506,941	1,370,835	863,894	Negotiation	Karmawala Filling Station, Faisalabad
		17,354,844	8,575,672	8,779,172	13,082,835	4,303,663		
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000		11,194,069	6,095,084	5,098,985	2,622,900	(2,476,085)		
		28,548,913	14,670,756	13,878,157	15,705,735	1,827,578		
		28,548,913	14,670,756	13,878,157	15,705,735	1,827,578		

16.1.2 The depreciation charge on operating fixed assets for the year has been allocated as follows:

	2025	2024
	Rupees	Rupees
Cost of sales (Note 33.1)	139,533,517	131,567,785
Distribution cost (Note 34)	107,107,024	107,868,799
Administrative expenses (Note 35)	87,127,893	53,748,376
	333,768,434	293,184,960

16.1.3 Land and building of the Subsidiary Company amounting to Rupees 650 million (2024: Rupees 650 million) and plant and machinery of the Subsidiary Company amounting to Rupees 610 million (2024: Rupees 610 million) have been mortgaged in favour of the lender of Holding Company.

HTL LIMITED
Hi-Tech Lubricants Ltd

16.1.4 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 buildings
		Acres	Square feet
Holding Company			
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	8.89	9,257
Mouza Ali Murad Kalhoro, Indus Highway, Shikarpur (under construction)	Oil depot	8.50	56,307
HTL - ONE Fuel Station - Plot No. 2, Block K, Main Boulevard, Gulberg-II, Lahore	Retail outlet	0.39	1,847
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
S&S - Toba Road, Jhang	Dealer of retail outlet	-	3,310
Punjab Filling Station - Main Satiana Road, Faisalabad	Dealer of retail outlet	-	2,821
Ittehad Filling Station - Circular Road, Daska	Dealer of retail outlet	-	3,276
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
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

Location	Usage of Immovable Property	Total area of land	Covered area of buildings
		Acres	Square feet
Imdad Mir Filling Station - Mouza Ghanda, Nawab Road, Mansehra	Dealer of retail outlet	-	3,368
Bahadur Filling Station - Mouza Ismail Khani, Bannu	Dealer of retail outlet	-	1,527
Arab Emirate Filling Station - Mouza Bandi, Tehsil Khawaja Khela, Swat	Dealer of retail outlet	-	4,580
Rashid Filling Station - Mouza Qambar-192, Tehsil Babuzai,Swat	Dealer of retail outlet	-	1,369
Al - Rehman Filling Station - Mouza Ismail Khani, Bannu	Dealer of retail outlet	-	2,022
Naik Muhammad Filling 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 Filling Station - Jhang Road, Gojra	Dealer of retail outlet	-	2,120
Al-Sheikh Filling 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
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 Filling 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 Filling Station - Sheikhupura - Sargodha Road	Dealer of retail outlet	-	2,645
Chawinda Filling 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.C Kamra Road, Attock City, Attock	Dealer of retail outlet	-	2,125
Al-Yousaf CNG Filling Station - Faisalabad Jhand Road, Jhang	Dealer of retail outlet	-	1,389
Ekhwan Petroleum, Peshawar Road, Charsadda	Dealer of retail outlet	-	3,350
Nawaz Filling Station - Tehsil Thanna Baizai, Malakand	Dealer of retail outlet	-	8,970
Power Gas CNG & Filling Station - GT Road Mouza Dheri Katti Khel, Nowshera	Dealer of retail outlet	-	3,164
Hill Top Filling Station - Tehsil Tara Khal, Sadhonti	Dealer of retail outlet	-	1,167
Galaxy Filling Station - Main Ferozepur Road, Lahore	Dealer of retail outlet	-	1,970
Dharampura, Lahore	HTL Express Centre	-	1,436
Garden Town, Lahore	HTL Express Centre	-	1,789
Johar Town, Lahore	HTL Express Centre	-	4,500
Gulistan-e-Johar, Karachi	HTL Express Centre	-	3,149
Khudadaad Colony, Karachi	HTL Express Centre	-	3,120
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

HTL LIMITED
Hi-Tech Lubricants Ltd

16.1.5 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:

Name of retail outlets	Buildings on leasehold land	Tanks and pipelines	Dispens-ing pumps	Machinery	Furniture and fittings	Office equipment	Computers	Total
	Catagories							
	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	1,911,755	877,100	1,528,010	-	-	-	-	4,316,865
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
Galaxy Filling Station - 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
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
Abroo Petroleum & 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 3, 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 Emirate 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	8,917,238	-	-	-	-	29,768,726
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
Hussain Filling Station - Near Shah Alam Pull, Charsada Road, Peshawar	3,196,519	-	-	-	-	-	-	3,196,519

Name of retail outlets	Buildings on leasehold land	Tanks and pipelines	Dispens-ing pumps	Machinery	Furniture and fittings	Office equipment	Computers	Total
	Catagories							
	Rupees							
Masha Allah CNG - M.C.C Kamra Road, Attock City, Attock	2,071,234	3,453,346	2,032,898	-	-	-	-	7,557,478
Al-Yousaf CNG Filling Station - Faisalabad Jhand Road, Jhang	2,195,811	-	1,349,255	-	-	-	-	3,545,066
Ekhwan Petroleum - Peshawar Road, Charsadda	2,811,265	-	2,197,510	-	-	-	-	5,008,775
Nawaz Filling Station - Tehsil Thanna Baizai, Malakand	2,466,265	-	3,205,016	-	-	-	-	5,671,281
Power Gas CNG & Filling Station - GT Road Mouza Dheri Katti Khel, Nowshera	2,110,515	-	2,538,765	-	-	-	-	4,649,280
Hill Top Filling Station - Tehsil Tara Khal, Sadhonti	1,553,514	-	-	-	-	-	-	1,553,514
Friends CNG Filling Station Rawalpandi (Under construction)	1,817,693	-	-	-	-	-	-	1,817,693
Salman Filling Station Mardan (Under construction)	2,846,623	-	-	-	-	-	-	2,846,623
KB Petroleum Faisalabad (Under construction)	-	1,136,389	-	-	-	-	-	1,136,389
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 - Johar Town, Lahore	16,713,760	-	-	7,727,402	153,621	-	24,000	24,618,783
HTL Express Centre - Sadi Town, Karachi	-	-	-	1,966,568	332,996	270,456	25,635	2,595,655
HTL Express Centre - Bahira Town, Lahore	-	-	-	5,122,603	233,862	1,968,556	14,040	7,339,061
HTL Express Centre - Gulistan-E-Johar, Karachi	11,978,196	-	-	6,117,945	1,115,829	811,290	-	20,023,260
HTL Express Centre - Khudadaad Colony, 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
	360,522,999	73,379,979	99,250,775	32,547,554	3,019,241	8,920,422	63,675	577,704,645

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.

	2025 Rupees	2024 Rupees
16.2 Capital work-in-progress		
Civil works	40,658,296	116,438,207
Tanks and pipelines	24,432,777	31,224,679
Dispensing pumps	26,049,314	15,986,659
Advances for capital expenditure	50,701,776	-
	141,842,163	163,649,545

16.2.1 Movement in capital work in progress is as follows:

	Civil works	Tanks and pipelines	Dispensing pumps	Advance against purchase of apartment	Total
	Categories				
At 30 June 2023	44,199,846	50,594,702	8,681,790	-	103,476,338
Add: Additions during the year	190,135,875	27,776,479	23,810,247	-	241,722,601
Add: Transferred from inventory during the year	-	-	23,473,167	-	23,473,167
Less: Transferred to operating fixed assets during the year	117,897,514	47,146,502	39,978,545	-	205,022,561
At 30 June 2024	116,438,207	31,224,679	15,986,659	-	163,649,545
Add: Additions during the year	93,584,085	30,618,490	26,760,142	50,701,776	201,664,493
Less: Transferred to operating fixed assets during the year	169,363,996	37,410,392	16,697,487	-	223,471,875
At 30 June 2025	40,658,296	24,432,777	26,049,314	50,701,776	141,842,163

17. RIGHT-OF-USE ASSETS

	Land	Buildings	Vehicles	Total
	Rupees			
At 30 June 2023	286,170,791	126,308,100	223,303,140	635,782,031
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 reassessment	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 17.2)	57,250,181	49,091,992	40,511,283	146,853,456
At 30 June 2024	388,708,763	90,708,858	116,975,510	596,393,131
Add: Additions during the year	18,944,972	29,429,516	4,854,998	53,229,486
Less: Impact of lease termination	25,546,973	-	-	25,546,973
Less: Book value of assets transferred to operating fixed assets - during the year	-	-	59,263,535	59,263,535
Less: Depreciation expense for the year (Note 17.2)	57,914,442	50,445,400	18,378,762	126,738,604
At 30 June 2025	324,192,320	69,692,974	44,188,211	438,073,505

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 directors of the Holding Company. The average contract duration is three years.

17.1 There is no impairment against right-of-use assets.

		2025 Rupees	2024 Rupees
17.2	**Depreciation charge for the year has been allocated as follows:**		
	Distribution cost (Note 34)	123,681,651	138,361,618
	Administrative expenses (Note 35)	3,056,953	8,491,838
		126,738,604	146,853,456

18. INTANGIBLE ASSETS - Computer software

		2025 Rupees	2024 Rupees
	Opening net book value	9,653,391	20,260,771
	Add: Cost of additions during the year	2,777,527	-
	Less: Written off during the year:		
	Cost	-	(262,830)
	Accumulated amortization	-	236,547
		-	(26,283)
	Less: Amortization charged during the year (Note 35)	7,201,403	10,581,097
	Closing net book value	5,229,515	9,653,391
18.1	Cost as at 30 June	77,500,437	74,722,910
	Accumulated amortization	(72,270,922)	(65,069,519)
	Net book value as at 30 June	5,229,515	9,653,391

18.2 Intangible assets - computer softwares have been amortized at the rate of 30% (2024: 30%) per annum.

18.3 Intangible assets costing Rupees 63.864 million (2024: Rupees 41.26 million) are fully amortized and are still in use of the Group.

		2025 Rupees	2024 Rupees
19.	**LONG TERM SECURITY DEPOSITS**		
	Security deposits against leased assets	22,972,619	44,615,139
	Security deposits - others	18,960,950	18,960,950
		41,933,569	63,576,089
	Less: Current portion shown under current assets (Note 25)	22,001,618	20,262,720
		19,931,951	43,313,369
20.	**LONG TERM LOANS TO EMPLOYEES**		
	Considered good:		
	Loans to employees - other than executives (Note 20.1)	2,050,938	2,985,102
	Less: Current portion shown under current assets (Note 24)	934,166	934,166
		1,116,772	2,050,936

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.

		2025 Rupees	2024 Rupees
21.	**STORES**		
	Stores	105,802,987	78,320,245
	Less: Provision for slow moving and obsolete store items (Note 21.1)	5,251,482	6,771,348
		100,551,505	71,548,897
21.1	**Provision for slow moving and obsolete store items:**		
	Opening balance	6,771,348	3,012,462
	Add: Provision made during the year (Note 36)	-	5,161,751
	Less: Reversal of provision during the year (Note 37)	1,519,866	1,402,865
	Closing balance	5,251,482	6,771,348
22	**STOCK-IN-TRADE**		
	Raw materials (Note 22.1)	1,673,716,263	1,012,548,704
	Work-in-process	58,999,534	77,857,504
		1,732,715,797	1,090,406,208
	Lubricants and parts (Note 22.2 and Note 22.3)	442,361,964	795,841,776
	Less: Provision for slow moving and damaged stock items (Note 22.4)	25,091,076	42,324,111
		417,270,888	753,517,665
	Petroleum products		
	- Stock in hand (Note 22.5)	327,795,251	316,614,901
	- Stock in pipeline system (Note 22.6)	288,294,086	1,045,532,295
		616,089,337	1,362,147,196
	Dispensing pumps and other installations (Note 22.7)	25,879,546	33,925,444
		2,791,955,568	3,239,996,513

22.1 These includes raw materials in transit amounting to Rupees 1,043.405 million (2024: Rupees 452.011 million) and raw materials amounting to Rupees Nil (2024: Rupees 17.259 million) lying at customs bonded warehouse.

22.2 This includes stock amounting to Rupees 7.585 million (2024: Rupees 118.898 million) lying at customs bonded warehouse.

22.3 Finished goods amounting to Rupees Nil (2024: Rupees 65.177 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 Nil (2024: Rupees 4.303 million).

		2025 Rupees	2024 Rupees
22.4	**Provision for slow moving and damaged stock items**		
	Opening balance	42,324,111	27,984,479
	Add: Provision recognized during the year (Note 36)	-	17,557,550
	Less: Reversal of provision during the Year (Note 37)	17,233,035	-
	Less: Written off against provision during the year	-	3,217,918
		-	14,339,632
	Closing balance	25,091,076	42,324,111

22.5 This includes stock of petroleum products in possession of third parties as follows:

	2025 Rupees	2024 Rupees
Askar Oil Services (Private) Limited	360,036	2,395,911
Be Energy Limited	79,409,370	23,153,653
Gas and Oil Pakistan Limited	47,963,776	4,888,641
Karachi Hydrocorban Terminal Limited	8,793,367	257,496,950
Pakistan Molasses Company (Private) Limited	8,361,990	-
PARCO Gunvor Limited	31,735,440	-
Z.Y. & Co. Bulk Terminals (Private) Limited	8,576,958	2,955,252
	185,200,937	290,890,407

22.6 This represents the Holding Company's share of pipeline stock of High Speed Diesel and Petroleum Motor Gasoline amounting to Rupees 93.978 million (2024: Rupees 355.458 million) and Rupees 189.831 million (2024: Rupees 687.248 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.

	2025 Rupees	2024 Rupees
23. TRADE DEBTS		
Unsecured - Considered good:		
Local	1,328,736,227	1,119,695,397
Less: Allowance for expected credit losses (Note 23.2)	(13,379,231)	(18,259,853)
	1,315,356,996	1,101,435,544

23.1 As at the reporting date, trade debts of Rupees 171.831 million (2024: Rupees 199.378 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:

	2025 Rupees	2024 Rupees
Neither past due nor impaired	1,143,525,923	644,492,551
Past due but not impaired		
1 to 6 months	168,355,722	448,070,364
6 months to 1 year	3,163,985	8,872,629
More than 1 year	311,366	-
	171,831,073	456,942,993
	1,315,356,996	1,101,435,544

	2025 Rupees	2024 Rupees
23.2 Allowance for expected credit losses		
Opening balance	18,259,853	35,583,191
Add: Recognized during the year (Note 36)	5,475,140	7,524,293
Less: Reversal of allowance for expected credit losses (Note 37)	10,355,762	-
Less: Written off during the year	-	24,847,631
Closing balance	13,379,231	18,259,853

24. LOANS AND ADVANCES

	2025 Rupees	2024 Rupees
Considered good, unsecured		
Loans to employees - interest free against salaries		
- Executives	4,139,877	13,614,340
- Other employees	5,670,225	7,767,276
	9,810,102	21,381,616
Current portion of long term loans to employees (Note 20)	934,166	934,166
Advances to employees against expenses	3,362,342	2,691,708
Advances to suppliers (Note 24.1)	242,736,520	284,920,830
Advances against letters of credits	2,508,006	499,788
Margin against letter of credits	149,475,100	38,229,000
Margin against bank guarantees	38,750,000	38,750,000
	447,576,236	387,407,108

	2025 Rupees	2024 Rupees
24.1 Advances to suppliers		
Unsecured:		
Considered good	242,736,520	284,920,830
Considered doubtful	3,149,327	3,149,327
	245,885,847	288,070,157
Less : Provision for doubtful advances to suppliers (Note 24.1.1)	3,149,327	3,149,327
	242,736,520	284,920,830

	2025 Rupees	2024 Rupees
24.1.1 Provision for doubtful advances to suppliers		
Opening balance	3,149,327	2,735,072
Add: Provision recognized during the year (Note 36)	-	414,255
Closing balance	3,149,327	3,149,327

25. SHORT TERM DEPOSITS AND PREPAYMENTS

	2025 Rupees	2024 Rupees
Current portion of long term security deposits (Note 19)	22,001,618	20,262,720
Short term security deposits	7,570,285	7,637,880
Prepaid expenses	179,213	827,406
Prepaid insurance	12,327,199	9,199,956
Prepaid rent	847,420	3,441,138
	42,925,735	41,369,100

26. OTHER RECEIVABLES

	2025 Rupees	2024 Rupees
Receivable from MAS Associates (Private) Limited - associated company (Note 26.1)	295,522	347,497
Receivable from SK Enmove Co., Ltd. - related party (Note 26.2)	49,717,500	69,585,301
Sales tax receivable	130,767,748	210,367,052
Inland freight equalization margin	163,122,234	27,171,584
Others	6,669,004	3,570,611
	350,572,008	311,042,045

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 0.479 million (2024: Rupees 0.672 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 139.275 million (2024: Rupees 177.597 million).

	2025 Rupees	2024 Rupees
27. ADVANCE INCOME TAX AND PREPAID LEVY - NET		
Advance income tax	465,839,807	383,666,552
Provision for taxation	(16,339)	-
	465,823,468	383,666,552
Prepaid levy - net		
Prepaid levy	4,709,724	6,376,763
Less: Levy	(171,771,005)	(128,674,168)
	(167,061,281)	(122,297,405)
	298,762,187	261,369,147

27.1 The Group has opted for group taxation as one fiscal unit under section 59AA of the Income Tax Ordinance, 2001.

	2025 Rupees	2024 Rupees
28. ACCRUED INTEREST		
On bank deposits	10,052	186,102

	2025 Rupees	2024 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 (2024: 49,500) fully paid ordinary shares of Rupees 10 each	8,227,890	4,085,235
First Habib Cash Fund		
2,232,569.9563 (2024: 2,068,832.1513) units	227,130,825	209,515,390
NBP Islamic Daily Dividend Fund		
61,758.8753 (2024: 55,802.3031) units	617,589	558,023
UBL Liquidity Plus Fund - Class 'C'		
26,496.9405 (2024: 23,901.8786) units	2,685,819	2,418,565
MCB Cash Management Optimizer		
5,744.2403 (2024: 5,176.0518) units	585,248	525,355
Meezan Rozana Amdani Fund		
8863.4045 (2024: 8,045.0943) units	443,170	402,255
	239,690,541	217,504,823
Unrealized gain on remeasurement of investments at fair value through profit or loss - net	660,978	5,212,238
	240,351,519	222,717,061

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	10,339,232	1,247,985
Cash at banks:		
- Saving accounts (Note 30.1)	6,537,577	48,549,022
- Current accounts	137,626,645	361,515,438
	144,164,222	410,064,460
	154,503,454	411,312,445

30.1 Saving accounts carry profit at the rates ranging from 8% to 19% (2024: 20.5%) per annum.

30.2 Bank balances of Rupees 0.242 million (2024: Rupees 3.627 million) and short term investments of Rupees 186.444 million (2024: Rupees 214.489 million) represents un-utilized proceeds of the initial public offer of Holding Company.

31. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	2025		
	Transferred from fixed assets (Note 31.2)	Transferred from investment property (Note 31.1)	Total
		Rupees	
As at 30 June 2023	-	-	-
Add: Transferred from investment property during the year	-	135,000,000	135,000,000
As at 30 June 2024	-	135,000,000	135,000,000
Add: Transferred from operating fixed assets during the year	250,000,000	-	250,000,000
Add: Fair value adjustment (Note 37)	-	25,000,000	25,000,000
As at 30 June 2025	250,000,000	160,000,000	410,000,000

31.1 On 02 December 2024, the Holding Company has entered into an, agreement to sell, relating to sale of land measuring 01 kanal and 05 marlas situated at 22-A, Zafar Ali Road, Lahore at Rupees 160 million. The management of the Holding Company anticipates that process of disposal of land will be completed subsequent to the reporting period.

31.2 Board of directors of the Holding Company in their meeting held on 29 April 2025 decided to sell land measuring 04 kanal 17 marlas and 175 square feet situated at Quaid-e-Azam Industrial Estate, Lahore. On 29 July 2025, subsequent to the reporting period, the Holding Company has entered into an, arrangement to sell, relating to sale of land at Rupees 250 million. The management of the Holding Company anticipates that process of disposal of land will be completed in due course.

	2025 Rupees	2024 Rupees
32. GROSS REVENUE FROM CONTRACTS WITH CUSTOMERS		
Lubricants	14,448,128,839	10,345,759,999
Petroleum products	23,774,266,197	16,259,445,090
Polymer	553,056,734	462,117,790
Others (Note 32.1)	83,359,334	46,881,222
	38,858,811,104	27,114,204,101
32.1 Others		
Dispensing pumps	12,716,689	8,112,354
Franchise and joining fee	70,642,645	38,768,868
	83,359,334	46,881,222

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 49.137 million included in contract liabilities (Note 11) at 30 June 2024 has been recognised as revenue during the year ended 30 June 2025.

	2025 Rupees	2024 Rupees
33. COST OF SALES		
Cost of sales - lubricants and other items (Note 33.1)	6,950,081,990	6,093,085,712
Cost of sales - petroleum products (Note 33.2)	23,480,546,425	15,859,640,380
	30,430,628,415	21,952,726,092
33.1 Cost of sales - lubricants and other items		
Raw materials consumed (Note 33.1.1)	5,580,062,274	4,824,916,404
Packing materials consumed	220,593,031	155,639,323
Stores and spares consumed	41,379,190	17,881,954
Salaries and other benefits (Note 33.1.2)	206,371,560	156,105,879
Fuel and power	92,978,141	76,094,953
Repair and maintenance	9,221,041	8,746,286
Insurance	12,217,327	11,129,786
Security charges	9,911,040	8,254,560
Utilities	535,003	216,199
Vehicles' running and maintenance	6,439,788	3,588,960
Depreciation on operating fixed assets (Note 16.1.2)	139,533,517	131,567,785
Miscellaneous	31,224,049	37,953,974
	6,350,465,961	5,432,096,063

		2025 Rupees	2024 Rupees
	Work-in-process		
	Opening stock	77,857,504	94,122,182
	Closing stock	(58,999,534)	(77,857,504)
		18,857,970	16,264,678
	Cost of goods manufactured	6,369,323,931	5,448,360,741
	Finished goods		
	Opening stock	829,767,220	716,139,358
	Add: Lubricants and other items purchased for resale	219,232,349	758,352,833
	Closing stock	(468,241,510)	(829,767,220)
		580,758,059	644,724,971
		6,950,081,990	6,093,085,712
33.1.1	**Raw materials consumed**		
	Opening stock	1,012,548,704	1,650,353,383
	Add: Purchased during the year	6,241,229,833	4,187,111,725
		7,253,778,537	5,837,465,108
	Less: Closing stock	1,673,716,263	1,012,548,704
		5,580,062,274	4,824,916,404

33.1.2 Salaries, wages and other benefits include provident fund contribution of Rupees 6.222 million (2024: Rupees 5.001 million) by the Group.

		2025 Rupees	2024 Rupees
33.2	**Cost of sales - petroleum products**		
	Opening stock of petroleum products	1,362,147,196	778,103,637
	Petroleum products purchased during the year	16,145,447,927	12,482,859,347
	Petroleum development levy	6,032,072,718	3,672,736,684
	Inland freight equalization margin	556,967,921	288,087,908
		22,734,488,566	16,443,683,939
	Less: Closing stock of petroleum products	616,089,337	1,362,147,196
		23,480,546,425	15,859,640,380

	2025 Rupees	2024 Rupees
34. DISTRIBUTION COST		
Salaries and other benefits (Note 34.1)	485,735,554	422,598,281
Sales promotion and advertisements - net (Note 34.2)	34,179,424	35,695,242
Freight outward	77,043,526	51,954,235
Rent, rates and taxes	8,394,548	6,646,869
Travelling and conveyance	59,206,168	53,454,963
Insurance	42,213,777	29,251,839
Utilities	32,712,442	25,903,867
Repair and maintenance	37,534,032	30,855,357
Vehicles' running and maintenance	94,087,605	69,568,541
Communication	12,835,554	12,324,137
Entertainment	29,793,370	12,831,481
Depreciation on fixed assets (Note 16.1.2)	107,107,024	107,868,799
Depreciation on right-of-use assets (Note 17.2)	123,681,651	138,361,618
Hospitality charges	20,435,475	12,307,730
Printing and stationery	1,352,764	1,080,301
Security charges	29,079,729	-
Miscellaneous	15,698,052	24,634,870
Royalty (Note 34.3 and 34.4)	48,755,708	40,324,742
	1,259,846,403	1,075,662,872

34.1 Salaries other benefits include provident fund contribution of Rupees 18.089 million (2024: Rupees 16.141 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 165.011 million (2024: Rupees 62.416 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	2025 Rupees	2024 Rupees
SK Enmove Co., Ltd.	26, Jong-ro, Jongno-gu, Seoul 03188, Republic of Korea	Principal supplier and long term partner	48,755,708	40,324,742

34.4 Royalty expense relates to sale of certain products of Rupees 1,871.748 million (2024: Rupees 1,317.993 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.

	2025 Rupees	2024 Rupees
35. ADMINISTRATIVE EXPENSES		
Salaries, wages and other benefits (Note 35.1)	621,483,934	570,567,724
Consultancy charges	9,858,073	10,197,886
Rent, rates and taxes (Note 35.2)	4,376,625	4,053,040
Travelling and conveyance	51,541,141	52,256,339
Insurance	32,816,499	28,810,921
Vehicles' running and maintenance	40,038,566	43,823,917
Utilities	10,362,032	13,548,780
Repair and maintenance	8,886,387	7,526,372
Fee and subscription	32,453,115	27,116,053
Printing and stationery	1,651,030	1,444,209
Communication	13,032,948	9,526,548
Entertainment	47,286,833	33,945,321
Legal and professional	44,711,824	31,322,119
Auditor's remuneration (Note 35.2)	8,980,541	7,815,862
Depreciation on operating fixed assets (Note 16.1.2)	87,127,893	53,748,376
Depreciation on right-of-use assets (Note 17.2)	3,056,953	8,491,838
Amortization on intangible assets (Note 18)	7,201,403	10,581,097
Security charges	2,364,000	-
Miscellaneous	6,246,073	9,483,947
	1,033,475,870	924,260,349

35.1 Salaries and other benefits include provident fund contribution of Rupees 17.054 million (2024: Rupees 15.900 million) by the Group.

	2025 Rupees	2024 Rupees
35.2 Auditor's remuneration		
Annual audit fee	5,083,842	4,270,732
Certifications	1,690,835	1,507,930
Half year review	1,517,264	1,453,200
Reimbursable expenses	688,600	584,000
	8,980,541	7,815,862

	2025 Rupees	2024 Rupees
36. OTHER EXPENSES		
Allowance for expected credit losses (Note 23.2)	-	7,524,293
Exchange loss - net	42,406,572	-
Sales tax receivable written off	7,478,890	6,453,593
Charities and donations (Note 36.1)	19,313,880	19,038,480
Intangible assets written off (Note 18)	-	26,283
Advances to suppliers written off (Note 24.1)	-	8,814,444
Fixed assets written off (Note 16.1)	8,998,077	6,075,596
Stock-in-trade written off	4,532,520	-
Mobilzation advances written off	-	1,094,101
Advances to employees written off	110,422	84,068
Security deposits written off	1,197,595	-
Workers' profit participation fund (Note 11.3)	33,989,644	18,604,049
Workers' welfare fund (Note 11.4)	12,418,785	6,354,715
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
Penalty	11,815,686	1,881,892
Miscellaneous	-	47,586
	142,262,071	99,132,656

36.1 These include amount of Rupees 18 million (2024: 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, Mrs. Mehwish Khan - Director, Mrs. Mavira Tahir - Director and Mr. Ali Hassan - Director of the Holding Company are trustees.

		2025 Rupees	2024 Rupees
37.	**OTHER INCOME**		
	Income from financial assets:		
	Dividend income	31,398,163	42,511,752
	Profit on bank deposits and term deposit receipt (Note 37.1)	9,342,101	28,273,889
	Gain on disposal of short term investment	9,669	338,810
	Unrealized gain on remeasurement of investment at fair value through profit or loss - net	660,978	5,212,238
	Credit Balances Written Back	1,652,734	201,554
	Income from non-financial assets:		
	Fair value gain on investment property classified as held for sale (Note 31)	25,000,000	-
	Gain on disposal of operating fixed assets (Note 16.1.1)	1,827,578	2,929,079
	Testing Fee	53,326	-
	Gain on termination of leases	10,982,771	-
	Reversal of provision for slow moving and obsolete store items (Note 21.1)	1,519,866	1,402,865
	Reversal of provision for slow moving and obsolete stock-in-trade (Note 22.4)	17,233,035	-
	Amortization of deferred income - Government grant (Note 10.2)	21,771,306	23,533,790
	Income from handling and storage services	107,323,063	29,050,833
	Common facility charges	1,379,930	1,881,780
	Reversal of allowance for expected credit losses (Note 23.2)	4,880,622	-
	Scrap sales	4,880,622	-
	Promotional incentive	-	93,967
	Miscellaneous	-	184,705,857
		6,400	494,665
	Others:		
	Exchange gain - net	-	5,875,648
	Rental income from HTL Express Centres	40,098,026	31,073,976
		275,139,568	357,580,703

37.1 It includes profit on cash margin against letters of credits, ranging from 9.67% to 16.87% given to the banks of the Subsidiary Company.

		2025 Rupees	2024 Rupees
38.	**FINANCE COST**		
	Mark-up on long term financing	61,330,385	76,613,349
	Mark-up on short term borrowings	370,020,277	563,005,289
	Interest expense on lease liabilities (Note 8.1)	77,876,059	87,216,860
	Interest on workers' profit participation fund (Note 11.3)	35,989,011	43,243,950
	Bank charges and commission	49,779,381	30,882,784
		594,995,113	800,962,232
39.	**LEVY**		
	Minimum Tax (Note 39.1)	167,542,486	128,535,117
	Final taxes	4,709,724	-
	Prior year adjustment	(597,300)	139,051
		171,654,910	128,674,168

39.1 Levy represents final tax levied under the income tax ordinance, 2001 and minimum tax on local sales under section 113 of the Income Tax Ordinance, 2001.

	2025 Rupees	2024 Rupees
40. TAXATION		
Current tax	1,364,364	-
Deferred tax	47,601,737	169,237,721
	48,966,101	169,237,721

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:

	2025 Rupees	2024 Rupees
Relationship between tax expense and accounting profit		
Profit before taxation and levy	322,428,806	(177,940,148)
Tax at the applicable rate of 29% (2024: 29%)	93,504,354	-
Effect of minimum tax on turnover taxed at lower rate	167,542,486	128,535,117
Effect of dividend income taxed at a lower rate	4,709,724	-
Tax effect of capital gain taxed at a lower rate	1,364,364	-
Tax effect of inadmissible income	(93,504,354)	-
Effect of change in prior year's tax	(597,300)	139,051
Effect arising as a consequence of recognition of deferred income tax	47,601,737	169,237,721
	220,621,011	297,911,889
Current income tax liability and levy as per applicable tax laws:		
Levy (Note 39)	(171,654,910)	(128,674,168)
Taxation (Note 40)	(48,966,101)	(169,237,721)
	-	-

41. EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED

	2025 Rupees	2024 Rupees
There is no dilutive effect on the basic earnings / (loss) per share which based on:		
Profit / (loss) after taxation attributable to ordinary shareholders (Rupees)	101,807,795	(137,376,595)
Weighted average number of shares (Number)	139,204,800	139,204,800
Earnings / (loss) per share - basic and diluted (Rupees)	0.73	(0.99)

		2025 Rupees	2024 Rupees
42.	**CASH GENERATED FROM OPERATIONS**		
	Profit / (loss) before levy and taxation	322,428,806	(177,940,148)
	Adjustments for non-cash charges and other items:		
	Depreciation on operating fixed assets (Note 16.1.2)	333,768,434	293,184,960
	Depreciation on right-of-use assets (Note 17)	126,738,604	146,853,456
	Amortization of intangible assets (Note 18)	7,201,403	10,581,097
	Amortization of deferred income - Government grant (Note 10.2)	(21,771,306)	(23,533,790)
	Reversal for expected credit losses (Note 36)	-	7,524,293
	Allowance for expected credit losses (Note 37)	(4,880,622)	-
	Provision for slow moving and damaged stock items (Note 22.4)	-	17,557,550
	Provision for slow moving and obsolete store items (Note 21.1)	(1,519,866)	(1,402,865)
	Credit balances written back (Note 37)	(1,652,734)	(201,554)
	Gain on disposal of operating fixed assets (Note 37)	(1,827,578)	(2,929,079)
	Dividend income (Note 37)	(31,398,163)	(42,511,752)
	Profit on bank deposits and term deposit receipt (Note 37)	(9,342,101)	(28,273,889)
	Unrealized gain on remeasurement of investments carried at fair value through profit or loss - net (Note 37)	(660,978)	(5,212,238)
	Gain on disposal of short term investments (Note 37)	(9,669)	(338,810)
	Fair value gain on investment property classified as held for sale (Note 31)	(25,000,000)	-
	Gain on termination of leases	(10,982,771)	-
	Finance cost (Note 38)	594,995,113	800,962,232
	Exchange (gain) / loss - net	42,406,572	(5,875,648)
	Provision for workers' profit participation fund (Note 11.3)	33,989,644	18,604,049
	Provision for workers' welfare fund (Note 11.4)	12,418,785	6,354,715
	Fixed assets written off (Note 36)	8,998,077	6,075,596
	Intangible asset written off (Note 36)	-	26,283
	Mobilzation advances written off (Note 36)	-	1,094,101
	Sales tax written off (Note 36)	7,478,890	6,453,593
	Advances to suppliers written off (Note 36)	-	8,814,444
	Advances to employees written off (Note 36)	110,422	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
	Reversal of provision for slow moving and obsolete stock-in-trade (Note 37)	(17,233,035)	-
	Security deposits written off (Note 36)	1,197,595	-
	Working capital changes (Note 42.1)	(386,004,328)	947,331,671
		979,449,194	1,988,858,341
42.1	**Working capital changes**		
	(Increase) / decrease in current assets:		
	Stores	(27,482,742)	53,861,591
	Stock-in-trade	443,508,428	(46,819,979)
	Trade debts	(209,040,830)	(874,990,643)
	Loans and advances	(60,279,550)	(54,625,326)
	Short term deposits and prepayments	182,263	(3,361,494)
	Other receivables	(47,008,853)	(103,706,665)
		99,878,716	(1,029,642,516)
	(Decrease) / increase in trade and other payables	(485,883,044)	1,976,974,187
		(386,004,328)	947,331,671

42.2 Reconciliation of movement of liabilities to cash flows arising from financing activities:

	2025				
	Liabilities from financing activities				
	Long term financing	Lease liabilities	Short term borrowings	Unclaimed dividend	Total
	Rupees				
Balance as at 01 July 2024	585,018,170	643,392,513	2,064,242,674	5,689,417	3,298,342,774
Financing obtained	-	-	27,573,764,412	-	27,573,764,412
Repayment of financing	(78,036,139)	-	(27,285,129,416)	-	(27,363,165,555)
Acquisitions - finance leases	-	53,229,486	-	-	53,229,486
Other change - non-cash movement	-	(36,529,744)	-	-	(36,529,744)
Repayment of lease liabilities	-	(161,909,701)	-	-	(161,909,701)
Dividend paid	-	-	-	(316,556)	(316,556)
Balance as at 30 June 2025	506,982,031	498,182,554	2,352,877,670	5,372,861	3,363,415,116

	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

	2025 Rupees	2024 Rupees
42.3 Non-cash financing activities		
Acquisition of right-of-use assets	53,229,486	162,958,870

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	2025 Capacity	2025 Production	2024 Capacity	2024 Production
Blending division:					
Bottles	Numbers	14,446,080	4,290,561	14,446,080	3,351,571
Caps	Numbers	21,244,236	4,050,231	21,244,236	3,286,419
Filling	Litres	94,274,800	9,442,107	94,274,800	7,406,258
Blending	Litres	52,800,000	9,443,536	30,000,000	7,626,258
Polymer division:					
Bottles	Numbers	8,190,411	3,157,174	8,195,691	3,947,378
Caps	Numbers	5,311,059	4,639,034	5,002,105	4,777,051
Injection moulding parts	Numbers	430,920	247,579	393,300	208,234

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	2025 Rupees	2024 Rupees
Associated companies			
MAS Associates (Private) Limited	Share of common expenses	1,379,930	1,881,780
Other related parties			
SK Enmove Co., Ltd.	Purchase of lubricants	3,891,067,876	2,757,566,899
	Incentives	122,329,750	247,122,001
Hi-Tech Lubricants Limited Employees Provident Fund Trust	Contribution	33,678,835	30,574,917
Hi-Tech Blending (Private) Limited Employees Provident Fund Trust	Contribution	7,687,266	6,467,014
Sabra Hamida Trust	Donations	18,000,000	18,000,000

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
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
WASL Mobility Modaraba	Common directorship	No	None
Alliance Francaise De Lahore Foundation	Common trusteeship of directors	No	None
Food Check (Private) Limited	Common directorship	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 Holding Company	No	None
Mr. Muhammad Ali Hassan	Director of the Holding Company	No	None
Mr. Hassan Tahir	Director of the Holding Company	No	None
Ms. Mavira Tahir	Director of the Holding Company	No	None
Mr. Faraz Akhtar Zaidi	Director of the Holding Company	No	None
Mr. Shafiq Ur Rehman	Director of the Holding Company	No	None
Mr. Mehmood Akhtar	Director of the Holding Company	No	None
Mr. Donghyun Kim	Director of the Holding Company	No	None
Mr. Muntizer Abbas Hussain	Director of the Holding Company	No	None
Ms. Mehvish Khan	Director of the Holding Company	No	None

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:

	2025				2024			
		Directors				Directors		
	Chief Executive	**Executives**	**Non-Executives**	**Executives**	Chief Executive	Executives	Non-Executives	Executives
	Rupees							
Managerial remuneration	15,483,871	13,935,484	39,096,774	173,786,748	15,483,871	13,935,484	45,483,870	160,464,282
Bonus	2,000,000	1,800,000	-	22,271,346	2,000,000	1,800,000	-	19,592,012
Allowances								
House rent	6,967,742	6,270,968	17,593,548	78,204,037	6,967,742	6,270,968	20,467,741	72,208,917
Medical	1,548,387	1,393,548	3,909,677	17,378,671	1,548,384	1,393,548	4,548,378	16,046,483
Travelling	3,000,000	3,000,000	7,500,000	873,175	3,000,000	3,000,000	10,000,000	868,850
Other incentives	-	-	-	41,822,607	-	-	-	22,106,652
Contribution to provident fund trust	-	-	-	16,258,610	-	-	-	14,367,723
Leave fare assistance	-	-	-	2,173,609	-	-	-	14,122,404
	29,000,000	26,400,000	68,100,000	352,768,803	28,999,997	26,400,000	80,499,989	319,777,323
	1	**1**	**4**	**77**	**1**	**1**	**4**	**68**

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 five directors (2024: three directors) is Rupees 4.4 million (2024: Rupees 5.2 million).

47. NUMBER OF EMPLOYEES

	2025		2024	
	Permanent	**Contractual**	Permanent	Contractual
Total number of employees as on 30 June	371	158	613	107
Average number of employees during the year	381	146	602	108

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 2025	Level 1	Level 2	Level 3	Total
		Rupees		
Financial assets				
Financial assets at fair value through profit or loss	240,351,519	-	-	240,351,519

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

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, 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

	LUBRICANTS		PETROLEUM PRODUCTS		POLYMER		UNALLOCATED		TOTAL - GROUP	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
				Rupees						
Revenue from contracts with customers - net	9,808,003,530	7,964,688,205	23,232,318,076	15,960,960,352	468,175,504	391,574,793	-	-	33,508,497,110	24,317,223,350
Cost of sales	(7,411,640,732)	(6,078,113,375)	(22,607,022,776)	(15,569,807,897)	(411,964,907)	(304,804,819)	-	-	(30,430,628,415)	(21,952,726,092)
Gross profit	2,396,362,798	1,886,574,830	625,295,300	391,152,455	56,210,597	86,769,974	-	-	3,077,868,695	2,364,497,258
Distribution cost	(796,572,271)	(666,137,123)	(452,917,811)	(400,050,792)	(10,356,321)	(9,474,957)	-	-	(1,259,846,403)	(1,075,662,872)
Administrative expenses	(1,014,861,973)	(902,361,015)	(15,737,256)	(19,336,043)	(2,876,641)	(2,563,291)	-	-	(1,033,475,870)	(924,260,349)
Other expenses	(34,815,499)	(58,714,139)	(106,170,034)	(36,267,439)	(1,276,538)	(4,151,078)	-	-	(142,262,071)	(99,132,656)
	(1,846,249,743)	(1,627,212,277)	(574,825,101)	(455,654,274)	(14,509,500)	(16,189,326)	-	-	(2,435,584,344)	(2,099,055,877)
Other income	137,108,900	266,875,356	138,030,668	90,705,347	-	-	-	-	275,139,568	357,580,703
Profit from operations	687,221,954	526,237,909	188,500,868	26,203,528	41,701,097	70,580,648	-	-	917,423,919	623,022,084
Finance cost	(489,031,336)	(559,518,247)	(57,391,947)	(111,943,694)	(48,571,830)	(129,500,291)	-	-	(594,995,113)	(800,962,232)
Profit / (loss) before taxation and levy	198,190,618	(33,280,338)	131,108,921	(85,740,166)	(6,870,733)	(58,919,643)	-	-	322,428,806	(177,940,148)
Levy	-	-	-	-	-	-	(171,654,910)	(128,674,168)	(171,654,910)	(128,674,168)
Profit / (loss) before taxation	198,190,618	(33,280,338)	131,108,921	(85,740,166)	(6,870,733)	(58,919,643)	(171,654,910)	(128,674,168)	150,773,896	(306,614,316)
Taxation	-	-	-	-	-	-	(48,966,101)	169,237,721	(48,966,101)	169,237,721
Profit / (loss) after taxation	198,190,618	(33,280,338)	131,108,921	(85,740,166)	(6,870,733)	(58,919,643)	(220,621,011)	40,563,553	101,807,795	(137,376,595)

49.1 Reconciliation of reportable segment assets and liabilities:

	LUBRICANTS		PETROLEUM PRODUCTS		POLYMER		TOTAL - GROUP	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024
					Rupees			
Total assets for reportable segments	9,881,885,088	7,352,869,179	2,282,248,716	4,925,271,282	792,518,365	806,414,749	12,956,652,169	13,084,555,210
Unallocated assets							322,769,342	322,769,341
Total assets as per consolidated statement of financial position							13,279,421,511	13,407,324,551
Total liabilities for reportable segments	4,133,312,532	3,602,415,185	1,178,651,004	1,905,651,627	297,564,134	433,749,283	5,609,527,670	5,941,816,095
Unallocated liabilities							1,544,834,867	1,543,996,527
Total liabilities as per consolidated statement of financial position							7,154,362,537	7,485,812,622

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 2025	Level 1	Level 2	Level 3	Total
		Rupees		
Freehold land	-	2,662,261,000	-	2,662,261,000
Non-current asset classified as held for sale - Transferred from fixed assets	-	250,000,000	-	250,000,000
Non-current asset classified as held for sale - Transferred from investment property	-	160,000,000	-	160,000,000
	-	3,072,261,000	-	3,072,261,000

At 30 June 2024	Level 1	Level 2	Level 3	Total
Freehold land	-	2,810,521,750	-	2,825,702,250

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 and investment property transferred to non-current asset classified as held for sale) 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 valuer to determine the fair value of the Group's freehold land and investment property transfer to non-current asset classified as held for sale at the end of every financial year. As at 30 June 2025, the fair value of the freehold land and investment property transfer to non-current asset classified as held for sale has been determined by Anderson Consulting (Private) Limited, 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:

	2025 USD	2024 USD
Trade and other payables	(4,616,895)	(4,280,741)
Other receivable	100,000	250,000
Net exposure	(4,516,895)	(4,030,741)

The following significant exchange rates were applied during the year:

	Rupees per US Dollar	
Average rate	279.98	283.70
Reporting date rate	284.10	278.80

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 profit before levy and taxation for the year would have been Rupees 64.162 million lower / higher (2024: loss before levy and taxation Rupees 56.189 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 proft before levy and 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	**2025 Rupees**	2024 Rupees
PSX 100 (5% increase)	459,335	(411,395)
PSX 100 (5% decrease)	(459,335)	411,395

(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:

	2025 Rupees	2024 Rupees
Fixed rate instruments		
Financial liabilities		
Long term financing	425,648,564	483,351,502
Lease liabilities	459,888,304	548,397,202
Floating rate instruments		
Financial assets		
Bank balances - saving accounts	6,537,577	48,549,022
Financial liabilities		
Long term financing	81,333,467	101,666,668
Lease liabilities	38,294,250	94,995,311
Short term borrowings	2,352,877,670	2,064,242,674
	2,472,505,387	2,260,904,653

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 proft before levy and taxation for the year would have been Rupees 24.660 million lower / higher (2024: loss before levy and taxation Rupees 22.124 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:

	2025 Rupees	2024 Rupees
Long term security deposits	18,960,950	18,960,950
Long term loans to employees	2,050,938	2,985,102
Short term deposits	7,570,285	7,637,880
Trade debts	1,315,356,996	1,101,435,544
Loans and advances	198,035,202	98,360,616
Other receivables	219,804,260	100,674,993
Accrued interest	10,052	186,102
Short term investments	240,351,519	222,717,061
Bank balances	144,164,222	410,064,460
	2,146,304,424	1,963,022,708

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			2025	2024
	Short term	**Long term**	**Agency**	**Rupees**	Rupees
Short term investments					
Engro Fertilizer Limited	A1+	AA	PACRA	9,186,705	8,227,890
First Habib Cash Fund		AA+(f)	VIS	226,827,322	210,578,977
NBP Islamic Daily Dividend Fund		AA+(f)	PACRA	617,589	558,023
UBL Liquidity Plus Fund - Class 'C'		AA+(f)	VIS	2,689,058	2,422,647
MCB Cash Management Optimizer		AA+(f)	PACRA	587,676	527,269
Meezan Rozana Amdani Fund		AA+(f)	VIS	443,170	402,255
				240,351,520	222,717,061
Banks					
Bank Alfalah Limited	A1+	AAA	PACRA	41,928,865	215,539,881
Bank AL-Habib Limited	A1+	AAA	PACRA	5,319,732	58,291,214
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	531,029	2,501,704
MCB Bank Limited	A1+	AAA	PACRA	6,003,738	5,101,165
National Bank of Pakistan	A1+	AAA	PACRA	330,268	1,281,553
Habib Bank Limited	A1+	AAA	VIS	35,008,806	46,880,754
Askari Bank Limited	A1+	AA+	PACRA	3,350,507	110,548
United Bank Limited	A1+	AAA	VIS	997,000	18,318,856
JS Bank Limited	A1+	AA	PACRA	295,438	287,137
Al-Baraka Bank (Pakistan) Limited	A1	AA-	VIS	238,399	238,399
Meezan Bank Limited	A1+	AAA	VIS	24,756,551	50,851,960
Dubai Islamic Bank Pakistan Limited	A1+	AA	VIS	108,519	108,520
Faysal Bank Limited	A1+	AA	PACRA	774,056	6,061,666
Bank Makramah Limited	-	-	VIS	7,246	7,246
Samba Bank Limited	A1	AA	PACRA	600,166	647,432
Mobilink Microfinance Bank Limited	A1	A	PACRA	23,913,902	3,836,425
				144,164,222	410,064,460
				384,515,742	632,781,521

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 2025 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 2025 and 30 June 2024 was determined as follows:

	Sales		
	Expected loss rate	Trade debts	Loss allowance
	%	Rupees	
At 30 June 2025			
Up to 30 days	0.00%	118,045,783	-
30 to 180 days	7.11%	52,588,093	3,740,476
181 to 360 days	35.51%	4,906,112	1,742,127
Above 360 days	100.00%	7,896,628	7,896,628
		183,436,616	13,379,231
Trade debts which are not subject to risk of default		1,145,299,611	-
		1,328,736,227	13,379,231

	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

(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 2025, the Group had Rupees 916.068 million (2024: Rupees 549.070 million) available borrowing limits from financial institutions and Rupees 154.503 million (2024: Rupees 411.312 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 2025:

	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	506,982,031	617,903,598	66,322,702	65,445,390	125,963,357	360,172,149
Lease liabilities	498,182,554	905,154,440	102,990,568	78,502,109	114,685,693	608,976,070
Long term deposits	26,000,000	26,000,000	-	-	-	26,000,000
Trade and other payables	2,684,990,766	2,682,242,739	2,682,242,739	-	-	-
Accrued mark-up	63,829,553	63,829,553	63,829,553	-	-	-
Short term borrowings	2,352,877,670	2,408,349,946	2,094,203,965	314,145,981	-	-
Unclaimed dividend	5,372,861	5,372,861	5,372,861	-	-	-
	6,138,235,435	6,708,853,137	5,014,962,388	458,093,480	240,649,050	995,148,219

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

51.2 Financial instruments by categories

	2025		
	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	2,050,938	-	2,050,938
Short term deposits	7,570,285	-	7,570,285
Trade debts	1,315,356,996	-	1,315,356,996
Loans and advances	198,035,202	-	198,035,202
Other receivables	219,804,260	-	219,804,260
Accrued interest	10,052	-	10,052
Short term investments	-	240,351,519	240,351,519
Cash and bank balances	154,503,454	-	154,503,454
	1,916,292,137	240,351,519	2,156,643,656

	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	98,360,616	-	98,360,616
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
	1,741,553,632	222,717,061	1,964,270,693

	At Amortized Cost	
	2025 Rupees	2024 Rupees
Financial liabilities		
Long term financing	506,982,031	585,018,170
Lease liabilities	498,182,554	643,392,513
Long term deposits	26,000,000	15,000,000
Trade and other payables	2,684,990,766	2,952,497,880
Short term borrowings	2,352,877,670	2,064,242,674
Accrued mark-up	63,829,553	98,461,634
Unclaimed dividend	5,372,861	5,689,417
	6,138,235,435	6,364,302,288

51.2.1 Reconciliation to the line items presented in the consolidated statement of financial position is as follows:

	2025		
	Financial assets	**Non-financial assets**	**Assets as per consolidated statement of financial position**
	Rupees		
Assets			
Long term security deposits	18,960,950	971,001	19,931,951
Long term loans to employees	2,050,938	-	2,050,938
Short term deposits and prepayments	7,570,285	35,355,450	42,925,735
Trade debts	1,315,356,996	-	1,315,356,996
Loans and advances	198,035,202	249,541,034	447,576,236
Other receivables	219,804,260	130,767,748	350,572,008
Accrued interest	10,052	-	10,052
Short term investments	240,351,519	-	240,351,519
Cash and bank balances	154,503,454	-	154,503,454
	2,156,643,656	416,635,233	2,573,278,889

	2025		
	Financial liabilities	**Non-financial liabilities**	**Liabilities as per consolidated statement of financial position**
	Rupees		
Liabilities			
Long term financing	506,982,031	-	506,982,031
Lease liabilities	498,182,554	-	498,182,554
Long term deposits	26,000,000	-	26,000,000
Trade and other payables	2,684,990,766	838,370,402	3,523,361,168
Short term borrowings	2,352,877,670	-	2,352,877,670
Accrued mark-up	63,829,553	-	63,829,553
Unclaimed dividend	5,372,861	-	5,372,861
	6,138,235,435	838,370,402	6,976,605,837

	2024		
	Financial assets	Non-financial assets	Assets as per consolidated statement of financial position
		Rupees	
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	98,360,616	289,046,492	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
	1,964,270,693	557,497,183	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

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. DISCLOSURE REQUIREMENT FOR COMPANY NOT ENGAGED IN SHARIAH NON-PERMISSIBLE BUSINESS ACTIVITITIES AS ITS CORE BUSINESS ACTIVITIES

Description	2025 Rupees	2024 Rupees
Financing (long-term, short-term, or lease financing) obtained as per Islamic mode	-	-
Interest or mark-up accrued on any conventional loan or advance	63,829,553	98,461,634
Long-term and short-term Shariah compliant Investments	1,060,759	960,278
Shariah-compliant bank deposits, bank balances, and TDRs	25,884,771	56,352,560
Revenue earned from a Shariah-compliant business segment (Note 32)	38,858,811,104	38,858,811,104
Break-up of late payments or liquidated damages	-	-
Gain or loss or dividend earned on Shariah compliant investments or share of profit from Shariah-compliant associates	913,724	165,202
Profit earned from Shariah-compliant bank deposits, bank balances, or TDRs	-	-
Exchange gain earned from actual currency	-	8,463,255
Exchange gains earned using conventional derivative financial instruments	-	-
Profit paid on Islamic mode of financing	-	-
Total Interest earned on any conventional loan or advance	33,414,160	73,175,044
Source and detailed breakup of other income, including breakup of other or miscellaneous portions of other income into Shariah-compliant and noncompliant income		
Shariah-compliant		
Fair value gain on investment property classified as held for sale	25,000,000	-
Dividend income	913,724	1,343,359
Gain on disposal of operating fixed assets	1,827,578	2,929,079
Gain on termination of leases	10,982,771	-
Income from handling and storage services	107,323,063	29,050,833
Reversal of provision for slow moving and damaged inventory items	17,233,035	-
Reversal of provision for slow moving and obsolete store items	1,519,866	1,402,865
Amortization of deferred income - Government grant	21,771,306	23,533,790
Common facility charges	1,379,930	1,881,780
Scrap sales	-	93,967
Testing fee	53,326	-
Reversal of allowance for expected credit losses	4,880,622	-
Exchange gain - net	-	5,875,648
Rental income from HTL Express Centres	40,098,026	31,073,976
Promotional incentive	-	184,705,857
Credit balances written back	1,652,734	201,554
Miscellaneous	6,400	494,665
Non compliant		
Profit on bank deposits and term deposit receipt	9,342,101	28,273,889
Gain on disposal of short term investments	9,669	338,810
Unrealized gain on remeasurement of investments at fair value through profit or loss - net	660,978	5,212,238
Dividend income	30,484,439	41,168,393

Relationship with Shariah-compliant financial institutions, including banks, takaful operators and their windows, etc

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

53. 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 7, 8 and 13 to the consolidated financial statements. Total capital employed includes 'total equity' as shown in the consolidated statement of financial position plus 'borrowings'.

		2025	2024
Borrowings	Rupees	2,969,929,368	2,837,802,878
Total equity	Rupees	6,125,058,974	5,921,511,929
Total capital employed	Rupees	9,094,988,342	8,759,314,807
Gearing ratio	Percentage	32.65%	32.40%

The increase in gearing ratio is mainly due to increase in short term borrowings.

54. UNUTILIZED CREDIT FACILITIES

	Non-funded		**Funded**	
	2025	2024	**2025**	2024
	Rupees	Rupees	**Rupees**	Rupees
Total facilities	3,894,417,000	2,953,510,000	3,814,222,298	3,462,677,000
Utilized at the end of the year	2,574,582,012	1,940,473,446	2,898,153,951	2,913,606,635
Unutilized at the end of the year	1,319,834,988	1,013,036,554	916,068,347	549,070,365

55. 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 Rupees	Total amount utilized till 30 June 2017 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	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 eight operational HTL Express Centers, four in Lahore, three in Karachi and one in Rawalpindi. Further, the Holding Company has sixty one retail outlets operational for sale of petroleum products as on 30 June 2025. Detail of payments out of IPO proceeds during the year ended 30 June 2025 is as follows:

	Rupees
Un-utilized IPO proceeds as at 01 July 2024	218,115,906
Add: Proceeds from Sale of Land	30,000,000
Add: Profit on bank deposits	475,864
Add: Dividend on investment in mutual funds	30,589,514
Add: Gain on disposal of investment in mutual fund	9,669
Less: Unrealised loss on investment in mutual funds	(495,199)
Less: Payments made relating to OMC Project	(84,271,679)
Less: Withholding tax on profit	(71,380)
Less: Withholding tax on dividend from mutual funds	(7,647,378)
Less: Withholding tax on disposal of mutual funds	(16,339)
Less: Bank charges	(2,376)
	186,686,602

The un-utilized proceeds of the public offer have been kept by the Holding Company in the shape of bank balances and mutual funds.

56. DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue on 22 September 2025 by the Board of Directors of the Holding Company.

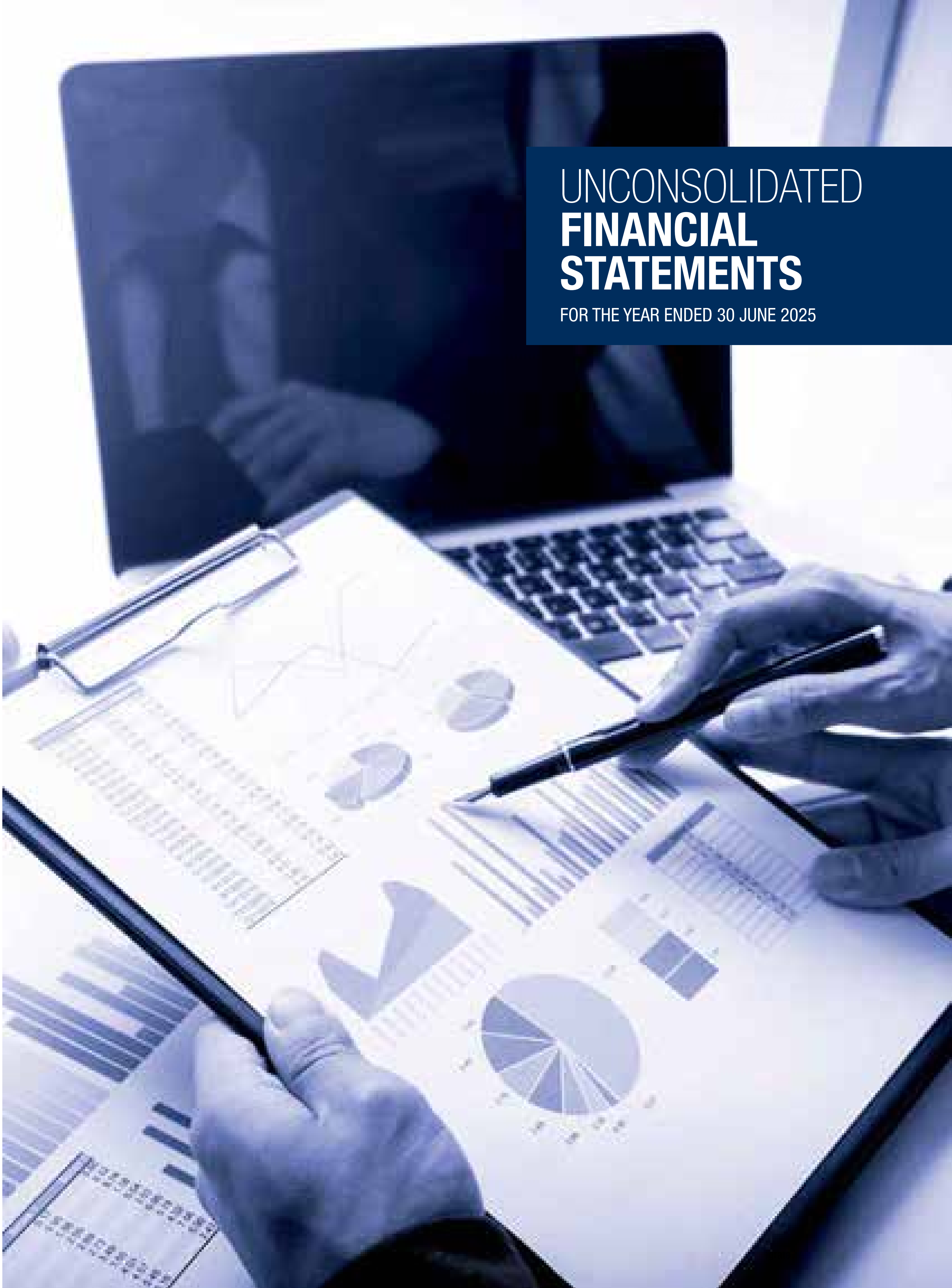
57. CORRESPONDING FIGURES

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.

58. GENERAL

Figures have been rounded off to the nearest Rupee, unless otherwise stated.

Chief Executive	Director	Chief Financial Officer



UNCONSOLIDATED **FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2025

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 2025, 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 2025 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 33,042.904 million for the year ended 30 June 2025. 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 2025 amounted to Rupees 731.023 million and represented a material position in the statement of financial position. Stock-in-trade is stated at lower of cost and net realizable value. We identified existence and valuation of stock-in-trade as a key audit matter due to its size, representing 9.07% of the total assets of the Company as at 30 June 2025, and the judgment involved in valuation. 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 20 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 2025

UDIN: AR202510132GFUnwCVsf

STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Note	2025 Rupees	2024 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
150,000,000 (2024: 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
Capital reserve - share premium	5	1,441,697,946	1,441,697,946
Capital reserve - surplus on revaluation of freehold land	6	829,069,706	760,858,456
Revenue reserve - un-appropriated profit		24,975,378	343,756,279
Total equity		3,687,791,030	3,938,360,681
LIABILITIES			
Non-current liabilities			
Lease liabilities	7	381,667,221	497,633,412
Long term deposits	8	26,000,000	15,000,000
		407,667,221	512,633,412
Current liabilities			
Trade and other payables	9	2,169,592,405	2,559,181,892
Accrued mark-up on short term borrowings		37,294,089	67,682,083
Short term borrowings	10	1,618,958,452	1,777,187,767
Current portion of non-current liabilities	7	131,960,736	149,684,305
Unclaimed dividend		5,372,861	5,689,417
Provision for taxation and levy - net	11	-	-
		3,963,178,543	4,559,425,464
Total liabilities		4,370,845,764	5,072,058,876
Contingencies and commitments	12		
TOTAL EQUITY AND LIABILITIES		8,058,636,794	9,010,419,557
ASSETS			
Non–current assets			
Fixed assets	13	2,656,769,927	2,771,812,271
Right-of-use assets	14	449,029,213	591,486,919
Intangible assets	15	2,709,516	1,197,692
Investment in subsidiary company	16	1,300,000,600	1,300,000,600
Long term security deposits	17	14,337,351	37,718,769
Long term loans to employees	18	1,116,772	2,050,936
Deferred income tax asset	19	121,450,261	144,162,496
		4,545,413,640	4,848,429,683
Current assets			
Stock-in-trade	20	731,022,738	1,789,235,831
Trade debts	21	1,232,490,332	1,019,801,916
Loans and advances	22	307,359,948	245,698,687
Short term deposits and prepayments	23	33,574,424	27,756,981
Other receivables	24	412,524,240	365,876,118
Accrued interest	25	10,052	3,486,137
Short term investments	26	240,351,519	222,717,061
Cash and bank balances	27	145,889,901	352,417,143
		3,103,223,154	4,026,989,874
Non-current asset classified as held for sale	28	410,000,000	135,000,000
		3,513,223,154	4,161,989,874
TOTAL ASSETS		8,058,636,794	9,010,419,557

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 2025

HTL LIMITED
Hi-Tech Lubricants Ltd

	Note	2025 Rupees	2024 Rupees
GROSS REVENUE FROM CONTRACTS WITH CUSTOMERS	29	35,827,893,721	26,759,270,163
Discounts		(500,531,587)	(628,306,843)
Sales tax		(2,284,458,166)	(2,114,480,990)
NET REVENUE FROM CONTRACTS WITH CUSTOMERS		33,042,903,968	24,016,482,330
COST OF SALES	30	(31,003,865,061)	(22,571,816,010)
GROSS PROFIT		2,039,038,907	1,444,666,320
DISTRIBUTION COST	31	(1,204,599,426)	(1,018,633,572)
ADMINISTRATIVE EXPENSES	32	(798,265,801)	(723,546,889)
OTHER EXPENSES	33	(53,368,412)	(54,558,901)
		(2,056,233,639)	(1,769,739,362)
OTHER INCOME	34	279,688,391	1,058,520,303
PROFIT FROM OPERATIONS		262,493,659	706,447,261
FINANCE COST	35	(405,199,105)	(544,046,620)
(LOSS) / PROFIT BEFORE LEVY AND TAXATION		(142,705,446)	162,400,641
LEVY	36	(151,998,856)	(111,560,224)
(LOSS) / PROFIT BEFORE TAXATION		(294,704,302)	50,840,417
TAXATION	37	(24,076,599)	60,563,380
(LOSS) / PROFIT AFTER TAXATION		(318,780,901)	111,403,797
(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED	38	(2.29)	0.80

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 2025

	2025 Rupees	2024 Rupees
(LOSS) / PROFIT AFTER TAXATION	(318,780,901)	111,403,797
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Surplus on revaluation of freehold land	68,211,250	4,011,500
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the year	68,211,250	4,011,500
Total Comprehensive (Loss) / Income For The Year	(250,569,651)	115,415,297

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 2025

HTL LIMITED
Hi-Tech Lubricants Ltd

	Share capital	Reserves					Total equity
		Capital reserve			Revenue reserve	Total reserves	
		Share premium	Surplus on revaluation of freehold land	Sub Total	Un–appropriated Profit		
	Rupees						
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
Loss for the year ended 30 June 2025	-	-	-	-	(318,780,901)	(318,780,901)	(318,780,901)
Other comprehensive income for the year ended 30 June 2025	-	-	68,211,250	68,211,250	-	68,211,250	68,211,250
Total comprehensive loss for the year ended 30 June 2025	-	-	68,211,250	68,211,250	(318,780,901)	(250,569,651)	(250,569,651)
Balance as at 30 June 2025	1,392,048,000	1,441,697,946	829,069,706	2,270,767,652	24,975,378	2,295,743,030	3,687,791,030

The annexed notes form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer

STATEMENT OF
CASH FLOWS
For the year ended 30 June 2025

	Note	2025 Rupees	2024 Rupees
Cash flows from operating activities			
Cash generated from / (used in) operations	39	914,951,854	(25,217,193)
Finance cost paid		(435,587,099)	(557,384,460)
Income tax paid		(255,463,325)	(137,305,411)
Decrease in long term security deposits		14,880,000	17,589,620
Increase / (decrease) in long term deposits		11,000,000	(1,500,000)
Net cash generated from / (used in) operating activities		249,781,430	(703,817,444)
Cash flows from investing activities			
Capital expenditure on operating fixed assets		(215,606,316)	(296,131,583)
Capital expenditure on intangible assets		(2,777,527)	-
Short term loan given to subsidiary company		(512,800,000)	(391,900,000)
Short term loan repaid by subsidiary company		512,800,000	877,400,000
Proceeds from disposal of operating fixed assets		15,705,735	21,928,948
Short term investments - net		(16,963,811)	5,416,933
Dividends received		31,398,163	692,512,052
Interest received on short term loan to subsidiary company		36,714,195	115,829,997
Profit on bank deposits and term deposit receipt received		1,129,385	35,120,772
Net cash (used in) / from investing activities		(150,400,176)	1,060,177,119
Cash flows from financing activities			
Repayment of lease liabilities		(147,362,625)	(168,844,507)
Dividend paid		(316,556)	(141,327)
Short term borrowings - net		(158,229,315)	(74,368,418)
Net cash used in financing activities		(305,908,496)	(243,354,252)
Net (decrease) / increase in cash and cash equivalents		(206,527,242)	113,005,423
Cash and cash equivalents at the beginning of the year		352,417,143	239,411,720
Cash and cash equivalents at the end of the year	27	145,889,901	352,417,143

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	Johar Town, Lahore
HTL Express Centre	Gulistan-e-Johar, Karachi
HTL Express Centre	Askari XIV, Sector – A, Rawalpindi
HTL Express Centre	Khudadaad Colony, Karachi
HTL Express Centre	Sadi Town, Karachi
HTL Express Centre	Bahria Town, Lahore
Oil Boy Filling Station	Mouza Neel Kot, Head Muhammad Wala Road, Multan
Punjab Filling Station	Main Satiana Road, Faisalabad
Green Fuel CNG	1-KM, G.T. Road, Lalamusa
Ittehad Filling Station	Circular Road, Daska
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	Shamkay Bhattian, Lahore
Green City Fuel Station	Hasilpur Road, Bahawalpur
Khokhar Fuel Station	Small Industrial Estate, Jinnah Road, Gujranwala
Minhas CNG	Multan Road, Lahore
S&S	Toba Road, Jhang
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, Dhamyal 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 Darban Road, 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 G.T 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, Murree Road, Abbottabad
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.C.C Kamra Road, Attock City, Attock
Al-Yousaf CNG Filling Station	Faisalabad Jhand Road, Jhang
Ekhwan Petroleum	Peshawar Road, Charsadda
Nawaz Filling Station	Tehsil Thanna Baizai, Malakand
Power Gas CNG & Filling Station	GT Road Mouza Dheri Katti Khel, Nowshera
Hill Top Filling Station	Tehsil Tara Khal, Sadhonti
Galaxy Filling Station	Main Ferozepur Road, Lahore
HTL - ONE Fuel Station	Plot No. 2, Block K, Main Boulevard,Gulberg-II, Lahore

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 classified as held for sale

Fair values of freehold land and investment property classified as held for sale are determined by independent valuer engaged by the Company. The key assumptions used to determine the fair values of freehold land and investment property classified as held for sale are complex in nature. Further, determining adjustments for any differences in nature, location and condition of freehold land and investment property classified as held for sale involves significant judgment. The effect of any changes in fair values are considered as estimate and are accounted for on a prospective basis.

Lease term for lease liability and right-of-use asset

The Company applies judgment to determine the lease term for lease contracts in which it is a lessee. The judgement significantly affects the amount of lease liabilities and right-of-use assets recognized.

Recovery of deferred income tax assets

Deferred income tax assets are recognised for deductible temporary differences only if the Company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

d) Amendments to published approved accounting standards 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 2024:

- Amendments to IAS 1 'Presentation of Financial Statements' – Classification of liabilities as current or non-current;
- Amendments to IAS 1 'Presentation of Financial Statements' – Non-current liabilities with covenants;
- Amendments to IFRS 16 'Leases' – Lease liability in a sale and leaseback transaction; and
- Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures – Supplier finance arrangements.

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 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.

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 2025 or later periods:

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'.

IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information'. IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

IFRS S2 'Climate-related Disclosures'. IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

The implementation of IFRS S1 and IFRS S2 will be phased as per the SECP's order dated 31 December 2024, with different effective dates based on annual turnover, number of employees, and total assets (Criteria). Phase I will apply to listed companies having specific Criteria for annual reporting periods beginning on or after 01 July 2025. Phase II will apply to other listed companies having specific Criteria for annual reporting periods beginning on or after 01 July 2026. Phase III will cover non-listed public interest companies and remaining listed companies for annual reporting periods beginning on or after 01 July 2027.

Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' regarding the classification and measurement of financial instruments (effective for annual periods beginning on or after 01 January 2026). The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9.

The International Accounting Standards Board (IASB) has published 'Annual Improvements to IFRS Accounting Standards — Volume 11'. The amendments are effective for annual reporting periods beginning on or after 01 January 2026. It contains amendments to following five standards as result of the IASB's annual improvements project.

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash flows.

The above standards, 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 Company

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2025 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). Fair value is determined using valuation techniques that incorporate significant inputs not based on 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.

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 held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as investment property that are carried at fair value, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

2.31 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 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 of 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 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.

3.9 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

2025	2024		**2025**	2024
(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 (2024: 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. - principal supplier and long term partner 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.

5. CAPITAL RESERVE - SHARE PREMIUM

This reserve can be utilized by the Company only for the purposes specified in section 81 of the Companies Act, 2017.

		2025 Rupees	2024 Rupees
6.	**CAPITAL RESERVE - SURPLUS ON REVALUATION OF FREEHOLD LAND**		
	As at 01 July	760,858,456	756,846,956
	Add: Surplus on revaluation of freehold land	68,211,250	4,011,500
	As at 30 June	829,069,706	760,858,456
7.	**LEASE LIABILITIES**		
	Total lease liabilities	513,627,957	647,317,717
	Less: Current portion shown under current liabilities	(131,960,736)	(149,684,305)
		381,667,221	497,633,412

		2025 Rupees	2024 Rupees
7.1	Reconciliation of lease liabilities is as follows:		
	Opening balance	647,317,717	642,881,321
	Add: Additions during the year	50,230,486	162,958,870
	Add: Interest accrued during the year (Note 35)	79,207,002	86,094,950
	Add: Impact of lease modifications during the year	-	10,367,143
	Less: Impact of lease reassessment during the year	-	(45,110)
	Less: Impact of lease terminations during the year	(36,529,744)	-
	Less: Payments made during the year	(226,597,504)	(254,939,457)
		513,627,957	647,317,717
	Less: Current portion shown under current liabilities	(131,960,736)	(149,684,305)
		381,667,221	497,633,412
7.2	Maturity analysis of lease liabilities is as follows:		
	Upto 6 months	103,996,048	126,409,995
	6-12 months	79,507,589	88,707,146
	1-2 year	116,096,854	167,213,004
	More than 2 years	635,976,070	721,428,965
		935,576,561	1,103,759,110
	Less: Future finance cost	(421,948,604)	(456,441,393)
	Present value of lease liabilities	513,627,957	647,317,717
7.3	Amounts recognised in the statement of profit or loss:		
	Interest accrued during the year (Note 35)	79,207,002	86,094,950
	Expense relating to leases of low-value assets (included in distribution cost)	7,108,252	3,628,183
	Total amount recognised in statement of profit or loss	86,315,254	89,723,133

7.4 Implicit rates against lease liabilities range from 7.40% to 24.48% (2024: 7.40% to 25.93%) per annum.

7.5 Leases from banking companies are secured against the leased assets, personal guarantees of directors and security deposits of Rupees 22.373 million (2024: Rupees 37.253 million).

8. LONG TERM DEPOSITS

8.1 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.

	2025 Rupees	2024 Rupees
9. TRADE AND OTHER PAYABLES		
Creditors (Note 9.1)	1,635,649,710	1,939,866,846
Accrued liabilities	101,739,890	54,512,126
Advance against sale of 'non-current asset classified as held for sale'	30,000,000	-
Infrastructure development cess payable	67,555,065	67,555,065
Contract liabilities - unsecured	97,876,737	56,960,090
Retention money payable	-	11,767,201
Customs duty payable	73,459,179	357,617,418
Income tax deducted at source	29,599,311	29,161,466
Workers' profit participation fund payable (Note 9.2)	7,197,584	-
Workers' welfare fund payable (Note 9.3)	18,711,932	15,889,350
Payable to Hi-Tech Blending (Private) Limited - subsidiary company (Note 9.4)	102,100,105	25,745,187
Payable to employees' provident fund trust	5,702,892	107,143
	2,169,592,405	2,559,181,892

9.1 These include Rupees 622.959 million (2024: Rupees 244.023 million) and Rupees Nil (2024: Rupees 107.151 million) payable to Hi-Tech Blending (Private) Limited - subsidiary company and SK Enmove Co., Ltd. - principal supplier and long term partner respectively.

	2025 Rupees	2024 Rupees
9.2 Workers' profit participation fund		
Balance as on 01 July	-	22,682,575
Add: Provision for the year	7,197,584	-
Add: Interest for the year (Note 35)	-	5,252,760
	7,197,584	27,935,335
Less: Payment made during the year	-	(27,935,335)
Balance as on 30 June	7,197,584	-

9.2.1 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.

	2025 Rupees	2024 Rupees
9.3 Workers welfare fund		
Balance as on 01 July	15,889,350	15,889,350
Add: Provision for the year	2,822,582	-
Balance as on 30 June	18,711,932	15,889,350

9.4 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.

	2025 Rupees	2024 Rupees
10. SHORT TERM BORROWINGS		
From banking companies - secured		
Short term finances (Note 10.1 and Note 10.2)	1,618,958,452	1,777,187,767

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 12.23% to 22.99% (2024: 21.19% to 28%) per annum.

	2025 Rupees	2024 Rupees
11. PROVISION FOR TAXATION AND LEVY- NET		
Advance income tax - net		
Advance income tax	148,653,496	105,183,461
Less: Provision for taxation	(1,364,364)	-
	147,289,132	105,183,461
Levy - net		
Prepaid levy	4,709,724	6,376,763
Less: Levy payable	(151,998,856)	(111,560,224)
	(147,289,132)	(105,183,461)
	-	-

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 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 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 CIR(A) against the order of DCIR. CIR(A) accepted the Company's stance on certain issues assailed in the appeal and reduced the aggregate demand to Rupees 10.735 million. Being aggrieved by the order of CIR(A), the Company and tax department filed appeals before ATIR. On 25 August 2025, subsequent to the reporting period, ATIR dismissed the department's appeal and upheld the relief provided by CIR(A). However, ATIR also dismissed the Company's appeal on 25 August 2025, subsequent to the reporting period, based on the grounds that judgement of Honourable Sindh High Court as well as various earlier judgements of ATIR on similar issue exists. However, the management is in the process of filing income tax reference before Honourable Lahore High Court, Lahore against the order passed by ATIR. 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 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 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 ATIR against the order passed by CIR(A) which is pending adjudication. 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.

12.1.5 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 CIR(A) on 19 April 2022. On 29 August 2022, CIR(A) provided the partial relief to the Company. 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 ATIR, which is pending adjudication. The management, based on the advice of 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 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 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 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 along with 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 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 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. On 12 December 2024, ATIR disposed of the appeal filed by tax department and remanded back the case to assessing officer for fresh consideration. Being aggrieved with the order of ATIR, the Company has filed a sales tax reference before the Honourable Lahore High Court, Lahore on 17 January 2025 which is pending adjudication. On 02 February 2025, the tax department has initiated remand back proceedings in accordance with the directives of ATIR. The management, based on advise of the legal 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 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 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. On 10 September 2024, ATIR disposed of the appeal filed by the department in favour of the Company. No legal proceedings against the order passed by ATIR have been initiated by the department yet.

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 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 filled Income Tax Reference before Lahore High Court, Lahore on 02 September 2024, which is pending for hearing. 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 have 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) passed 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 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 (2024: 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 (2024: 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 (2024: 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 Guarantees of Rupees 15 million (2024: Rupees 15 million) and Rupees 2.25 million (2024: 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.

		2025 Rupees	2024 Rupees
12.2	**Commitments**		
12.2.1	For capital expenditures	39,705,429	30,816,991
12.2.2	Letters of credit other than for capital expenditures	-	39,705,429

12.2.3 Following represent commitments arising from short-term leases recognized on a straight-line basis as expense under the practical expedients applied by the Company. The amount of future payments under these leases and the period in which these payments will become due are as follows:

	2025 Rupees	2024 Rupees
Not later than 1 year	5,329,848	4,181,000
Later than 1 year	42,408,096	37,908,000

13. FIXED ASSETS

	2025 Rupees	2024 Rupees
Operating fixed assets (Note 13.1)	2,565,629,540	2,608,162,726
Capital work-in-progress (Note 13.2)	91,140,387	163,649,545
	2,656,769,927	2,771,812,271

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	Machinery	Tanks and pipelines	Dispensing pumps	Furniture and fittings	Vehicles	Leasehold improvements	Office equipment	Computers	Total
	Categories											
	Rupees											
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)
Write-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
Year ended 30 June 2025												
Opening 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
Additions	-	170,617,511	14,858,411	25,431,870	38,111,572	23,322,027	2,358,811	1,130,803	-	1,041,065	11,243,404	288,115,474
Revaluation surplus	68,211,250	-	-	-	-	-	-	-	-	-	-	68,211,250
Transferred from right-of-use assets:												
Cost	-	-	-	-	-	-	-	79,026,315	-	-	-	79,026,315
Accumulated depreciation	-	-	-	-	-	-	-	(36,789,919)	-	-	-	(36,789,919)
	-	-	-	-	-	-	-	42,236,396	-	-	-	42,236,396
Disposals:												
Cost	-	-	-	-	(578,690)	(1,911,654)	-	(20,015,367)	-	-	(5,295,052)	(27,800,763)
Accumulated depreciation	-	-	-	-	174,875	732,136	-	10,840,641	-	-	2,630,902	14,378,554
	-	-	-	-	(403,815)	(1,179,518)	-	(9,174,726)	-	-	(2,664,150)	(13,422,209)
Written-off:												
Cost	-	-	(17,871,926)	-	-	-	(345,988)		-	-	(82,040)	(18,299,954)
Accumulated depreciation	-	-	9,044,056	-	-	-	180,056		-	-	77,765	9,301,877
	-	-	(8,827,870)	-	-	-	(165,932)	-	-	-	(4,275)	(8,998,077)
Transferred to 'non-current assets classified as held for sale	(250,000,000)	-	-	-	-	-	-	-	-	-	-	(250,000,000)
Depreciation	-	(47,209,312)	(41,757,121)	(6,613,022)	(19,123,609)	(9,881,363)	(1,456,138)	(21,434,898)	(422,912)	(10,535,348)	(10,242,297)	(168,676,020)
Closing net book value	1,098,580,000	442,896,449	374,782,607	69,416,322	246,283,001	92,948,353	13,836,620	104,119,959	1,691,650	95,319,197	25,755,382	2,565,629,540
At 30 June 2025												
Cost / revalued amount	1,098,580,000	671,511,821	598,474,640	111,904,688	336,798,706	117,657,289	31,584,064	394,749,116	4,463,125	182,293,612	68,986,948	3,617,004,009
Accumulated depreciation	-	(228,615,372)	(223,692,033)	(42,488,366)	(90,515,705)	(24,708,936)	(17,747,444)	(290,629,157)	(2,771,475)	(86,974,415)	(43,231,566)	(1,051,374,469)
Net book value	1,098,580,000	442,896,449	374,782,607	69,416,322	246,283,001	92,948,353	13,836,620	104,119,959	1,691,650	95,319,197	25,755,382	2,565,629,540
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								
Honda Civic - LEB - 18A - 6311	1	2,987,635	2,210,971	776,664	3,000,000	2,223,336	Company policy	Mr. Shahzad Sohail, Company's employee, Lahore
Hyundai Tucson - BL - 0107	1	7,074,150	2,905,118	4,169,032	5,512,000	1,342,968	Company policy	Mr. Syed Javed Mohsin, Company's employee, Lahore
Honda City - AGG - 825	1	3,452,730	1,826,111	1,626,619	3,200,000	1,573,381	Company policy	Mr. Rana Junaid Ullah Minhas, Company's employee, Lahore
Honda City - BWT - 214	1	2,997,500	1,297,584	1,699,916	-	(1,699,916)	Company policy	Mr. Qaiser Khan, Company's ex- employee, Lahore
Dispencing Pump	1	842,829	335,888	506,941	1,370,835	863,894	Negotiation	Karmawala Filling Station, Faisalabad
		17,354,844	8,575,672	8,779,172	13,082,835	4,303,663		
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000		10,445,919	5,802,882	4,643,037	2,622,900	(2,020,137)		
		27,800,763	14,378,554	13,422,209	15,705,735	2,283,526		

13.1.2 The depreciation charge on operating fixed assets for the year has been allocated as follows:

	2025 Rupees	2024 Rupees
Distribution cost (Note 31)	107,107,024	107,868,799
Administrative expenses (Note 32)	61,568,996	31,320,980
	168,676,020	139,189,779

13.1.3 Buildings on leasehold land include two warehouses and water tank having net book value of Rupees 100.662 million (2024: Rupees 111.553 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	8.89	9,257
Mouza Ali Murad Kalhoro, Indus Highway, Shikarpur (under construction)	Oil depot	8.50	56,307
HTL - ONE Fuel Station - Plot No. 2, Block K, Main Boulevard, Gulberg-II, Lahore	Retail outlet	0.39	1,847
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
S&S - Toba Road, Jhang	Dealer of retail outlet	-	3,310
Punjab Filling Station - Main Satiana Road, Faisalabad	Dealer of retail outlet	-	2,821
Ittehad Filling Station - Circular Road, Daska	Dealer of retail outlet	-	3,276
Green Fuel CNG - 1-KM, G.T. Road, Lalamusa	Dealer of retail outlet	-	4,981

Location	Usage of Immovable Property	Total area of land	Covered area of buildings
		Acres	Square feet
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
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 Filling Station - Mouza Ismail Khani, Bannu	Dealer of retail outlet	-	1,527
Arab Emirate Filling Station - Mouza Bandi, Tehsil Khawaja Khela, Swat	Dealer of retail outlet	-	4,580
Rashid Filling Station - Mouza Qambar-192,Tehsil Babuzai,Swat	Dealer of retail outlet	-	1,369
Al - Rehman Filling Station - Mouza Ismail Khani, Bannu	Dealer of retail outlet	-	2,022
Naik Muhammad Filling 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 Filling Station - Jhang Road, Gojra	Dealer of retail outlet	-	2,120
Al-Sheikh Filling 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
Aabroo Petroleum & CNG - Jaranwala - Khurianwala Road, Jaranwala	Dealer of retail outlet	-	4,692

Location	Usage of Immovable Property	Total area of land	Covered area of buildings
		Acres	Square feet
Abbasi & Khan Traders - Gujjar Kohala, Dhirkot	Dealer of retail outlet	-	1,284
Al-Mustafa Filling 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 Filling Station - Sheikhupura - Sargodha Road	Dealer of retail outlet	-	2,645
Chawinda Filling 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.C Kamra Road, Attock City, Attock	Dealer of retail outlet	-	2,125
Al-Yousaf CNG Filling Station - Faisalabad Jhand Road, Jhang	Dealer of retail outlet		1,389
Ekhwan Petroleum, Peshawar Road, Charsadda	Dealer of retail outlet		3,350
Nawaz Filling Station - Tehsil Thanna Baizai, Malakand	Dealer of retail outlet		8,970
Power Gas CNG & Filling Station - GT Road Mouza Dheri Katti Khel, Nowshera	Dealer of retail outlet		3,164
Hill Top Filling Station - Tehsil Tara Khal, Sadhonti	Dealer of retail outlet		1,167
Galaxy Filling Station - Main Ferozepur Road, Lahore	Dealer of retail outlet		1,970
Dharampura, Lahore	HTL Express Centre	-	1,436
Garden Town, Lahore	HTL Express Centre	-	1,789
Johar Town, Lahore	HTL Express Centre		4,500
Gulistan-e-Johar, Karachi	HTL Express Centre		3,149
Khudadaad Colony, Karachi	HTL Express Centre		3,120
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	1,911,755	877,100	1,528,010	-	-	-	-	4,316,865
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
Galaxy Filling Station - 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
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
Abroo Petroleum & 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 3, 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 Emirate 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	8,917,238	-	-	-	-	29,768,726
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
Hussain Filling Station - Near Shah Alam Pull, Charsada Road, Peshawar	3,196,519	-	-	-	-	-	-	3,196,519

Description	Buildings on leasehold land	Tanks and pipelines	Dispens-ing pumps	Machinery	Furniture and fittings	Office equipment	Computers	Total
				Catagories				
				Rupees				
Masha Allah CNG - M.C.C Kamra Road, Attock City, Attock	2,071,234	3,453,346	2,032,898	-	-	-	-	7,557,478
Al-Yousaf CNG Filling Station - Faisalabad Jhand Road, Jhang	2,195,811	-	1,349,255	-	-	-	-	3,545,066
Ekhwan Petroleum - Peshawar Road, Charsadda	2,811,265	-	2,197,510	-	-	-	-	5,008,775
Nawaz Filling Station - Tehsil Thanna Baizai, Malakand	2,466,265	-	3,205,016	-	-	-	-	5,671,281
Power Gas CNG & Filling Station - GT Road Mouza Dheri Katti Khel, Nowshera	2,110,515	-	2,538,765	-	-	-	-	4,649,280
Hill Top Filling Station - Tehsil Tara Khal, Sadhonti	1,553,514	-	-	-	-	-	-	1,553,514
Friends CNG Filling Station Rawalpandi (Under construction)	1,817,693	-	-	-	-	-	-	1,817,693
Salman Filling Station Mardan (Under construction)	2,846,623	-	-	-	-	-	-	2,846,623
KB Petroleum Faisalabad (Under construction)	-	1,136,389	-	-	-	-	-	1,136,389
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 - Johar Town, Lahore	16,713,760	-	-	7,727,402	153,621	-	24,000	24,618,783
HTL Express Centre - Sadi Town, Karachi	-	-	-	1,966,568	332,996	270,456	25,635	2,595,655
HTL Express Centre - Bahira Town, Lahore	-	-	-	5,122,603	233,862	1,968,556	14,040	7,339,061
HTL Express Centre - Gulistan-E-Johar, Karachi	11,978,196	-	-	6,117,945	1,115,829	811,290	-	20,023,260
HTL Express Centre - Khudadaad Colony, 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
	360,522,999	73,379,979	99,250,775	32,547,554	3,019,241	8,920,422	63,675	577,704,645

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.

		2025 Rupees	2024 Rupees
13.2	**Capital work-in-progress**		
	Civil works	40,658,296	116,438,207
	Dispensing pumps	26,049,314	15,986,659
	Tanks and pipelines	24,432,777	31,224,679
		91,140,387	163,649,545

13.2.1 Movement in capital work in progress is as follows:

	Civil works	Dispensing pumps	Tanks and pipelines	Total
		Categories		
At 30 June 2023	44,199,846	8,681,790	50,594,702	103,476,338
Add: Additions during the year	190,135,875	27,917,503	30,049,257	248,102,635
Less: Adjustments made during the year	-	(4,107,256)	(2,272,778)	(6,380,034)
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)	(47,146,502)	(205,022,561)
At 30 June 2024	116,438,207	15,986,659	31,224,679	163,649,545
Add: Additions during the year	93,584,085	26,760,142	30,618,490	150,962,717
Less: Transferred to operating fixed assets during the year	(169,363,996)	(16,697,487)	(37,410,392)	(223,471,875)
At 30 June 2025	40,658,296	26,049,314	24,432,777	91,140,387

14. RIGHT-OF-USE ASSETS

	Land	Buildings	Vehicles	Total
	Rupees			
At 30 June 2023	303,295,180	126,308,099	175,517,873	605,121,152
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
Add / (less): Impact of lease reassessment	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 31)	(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	591,486,918
Add: Additions during the year	18,944,972	29,429,516	1,855,998	50,230,486
Less: Impact of lease termination	(25,546,973)	-	-	(25,546,973)
Less: Book value of assets transferred to operating fixed assets - during the year	-	-	(42,236,396)	(42,236,396)
Less: Depreciation expense for the year (Note 31)	(57,914,442)	(51,668,571)	(15,321,809)	(124,904,822)
At 30 June 2025	340,093,538	68,469,802	40,465,873	449,029,213

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 directors of the Company. The average contract duration is three years.

14.1 There is no impairment against right-of-use assets.

	2025 Rupees	2024 Rupees
15. INTANGIBLE ASSETS - Computer software		
Opening net book value	1,197,692	3,981,524
Add: Cost of additions during the year	2,777,527	-
Less: Written off during the year		
Cost	-	(262,830)
Accumulated amortization	-	236,547
	-	(26,283)
Less: Amortization charged during the year (Note 32)	(1,265,703)	(2,757,549)
Closing net book value	2,709,516	1,197,692
15.1 Cost as at 30 June	49,988,645	47,211,120
Accumulated amortization	(47,279,129)	(46,013,428)
Net book value as at 30 June	2,709,516	1,197,692

15.2 Intangible assets - computer softwares have been amortized at the rate of 30% (2024: 30%) per annum.

15.3 Intangible assets costing Rupees 43.552 million (2024: Rupees 39.827 million) are fully amortized and are still in use of the Company.

		2025 Rupees	2024 Rupees
16.	**INVESTMENT IN SUBSIDIARY COMPANY - at cost**		
	Hi-Tech Blending (Private) Limited - unquoted		
	130,000,060 (2024: 130,000,060) fully paid ordinary shares of Rupees 10 each		
	Equity held 100% (2024: 100%)	1,300,000,600	1,300,000,600

16.1 Investment in Hi-Tech Blending (Private) Limited includes 60 (2024: 60) shares are in the name of nominees of the company. Out of 60 shares, 10 shares were in the name of Mr. Muhammad Basit Hassan (late) and 10 shares were in the name of Mrs. Arifa Shaukat (late). These shares shall be transferred to their legal heirs upon completion of legal formalities.

		2025 Rupees	2024 Rupees
17.	**LONG TERM SECURITY DEPOSITS**		
	Security deposits against leased assets	22,372,819	37,252,819
	Security deposits - others	13,966,150	13,966,150
		36,338,969	51,218,969
	Less: Current portion shown under current assets (Note 23)	22,001,618	13,500,200
		14,337,351	37,718,769
18.	**LONG TERM LOANS TO EMPLOYEES**		
	Considered good:		
	Loans to employees - other than executives (Note 18.1)	2,050,938	2,985,102
	Less: Current portion shown under current assets (Note 22)	934,166	934,166
		1,116,772	2,050,936

18.1 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.

	2025 Rupees	2024 Rupees
19. DEFERRED INCOME TAX ASSET		
The net deferred income tax asset comprised of temporary differences relating to:		
Deductible temporary differences		
Unabsorbed tax depreciation	111,530,226	86,999,447
Available unused tax losses	14,714,778	14,714,778
Turnover tax carried forward	297,716,517	171,549,704
Allowance for expected credit losses	2,098,391	5,101,562
Provision for slow moving and damaged inventory items	6,110,834	10,245,587
Provision for doubtful advances to suppliers	476,487	476,487
Lease liabilities	148,952,108	187,722,138
	581,599,341	476,809,703
Taxable temporary differences		
Accelerated tax depreciation and amortization	(65,530,591)	(94,483,000)
Right-of-use assets	(130,218,472)	(171,531,207)
	(195,749,063)	(266,014,207)
Net deferred income tax asset	385,850,278	210,795,496
Deferred income tax asset not recognised in these financial statements	(264,400,017)	(66,633,000)
Deferred income tax asset recognised in these financial statements	121,450,261	144,162,496

19.1 Movement in deferred income tax balances during the year is as follows:

		2025	
	Opening Balance	**Recognised in statement of profit or loss**	**Closing balance**
		Rupees	
Unabsorbed tax depreciation	86,999,447	24,530,779	111,530,226
Available unused tax losses	14,714,778	-	14,714,778
Allowance for expected credit losses	5,101,562	(3,003,171)	2,098,391
Provision for slow moving and damaged inventory items	10,245,587	(4,134,753)	6,110,834
Provision for doubtful advances to suppliers	476,487	-	476,487
Lease liabilities	187,722,138	(38,770,030)	148,952,108
Accelerated tax depreciation and amortization	(94,483,000)	28,952,409	(65,530,591)
Right-of-use assets	(171,531,207)	41,312,735	(130,218,472)
Turnover tax carried forward			
Available	171,549,704	126,166,813	297,716,517
Movement in deferred income tax not recognized	(66,633,000)	(197,767,017)	(264,400,017)
Deferred income tax recognized	104,916,704	(71,600,204)	33,316,500
	144,162,496	(22,712,235)	121,450,261

	2024		
	Opening Balance	Recognised in statement of profit or loss	Closing balance
		Rupees	
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

19.2 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
	2025	126,166,813	2028
		297,716,517	

	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	251,372,138	Unlimited
		384,586,986	

	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

	2025 Rupees	2024 Rupees
20. STOCK-IN-TRADE		
Lubricants and parts (Note 20.1)	110,125,695	428,492,803
Less: Provision for slow moving and damaged inventory items (Note 20.2)	(21,071,840)	(35,329,612)
	89,053,855	393,163,191
Petroleum products		
- Stock in hand (Note 20.3)	327,795,251	316,614,901
- Stock in pipeline system (Note 20.4)	288,294,086	1,045,532,295
	616,089,337	1,362,147,196
Dispensing pumps and other installations (Note 20.5)	25,879,546	33,925,444
	731,022,738	1,789,235,831

20.1 This includes stock amounting to Rupees 7.585 million (2024: Rupees 118.898 million) lying at customs bonded warehouse.

	2025 Rupees	2024 Rupees
20.2 Provision for slow moving and damaged inventory items:		
Opening balance	35,329,612	27,068,373
Add: Provision recognized during the year (Note 33)	-	11,479,157
Less: Reversal of provision during the year (Note 34)	(14,257,772)	-
Less: Written off against provision during the year	-	(3,217,918)
	(14,257,772)	8,261,239
Closing balance	21,071,840	35,329,612

20.3 This includes stock of petroleum products in possession of third parties as follows:

	2025 Rupees	2024 Rupees
Askar Oil Services (Private) Limited	360,036	2,395,911
Be Energy Limited	79,409,370	23,153,653
Gas and Oil Pakistan Limited	47,963,776	4,888,641
Karachi Hydrocorban Terminal Limited	8,793,367	257,496,950
Pakistan Molasses Company (Private) Limited	8,361,990	-
PARCO Gunvor Limited	31,735,440	-
Z.Y. & Co. Bulk Terminals (Private) Limited	8,576,958	2,955,252
	185,200,937	290,890,407

20.4 This represents the Company's share of pipeline stock of High Speed Diesel and Petroleum Motor Gasoline amounting to Rupees 93.978 million (2024: Rupees 355.458 million) and Rupees 189.831 million (2024: Rupees 687.248 million) respectively held by Pak-Arab Pipeline Company Limited.

20.5 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.

		2025 Rupees	2024 Rupees
21.	**TRADE DEBTS**		
	Unsecured - Considered good:		
	Local	1,239,726,163	1,037,393,509
	Less: Allowance for expected credit losses (Note 21.2)	(7,235,831)	(17,591,593)
		1,232,490,332	1,019,801,916

21.1 As at the reporting date, trade debts of Rupees 127.617 million (2024: Rupees 146.553 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:

	2025 Rupees	2024 Rupees
Neither past due nor impaired	1,104,873,503	890,840,145
Past due but not impaired		
1 to 6 months	124,631,552	121,595,482
6 months to 1 year	2,673,911	7,366,289
More than 1 year	311,366	-
	127,616,829	128,961,771
	1,232,490,332	1,019,801,916

		2025 Rupees	2024 Rupees
21.2	**Allowance for expected credit losses**		
	Opening balance	17,591,593	35,583,191
	Add: Recognized during the year (Note 33)	-	6,856,033
	Less: Reversal of allowance for expected credit losses (Note 34)	(10,355,762)	-
	Less: Written off against provision during the year	-	24,847,631
	Closing balance	7,235,831	17,591,593

22.3 The maximum aggregate amount receivable from Hi-Tech Blending (Private) Limited at the end of any month during the year was Rupees 1.463 million (2024: Rupees 105.257 million).

		2025 Rupees	2024 Rupees
23	**LOANS AND ADVANCES**		
	Considered good, unsecured:		
	Loans to employees - interest free and against salaries:		
	- Executives	2,940,710	12,841,434
	- Other employees	3,240,667	5,586,243
		6,181,377	18,427,677
	Advances to employees against expenses	3,362,342	2,691,708
	Current portion of long term loans to employees (Note 18)	934,166	934,166
	Short term loan to subsidiary company (Note 22.1)	-	-
	Advances to suppliers (Note 22.2)	131,882,063	206,145,136
	Margin against letter of credit	147,500,000	-
	Margin against bank guarantees	17,500,000	17,500,000
		307,359,948	245,698,687

22.1 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 13.59% to 21.68% (2024: 22.96% to 24.40%) per annum.

		2025 Rupees	2024 Rupees
22.2	**Advances to suppliers**		
	Unsecured:		
	Considered good	131,882,063	206,145,136
	Considered doubtful	1,643,057	1,643,057
		133,525,120	207,788,193
	Less: Provision for doubtful advances to suppliers (Note 22.2.1)	1,643,057	1,643,057
		131,882,063	206,145,136
22.2.1	**Provision for doubtful advance to supplier**		
	Opening balance	1,643,057	1,228,802
	Add: Recognized during the year (Note 33)	-	414,255
	Closing balance	1,643,057	1,643,057

23. SHORT TERM DEPOSITS AND PREPAYMENTS

	2025 Rupees	2024 Rupees
Current portion of long term security deposits (Note 17)	22,001,618	13,500,200
Short term security deposits	1,000,000	2,437,595
Prepaid expenses	179,213	827,406
Prepaid insurance	9,546,173	7,550,642
Prepaid rent	847,420	3,441,138
	33,574,424	27,756,981

24. OTHER RECEIVABLES

	2025 Rupees	2024 Rupees
Receivable from MAS Associates (Private) Limited - associated company (Note 24.1)	295,522	347,497
Receivable from SK Enmove Co., Ltd. - related party (Note 24.2)	49,717,500	69,585,301
Sales tax receivable	192,719,980	265,201,125
Inland freight equalization margin	163,122,234	27,171,584
Others	6,669,004	3,570,611
	412,524,240	365,876,118

24.1 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 0.479 million (2024: Rupees 0.672 million).

24.2 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. - principle supplier and long term partner at the end of any month during the year was Rupees 139.275 million (2024: Rupees 177.597 million).

		2025 Rupees	2024 Rupees
25.	**ACCRUED INTEREST**		
	On bank deposits	10,052	186,102
	On short term loan to subsidary company (Note 25.1)	-	3,300,035
		10,052	3,486,137

25.1 It was neither past due nor impaired. The maximum aggregate amount receivable from subsidiary company at the end of any month during the year was Rupees 33.262 million (2024: Rupees 66.077 million).

		2025 Rupees	2024 Rupees
26.	**SHORT TERM INVESTMENTS**		
26.1	**Equity instruments**		
	Fair value through profit or loss		
	Quoted - other than related party:		
	Engro Fertilizer Limited		
	49,500 (2024: 49,500) fully paid ordinary shares of Rupees 10 each	8,227,890	4,085,235
	First Habib Cash Fund		
	2,232,569.9563 (2024: 2,068,832.1513) units	227,130,825	209,515,390
	NBP Islamic Daily Dividend Fund		
	61,758.8753 (2024: 55,802.3031) units	617,589	558,023
	UBL Liquidity Plus Fund - Class 'C'		
	26,496.9405 (2024: 23,901.8786) units	2,685,819	2,418,565
	MCB Cash Management Optimizer		
	5,744.2403 (2024: 5,176.0518) units	585,248	525,355
	Meezan Rozana Amdani Fund		
	8863.4045 (2024: 8,045.0943) units	443,170	402,255
		239,690,541	217,504,823
	Unrealized gain on remeasurement of investments at fair value through profit or loss - net	660,978	5,212,238
		240,351,519	222,717,061

26.1.1 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.

	2025 Rupees	2024 Rupees
27. CASH AND BANK BALANCES		
Cash in hand	10,160,847	607,898
Cash at banks:		
- Saving accounts (Note 27.1)	6,537,577	48,549,022
- Current accounts	129,191,477	303,260,223
	135,729,054	351,809,245
	145,889,901	352,417,143

27.1 Saving accounts carry profit at the rates ranging from 8% to 19% (2024: 20.5%) per annum.

27.2 Bank balances of Rupees 0.242 million (2024: 3.627 million) and short term investments of Rupees 186.444 million (2024: 214.489 million) represents un-utilized proceeds of initial public offer.

28. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	2025		
	Transferred from fixed assets (Note 28.2)	**Transferred from investment property (Note 28.1)**	**Total**
		Rupees	
As at 30 June 2023	-	-	-
Add: Transferred from investment property during the year	-	135,000,000	135,000,000
As at 30 June 2024	-	135,000,000	135,000,000
Add: Transferred from operating fixed assets during the year	250,000,000	-	250,000,000
Add: Fair value adjustment	-	25,000,000	25,000,000
As at 30 June 2025	250,000,000	160,000,000	410,000,000

28.1 On 02 December 2024, the Company has entered into an, agreement to sell, relating to sale of land measuring 01 kanal and 05 marlas situated at 22-A, Zafar Ali Road, Lahore at Rupees 160 million. The management of the Company anticipates that process of disposal of land will be completed subsequent to the reporting period.

28.2 Board of directors of the Company in their meeting held on 29 April 2025 decided to sell land measuring 04 kanal 17 marlas and 175 square feet situated at Quaid-e-Azam Industrial Estate, Lahore. On 29 July 2025, subsequent to the reporting period, the Company has entered into an, arrangement to sell, relating to sale of land at Rupees 250 million. The management of the Company anticipates that process of disposal of land will be completed in due course.

		2025 Rupees	2024 Rupees
29.	**GROSS REVENUE FROM CONTRACTS WITH CUSTOMERS**		
	Lubricants	11,970,268,190	10,347,686,473
	Petroleum products	23,774,266,197	16,259,445,090
	Others (Note 29.1)	83,359,334	152,138,600
		35,827,893,721	26,759,270,163
29.1	**Others**		
	Packing material, spare parts and base oil (Note 29.1.1)	-	105,257,378
	Dispensing pumps	12,716,689	8,112,354
	Franchise and joining fee	70,642,645	38,768,868
		83,359,334	152,138,600

29.1.1 This represented sale of packing material, spare parts and base oil to Hi-Tech Blending (Private) Limited - subsidary company amounting to Rupees Nil (2024: Rupees 105.257 million).

29.2 Revenue is recognised at point in time as per the terms and conditions of underlying contracts with customers.

29.3 The amount of Rupees 49.137 million included in contract liabilities (Note 9) at 30 June 2024 has been recognised as revenue during the year ended 30 June 2025.

		2025 Rupees	2024 Rupees
30.	**COST OF SALES**		
	Opening stock of lubricants and other items	462,418,247	351,886,521
	Lubricants and other items purchased during the year	7,196,905,630	6,743,120,317
		7,659,323,877	7,095,006,838
	Closing stock of lubricants and other items	136,005,241	462,418,247
	Cost of lubricants and other items sold	7,523,318,636	6,632,588,591
	Opening stock of petroleum products	1,362,147,196	778,103,637
	Petroleum products purchased during the year	16,145,447,927	12,482,859,347
	Petroleum development levy	6,032,072,718	3,672,736,684
	Inland freight equalization margin	556,967,921	288,087,908
		22,734,488,566	16,443,683,939
	Closing stock of petroleum products	616,089,337	1,362,147,196
	Cost of petroleum products sold	23,480,546,425	15,859,640,380
	Cost of packing material, spare parts and base oil sold to subsidary company	-	79,587,039
	Total	31,003,865,061	22,571,816,010

	2025 Rupees	2024 Rupees
31. DISTRIBUTION COST		
Salaries and other benefits (Note 31.1)	478,021,116	416,570,449
Sales promotion and advertisements - net (Note 31.2)	34,179,424	35,695,242
Freight outward	77,043,526	41,347,780
Rent, rates and taxes (Note 31.3)	8,394,548	6,646,869
Travelling and conveyance	59,206,168	53,454,963
Insurance	42,213,777	29,251,839
Utilities	32,712,442	25,903,867
Repair and maintenance	37,534,032	30,855,357
Vehicles' running and maintenance	94,087,605	68,356,490
Communication	12,835,554	12,242,746
Entertainment	29,793,370	12,831,481
Depreciation on fixed assets (Note 13.1.2)	107,107,024	107,868,799
Depreciation on right-of-use assets (Note 14)	124,904,822	139,584,789
Hospitality charges	20,435,475	12,307,730
Printing and stationery	1,352,764	1,080,301
Security charges	29,079,726	20,505,321
Miscellaneous	15,698,053	4,129,549
	1,204,599,426	1,018,633,572

31.1 Salaries other benefits include provident fund contribution of Rupees 17.808 million (2024: Rupees 15.857 million) by the Company.

31.2 These are net off incentives in the shape of reimbursement against sales promotion expenses and advertisements amounting to Rupees 165.011 million (2024: Rupees 62.416 million) from SK Enmove Co., Ltd. - principal supplier and long term partner.

	2025 Rupees	2024 Rupees
32. ADMINISTRATIVE EXPENSES		
Salaries, wages and other benefits (Note 32.1)	530,212,334	502,387,737
Rates and taxes	2,539,949	2,450,141
Travelling and conveyance	18,195,251	22,816,070
Insurance	25,365,019	22,684,039
Vehicles' running and maintenance	35,395,478	39,412,962
Utilities	10,362,032	13,548,780
Repair and maintenance	7,105,283	6,467,178
Fee and subscription	21,117,283	15,453,966
Printing and stationery	1,296,372	1,410,789
Communication	11,542,400	8,264,171
Entertainment	20,464,586	17,706,999
Legal and professional	43,109,324	29,380,619
Auditor's remuneration (Note 32.2)	6,361,791	5,569,362
Depreciation on fixed assets (Note 13.1.2)	61,568,996	31,320,980
Amortization on intangible assets (Note 15)	1,265,703	2,757,549
Security charges	2,364,000	1,776,500
Miscellaneous	-	139,047
	798,265,801	723,546,889

32.1 Salaries, wages and other benefits include provident fund contribution of Rupees 15.871 million (2024: Rupees 14.718 million) by the Company.

		2025 Rupees	2024 Rupees
32.2	**Auditor's remuneration**		
	Annual audit fee	2,927,592	2,545,732
	Certifications	1,440,835	1,156,430
	Half year review	1,517,264	1,453,200
	Reimbursable expenses	476,100	414,000
		6,361,791	5,569,362

33. OTHER EXPENSES

	2025 Rupees	2024 Rupees
Allowance for expected credit losses (Note 21.2)	-	6,856,033
Provision for slow moving and damaged inventory items - net (Note 20.2)	-	11,479,157
Provision for doubtful advances to suppliers (Note 22.2.1)	-	414,255
Sales tax receivable written off	964,630	628,898
Fixed assets written off	8,998,077	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
Advances to employees written off	110,422	84,068
Security deposits written off	1,197,595	-
Charities and donations (Note 33.1)	19,313,880	19,038,480
Workers' welfare fund (Note 9.3)	2,822,582	-
Workers' profit participation fund (Note 9.2)	7,197,583	-
Exchange loss - net	9,149,205	-
Penalty	3,614,438	-
Miscellaneous	-	47,586
	53,368,412	54,558,901

33.1 These include amount of Rupees 18 million (2024: 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, Mrs. Mehwish Khan - Director, Mrs. Mavira Tahir - Director and Mr. Ali Hassan - Director are trustees.

	2025 Rupees	2024 Rupees
34. OTHER INCOME		
Income from financial assets:		
Dividend income (Note 34.1)	31,398,163	692,512,052
Profit on bank deposits and term deposit receipt	865,437	28,273,889
Interest on short term loan to subsidary company	33,414,160	73,175,044
Gain on disposal of short term investments	9,669	338,810
Unrealized gain on remeasurement of investments at fair value through profit or loss - net	660,978	5,212,238
Credit balances written back	1,652,734	201,554
Income from non-financial assets:		
Fair value gain on investment property classified as held for sale	25,000,000	-
Gain on disposal of operating fixed assets	2,283,526	3,124,350
Gain on termination of leases	10,982,771	-
Income from handling and storage services	107,323,063	29,050,833
Reversal of provision for slow moving and damaged inventory items (Note 20.2)	14,257,772	-
Common facility charges	1,379,930	1,881,780
Scrap sales	-	12,000
Reversal of allowance for expected credit losses (Note 21.2)	10,355,762	-
Promotional incentive	-	184,705,857
Miscellaneous	6,400	494,665
Others:		
Exchange gain - net	-	8,463,255
Rental income from HTL Express Centres	40,098,026	31,073,976
	279,688,391	1,058,520,303

34.1 This includes Rupees Nil (2024: Rupees 650 million) received from Hi-Tech Blending (Private) Limited - subsidiary company.

	2025 Rupees	2024 Rupees
35. FINANCE COST		
Mark-up on short term borrowings	281,299,687	424,609,298
Interest expense on lease liabilities (Note 7.1)	79,207,002	86,094,950
Bank charges and commission	44,692,416	28,089,612
Interest on workers' profit participation fund (Note 9.2)	-	5,252,760
	405,199,105	544,046,620
36. LEVY		
Minimum tax (Note 37.1)	147,770,337	111,421,173
Final taxes	4,709,724	-
Prior year adjustment	(481,205)	139,051
	151,998,856	111,560,224

36.1 Levy represents final tax levied under the income tax ordinance, 2001 and minimum tax (excess over the amount designated as provision for current tax) on local sales under section 113 of the Income Tax Ordinance, 2001.

	2025 Rupees	2024 Rupees
37. TAXATION		
Current tax (Note 37.1)	1,364,364	-
Deferred tax	22,712,235	(60,563,380)
	24,076,599	(60,563,380)

37.1 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:

	2025 Rupees	2024 Rupees
Relationship between tax expense and accounting profit		
(Loss) / profit before levy and taxation	(142,705,446)	162,400,641
Tax at the applicable rate of 29% (2024: 29%)	-	47,096,186
Effect of minimum tax on turnover taxed at lower rate	147,770,337	120,082,411
Effect of dividend income taxed at a lower rate	4,709,724	6,376,763
Effect of capital gain taxed at a lower rate	1,364,364	127,701
Effect of change in prior year's tax	(481,205)	139,051
Effect of group taxation adjustments	-	(15,165,702)
Effect arising as a consequence of recognition of deferred income tax	22,712,235	(60,563,380)
Effect of inadmissible income	-	(47,096,186)
	176,075,455	50,996,844
Current income tax liability and levy as per applicable tax laws:		
Levy (Note 36)	(151,998,856)	(111,560,224)
Taxation (Note 37)	(24,076,599)	60,563,380
	-	-

38. (LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic (loss) / earnings per share which based on:

	2025 Rupees	2024 Rupees
(Loss) / profit after taxation attributable to ordinary shareholders (Rupees)	(318,780,901)	111,403,797
Weighted average number of shares (Number)	139,204,800	139,204,800
(Loss) / earnings per share - basic and diluted (Rupees)	(2.29)	0.80

		2025 Rupees	2024 Rupees
39.	**CASH GENERATED FROM / (USED IN) OPERATIONS**		
	(Loss) / profit before levy and taxation	(142,705,446)	162,400,641
	Adjustments for non-cash charges and other items:		
	Depreciation on operating fixed assets (Note 13.1.2)	168,676,020	139,189,779
	Depreciation on right-of-use assets (Note 14)	124,904,822	139,584,789
	Amortization on intangible assets (Note 15)	1,265,703	2,757,549
	Reversal of allowance for expected credit losses (Note 34)	(10,355,762)	-
	Allowance for expected credit losses (Note 33)	-	6,856,033
	Reversal of provision for slow moving and damaged inventory items - net (Note 34)	(14,257,772)	-
	Provision for slow moving and damaged inventory items - net (Note 33)	-	11,479,157
	Provision for doubtful advances to suppliers (Note 33)	-	414,255
	Gain on disposal of operating fixed assets (Note 34)	(2,283,526)	(3,124,350)
	Dividend income (Note 34)	(31,398,163)	(692,512,052)
	Profit on bank deposits and term deposit receipt (Note 34)	(865,437)	(28,273,889)
	Interest income on short term loan to subsidiary company (Note 34)	(33,414,160)	(73,175,044)
	Gain on disposal of short term investments (Note 34)	(9,669)	(338,810)
	Unrealized gain on remeasurement of investments carried at fair value through profit or loss - net (Note 34)	(660,978)	(5,212,238)
	Fixed assets written off (Note 33)	8,998,077	6,075,596
	Intangible assets written off (Note 33)	-	26,283
	Mobilization advances written off (Note 33)	-	1,094,101
	Credit balances written back (Note 34)	(1,652,734)	(201,554)
	Fair value gain on investment property classified as held for sale (Note 34)	(25,000,000)	-
	Sales tax receivable written off (Note 33)	964,630	628,898
	Gain on termination of leases (Note 34)	(10,982,771)	-
	Exchange loss / (gain)	9,149,205	(8,463,255)
	Finance cost (Note 35)	405,199,105	544,046,620
	Working capital changes (Note 39.1)	469,380,710	(228,469,702)
		914,951,854	(25,217,193)
39.1	**Working capital changes**		
	(Increase) / decrease in current assets:		
	Stock-in-trade	1,068,568,855	(697,793,203)
	Trade debts	(212,688,416)	(867,418,255)
	Loans and advances	(46,585,099)	(105,668,145)
	Short term deposits and prepayments	2,683,975	1,215,246
	Other receivables	(47,612,752)	(178,112,950)
		764,366,563	(1,847,777,307)
	(Decrease) / increase in trade and other payables	(294,985,853)	1,619,307,605
		469,380,710	(228,469,702)

39.2 Reconciliation of movement of liabilities to cash flows arising from financing activities:

	2025			
	Liabilities from financing activities			
	Lease liabilities	Short term borrowings	Unclaimed dividend	Total
	Rupees			
Balance as at 01 July 2024	647,317,717	1,777,187,767	5,689,417	2,430,194,901
Finance obtained	-	(558,408,212)	-	(558,408,212)
Repayment of financing	-	400,178,897	-	400,178,897
Acquisitions - finance leases	50,230,486	-	-	50,230,486
Other change - non-cash movement	(36,557,621)	-	-	(36,557,621)
Repayment of lease liabilities	(147,362,625)	-	-	(147,362,625)
Dividend paid	-	-	(316,556)	(316,556)
Balance as at 30 June 2025	513,627,957	1,618,958,452	5,372,861	2,137,959,270

	2024			
	Liabilities from financing activities			
	Lease liabilities	Short term borrowings	Unclaimed dividend	Total
	Rupees			
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 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

	2025 Rupees	2024 Rupees
39.3 Non-cash financing activities		
Acquisition of right-of-use assets	50,230,486	162,958,870

40. 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.

41. 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	2025 Rupees	2024 Rupees
Subsidiary company			
Hi-Tech Blending (Private) Limited	Sale of lubricants	2,582,362	1,926,474
	Sale of packing material and parts	-	105,257,378
	Purchase of lubricants	6,975,090,919	6,064,354,523
	Dividend received	-	650,000,300
	Lease rentals paid	3,000,000	3,000,000
	Short term loan given	512,800,000	391,900,000
	Short term loan repaid	(512,800,000)	877,400,000
	Interest received on short term loan	36,714,195	115,829,997
Associated companies			
MAS Associates (Private) Limited	Share of common expenses	1,379,930	1,881,780
Other related parties			
SK Enmove Co., Ltd.	Purchase of lubricants	153,865,101	697,900,417
	Incentive	122,329,750	247,122,001
Hi-Tech Lubricants Limited Employee's Provident fund trust	Contribution	33,678,835	30,574,917
Sabra Hamida Trust	Donations	18,000,000	18,000,000

41.1 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
WASL Mobility Modaraba	Common directorship	No	None
Alliance Francaise De Lahore Foundation	Common trusteeship of directors	No	None
Food Check (Private) Limited	Common directorship	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. Faraz Akhtar Zaidi	Director of the Company	No	None
Mr. Shafiq Ur Rehman	Director of the Company	No	None
Mr. Mehmood Akhtar	Director of the Company	No	None
Mr. Donghyun Kim	Director of the Company	No	None
Mr. Muntizer Abbas Hussain	Director of the Company	No	None
Ms. Mehvish Khan	Director of the Company	No	None

41.2 Detail of compensation to key management personnel comprising of chief executive officer and executives is disclosed in note 42.

42. 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:

	2025				2024			
		Directors				Directors		
	Chief Executive	Executives	Non-Executives	Executives	Chief Executive	Executives	Non-Executives	Executives
	Rupees							
Managerial remuneration	15,483,871	13,935,484	39,096,774	173,786,748	15,483,871	13,935,484	45,483,870	160,464,282
Bonus	2,000,000	1,800,000	-	22,271,346	2,000,000	1,800,000	-	19,592,012
Allowances								
House rent	6,967,742	6,270,968	17,593,548	78,204,037	6,967,742	6,270,968	20,467,741	72,208,917
Medical	1,548,387	1,393,548	3,909,677	17,378,671	1,548,384	1,393,548	4,548,378	16,046,483
Travelling	3,000,000	3,000,000	7,500,000	873,175	3,000,000	3,000,000	10,000,000	868,850
Others incentives	-	-	-	41,822,607	-	-	-	22,106,652
Contribution to provident fund trust	-	-	-	16,258,610	-	-	-	14,367,723
Leave fare assistance	-	-	-	2,173,609	-	-	-	14,122,404
	29,000,000	26,400,000	68,100,000	352,768,803	28,999,997	26,400,000	80,499,989	319,777,323
	1	**1**	**4**	**77**	**1**	**1**	**4**	**68**

42.1 Chief executive, five directors (other than independent directors) and certain executives of the Company are provided with fully maintained vehicles.

42.2 Aggregate amount charged in these financial statements for meeting fee to five directors (2024: three directors) is Rupees 4.4 million (2024: Rupees 5.2 million).

43. NUMBER OF EMPLOYEES

	2025		2024	
	Permanent	Contractual	Permanent	Contractual
Total number of employees as on 30 June	371	158	383	107
Average number of employees during the year	381	146	380	108

44. 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	-	1401	1551

45. 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 2025	Level 1	Level 2	Level 3	Total
	Rupees			
Financial assets				
Financial assets at fair value through profit or loss	240,351,519	-	-	240,351,519

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

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.

46. 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 2025	Level 1	Level 2	Level 3	Total
		Rupees		
Freehold land	-	1,098,580,000	-	1,098,580,000
Non-current asset classified as held for sale - Transferred from fixed assets	-	250,000,000	-	250,000,000
Non-current asset classified as held for sale - Transferred from investment property	-	160,000,000	-	160,000,000
	-	1,508,580,000	-	1,508,580,000

At 30 June 2024	Level 1	Level 2	Level 3	Total
		Rupees		
Freehold land	-	1,280,368,750	-	1,280,368,750
	-	1,280,368,750	-	1,280,368,750

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 and investment property transferred to non-current asset classified as held for sale) 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 and investment property transferred to non-current asset classified as held for sale at the end of every financial year. As at 30 June 2025, the fair value of the freehold land and investment property transferred to non-current asset classified as held for sale has been determined by Anderson Consulting (Private) Limited, 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.

47. FINANCIAL RISK MANAGEMENT

47.1 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:

	2025 **USD**	2024 USD
Trade and other payables	-	(393,515)
Other receivables	100,000	250,000
Net exposure	100,000	(143,515)

The following significant exchange rates were applied during the year:

	2025	2024
	Rupees per US Dollar	
Average rate	279.98	283.70
Reporting date rate	284.10	278.80

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 loss before levy and taxation for the year would have been Rupees 1.421 million (2024: profit before levy and taxation for the year would have been Rupees 2.001 million) lower / higher, 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 loss before levy and taxation (2024: profit before levy and 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 before levy and taxation**	
	2025 **Rupees**	2024 Rupees
PSX 100 (5% increase)	(459,335)	411,395
PSX 100 (5% decrease)	459,335	(411,395)

(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:

	2025 Rupees	2024 Rupees
Fixed rate instruments		
Financial liabilities		
Lease liabilities	477,673,587	566,860,780
Floating rate instruments		
Financial assets		
Bank balances - saving accounts	6,537,577	48,549,022
Financial liabilities		
Lease liabilities	35,954,370	80,456,937
Short term borrowings	1,618,958,452	1,777,187,767
	1,654,912,822	1,857,644,704

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, loss before levy and taxation for the year would have been Rupees 16.484 million lower / higher (2024: profit before levy and taxation for the year would have been Rupees 18.091 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:

	2025 Rupees	2024 Rupees
Long term security deposits	13,966,150	13,966,150
Long term loans to employees	2,050,938	2,985,102
Short term deposits	1,000,000	2,437,595
Trade debts	1,232,490,332	1,019,801,916
Loans and advances	171,181,377	35,927,677
Other receivables	219,804,260	100,674,993
Accrued interest	10,052	3,486,137
Short term investments	240,351,519	222,717,061
Bank balances	135,729,054	351,809,245
	2,016,583,682	1,753,805,876

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			2025	2024
	Short term	Long term	Agency	Rupees	Rupees
Short term investments					
Engro Fertilizer Limited	A1+	AA	PACRA	9,186,705	8,227,890
First Habib Cash Fund	AAA+(f)		VIS	226,827,322	210,578,977
NBP Islamic Daily Dividend Fund	AA+(f)		PACRA	617,589	558,023
UBL Liquidity Plus Fund - Class 'C'	AA+(f)		VIS	2,689,057	2,422,647
MCB Cash Management Optimizer	AA+(f)		PACRA	587,676	527,269
Meezan Rozana Amdani Fund	AA+(f)		VIS	443,170	402,255
				240,351,519	222,717,061
Banks					
Bank Alfalah Limited	A1+	AAA	PACRA	41,928,865	215,539,881
Bank AL-Habib Limited	A1+	AAA	PACRA	1,414,930	1,483,688
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	531,029	2,501,704
MCB Bank Limited	A1+	AAA	PACRA	5,991,283	5,088,711
National Bank of Pakistan	A1+	AAA	PACRA	330,268	1,281,553
Habib Bank Limited	A1+	AAA	VIS	34,487,895	46,360,750
Askari Bank Limited	A1+	AA+	PACRA	350,507	110,548
United Bank Limited	A1+	AAA	VIS	-	18,318,856
JS Bank Limited	A1+	AA	PACRA	295,438	287,137
Al-Baraka Bank (Pakistan) Limited	A1	AA-	VIS	238,399	238,399
Meezan Bank Limited	A1+	AAA	VIS	24,756,551	49,936,729
Dubai Islamic Bank Pakistan Limited	A1+	AA	VIS	108,519	108,520
Faysal Bank Limited	A1+	AA	PACRA	774,056	6,061,666
Bank Makramah Limited	-	-	VIS	7,246	7,246
Samba Bank Limited	A1	AA	PACRA	600,166	647,432
Mobilink Microfinance Bank Limited	A1	A	PACRA	23,913,902	3,836,425
				135,729,054	351,809,245
				376,080,573	574,526,306

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 2025 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 2025 and 30 June 2024 was determined as follows:

	Sales		
	Expected loss rate	Trade debts	Loss allowance
	%	Rupees	
At 30 June 2025			
Up to 30 days	0.00%	93,902,614	-
30 to 180 days	11.33%	33,007,092	3,740,476
181 to 360 days	39.45%	4,416,038	1,742,127
Above 360 days	100.00%	1,753,228	1,753,228
		133,078,972	7,235,831
Trade debts which are not subject to risk default		1,106,647,191	-
		1,239,726,163	7,235,831

	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 which are not subject to risk default		644,492,552	-
		1,037,393,509	17,591,593

(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 2025, the Company had Rupees 74.919 million (2024: Rupees 362.494 million) available borrowing limits from financial institutions and Rupees 145.889 million (2024: Rupees 352.417 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 2025:

	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	513,627,957	935,576,561	103,996,048	79,507,589	116,096,854	635,976,070
Long term deposits	26,000,000	26,000,000	-	-	-	26,000,000
Trade and other payables	1,839,489,705	1,839,489,705	1,839,489,705	-	-	-
Unclaimed dividend	5,372,861	5,372,861	5,372,861	-	-	-
Accrued mark-up	37,294,089	37,294,089	37,294,089	-	-	-
Short term borrowings	1,618,958,452	1,618,958,452	1,618,958,452	-	-	-
	4,040,743,064	4,462,691,668	3,605,111,155	79,507,589	116,096,854	661,976,070

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

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 7 and note 10 to these financial statements.

47.2 Financial instruments by categories

	2025		
	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	2,050,938	-	2,050,938
Short term deposits	1,000,000	-	1,000,000
Trade debts	1,232,490,332	-	1,232,490,332
Loans and advances	171,181,377	-	171,181,377
Other receivables	219,804,260	-	219,804,260
Accrued interest	10,052	-	10,052
Short term investments	-	240,351,519	240,351,519
Cash and bank balances	145,889,901	-	145,889,901
	1,786,393,010	240,351,519	2,026,744,529

	At amortized cost	2024 At fair value through profit or loss	Total
	Rupees		
Financial assets			
Long term security deposits	13,966,150	-	13,966,150
Long term loan to an employee	2,985,102	-	2,985,102
Short term security 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

	At Amortized Cost	
	2025 **Rupees**	2024 Rupees
Financial liabilities		
Lease liabilities	513,627,957	647,317,717
Long term deposits	26,000,000	15,000,000
Trade and other payables	1,839,489,705	2,031,891,360
Short term borrowings	1,618,958,452	1,777,187,767
Accrued mark-up	37,294,089	67,682,083
Unclaimed dividend	5,372,861	5,689,417
	4,040,743,064	4,544,768,344

47.2.1 Reconciliation to the line items presented in the statement of financial position is as follows:

	2025		
	Financial assets	Non-financial assets	Assets as per statement of financial position
		Rupees	
Assets			
Long term security deposits	13,966,150	371,201	14,337,351
Long term loans to employees	1,116,772	-	1,116,772
Short term deposits and prepayments	1,000,000	32,574,424	33,574,424
Trade debts	1,232,490,332	-	1,232,490,332
Loans and advances	171,181,377	136,178,571	307,359,948
Other receivables	219,804,260	192,719,980	412,524,240
Accrued interest	10,052	-	10,052
Short term investments	240,351,519	-	240,351,519
Cash and bank balances	145,889,901	-	145,889,901
	2,025,810,363	361,844,176	2,387,654,539

	2025		
	Financial liabilities	Non-financial liabilities	Liabilities as per statement of financial position
		Rupees	
Liabilities			
Lease liabilities	513,627,957	-	513,627,957
Long term deposits	26,000,000	-	26,000,000
Trade and other payables	1,839,489,705	330,102,700	2,169,592,405
Short term borrowings	1,618,958,452	-	1,618,958,452
Accrued mark-up	37,294,089	-	37,294,089
Unclaimed dividend	5,372,861	-	5,372,861
	4,040,743,064	330,102,700	4,370,845,764

	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

47.3 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.

48. DISCLOSURE REQUIREMENT FOR COMPANY NOT ENGAGED IN SHARIAH NON-PERMISSIBLE BUSINESS ACTIVITITIES AS ITS CORE BUSINESS ACTIVITIES

Description	2025 Rupees	2024 Rupees
Financing (long-term, short-term, or lease financing) obtained as per Islamic mode	-	-
Interest or mark-up accrued on any conventional loan or advance	37,294,089	67,682,083
Long-term and short-term Shariah compliant Investments	1,060,759	960,278
Shariah-compliant bank deposits, bank balances, and TDRs	25,884,771	56,352,560
Revenue earned from a Shariah-compliant business segment (Note 29)	35,827,893,721	26,759,270,163
Break-up of late payments or liquidated damages	-	-
Gain or loss or dividend earned on Shariah compliant investments or share of profit from Shariah-compliant associates	913,724	165,202
Profit earned from Shariah-compliant bank deposits, bank balances, or TDRs	-	-
Exchange gain earned from actual currency	-	8,463,255
Exchange gains earned using conventional derivative financial instruments	-	-
Profit paid on Islamic mode of financing	-	-
Total Interest earned on any conventional loan or advance	33,414,160	73,175,044
Source and detailed breakup of other income, including breakup of other or miscellaneous portions of other income into Shariah-compliant and noncompliant income		
Shariah-compliant		
Fair value gain on investment property classified as held for sale	25,000,000	-
Dividend income	913,724	651,343,659
Gain on disposal of operating fixed assets	2,283,526	3,124,350
Gain on termination of leases	10,982,771	-
Income from handling and storage services	107,323,063	29,050,833
Reversal of provision for slow moving and damaged inventory items	14,257,772	-
Common facility charges	1,379,930	1,881,780
Scrap sales	-	12,000
Reversal of allowance for expected credit losses	10,355,762	-
Exchange gain - net	-	8,463,255
Rental income from HTL Express Centres	40,098,026	31,073,976
Promotional incentive	-	184,705,857
Credit balances written back	1,652,734	201,554
Miscellaneous	6,400	494,665
Non compliant		
Profit on bank deposits and term deposit receipt	865,437	28,273,889
Gain on disposal of short term investments	9,669	338,810
Interest on short term loan to subsidiary company	33,414,160	73,175,044
Unrealized gain on remeasurement of investments at fair value through profit or loss - net	660,978	5,212,238
Dividend income	30,484,439	41,168,393

Relationship with Shariah-compliant financial institutions, including banks, takaful operators and their windows, etc

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

49. 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 7 and note 10 to the financial statements. Total capital employed includes 'total equity' as shown in the statement of financial position plus 'borrowings'.

		2025	2024
Borrowings	Rupees	1,654,723,436	1,857,644,704
Total equity	Rupees	3,687,791,030	3,938,360,681
Total capital employed	Rupees	5,342,514,466	5,796,005,385
Gearing ratio	Percentage	30.97%	32.05%

Reason: The decrease in gearing ratio is due to decrease in borrowings of the Company.

50. UNUTILIZED CREDIT FACILITIES

	Non-funded		**Funded**	
	2025	2024	**2025**	2024
	Rupees	Rupees	**Rupees**	Rupees
Total facilities	1,940,815,000	1,304,915,000	1,693,878,298	2,292,217,000
Utilized at the end of the year	1,488,274,510	677,396,148	1,654,912,822	1,929,723,343
Unutilized at the end of the year	452,540,490	627,518,852	38,965,476	362,493,657

51. 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	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 eight operational HTL Express Centers, four in Lahore, three in Karachi and one in Rawalpindi. Further, the Company has sixty one retail outlets operational for sale of petroleum products as on 30 June 2025. Detail of payments out of IPO proceeds during the year ended 30 June 2025 is as follows:

	Rupees
Un-utilized IPO proceeds as at 01 July 2024	218,115,906
Add: Proceeds from Sale of Land	30,000,000
Add: Profit on bank deposits	475,864
Add: Dividend on investment in mutual funds	30,589,514
Add: Gain on disposal of investment in mutual fund	9,669
Add: Unrealised gain on investment in mutual funds	(495,199)
Less: Payments made relating to OMC Project	(84,271,679)
Less: Withholding tax on profit	(71,380)
Less: Withholding tax on dividend from mutual funds	(7,647,378)
Less: Withholding tax on disposal of mutual funds	(16,339)
Less: Bank charges	(2,376)
Un-utilized IPO proceeds as at 30 June 2025	186,686,602

The un-utilized proceeds of the public offer have been kept by the Company in the shape of bank balances and mutual funds.

52. 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	
	2025	2024	2025	2024	2025	2024	2025	2024
	Rupees							
Revenue from contracts with customers - net	9,810,585,892	8,055,521,978	23,232,318,076	15,960,960,352	-	-	33,042,903,968	24,016,482,330
Cost of sales	(8,396,842,285)	(7,002,008,113)	(22,607,022,776)	(15,569,807,897)	-	-	(31,003,865,061)	(22,571,816,010)
Gross profit	1,413,743,607	1,053,513,865	625,295,300	391,152,455	-	-	2,039,038,907	1,444,666,320
Distribution cost	(751,681,615)	(618,582,780)	(452,917,811)	(400,050,792)	-	-	(1,204,599,426)	(1,018,633,572)
Administrative expenses	(782,528,545)	(704,210,846)	(15,737,256)	(19,336,043)	-	-	(798,265,801)	(723,546,889)
Other expenses	52,801,621	(18,291,462)	(106,170,033)	(36,267,439)	-	-	(53,368,412)	(54,558,901)
	(1,481,408,539)	(1,341,085,088)	(574,825,100)	(455,654,274)	-	-	(2,056,233,639)	(1,796,739,362)
Other income	141,657,723	967,814,956	138,030,668	90,705,347	-	-	279,688,391	1,058,520,303
Profit from operations	73,992,791	680,243,733	188,500,868	26,203,528	-	-	262,493,659	706,447,261
Finance cost	(347,807,158)	(432,102,926)	(57,391,947)	(111,943,694)	-	-	(405,199,105)	(544,046,620)
(Loss) / profit before taxation and levy	(273,814,367)	248,140,807	131,108,921	(85,740,166)	-	-	(142,705,446)	162,400,641
Levy	-	-	-	-	(151,998,856)	(111,560,224)	(151,998,856)	(111,560,224)
(Loss) / profit before taxation	(273,814,367)	248,140,807	131,108,921	(85,740,166)	(151,998,856)	(111,560,224)	(294,704,302)	50,840,417
Taxation	-	-	-	-	(24,076,599)	60,563,380	(24,076,599)	60,563,380
(Loss) / profit after taxation	(273,814,367)	248,140,807	131,108,921	(85,740,166)	(176,075,455)	(50,996,844)	(318,780,901)	111,403,797

		LUBRICANTS		PETROLEUM PRODUCTS		TOTAL - COMPANY	
		2025	2024	2025	2024	2025	2024
		Rupees					
52.1	**Reconciliation of reportable segment assets and liabilities:**						
	Total assets for reportable segments	5,453,618,737	3,762,378,934	2,282,248,716	4,925,271,282	7,735,867,453	8,687,650,216
	Unallocated assets					322,769,341	322,769,341
	Total assets as per statement of financial position					8,058,636,794	9,010,419,557
	Total liabilities for reportable segments	1,647,359,894	1,622,410,722	1,168,630,837	1,905,651,627	2,815,990,731	3,528,062,349
	Unallocated liabilities					1,554,855,033	1,543,996,527
	Total liabilities as per statement of financial position					4,370,845,764	5,072,058,876

52.2 All of the sales of the Company relates to customers in Pakistan.

52.3 All non-current assets of the Company as at the reporting dates are located in Pakistan.

The un-utilized proceeds of the public offer have been kept by the Company in the shape of bank balances and mutual funds.

53. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors has proposed a cash dividend for the year ended 30 June 2025 of Rupees Nil per share (2024: Nil) at their meeting held on 22 September 2025. 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.

54. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 22 September 2025 by the Board of Directors of the Company.

55. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison.

56. GENERAL

Figures have been rounded off to the nearest Rupee, unless otherwise stated.

Chief Executive | Director | Chief Financial Officer

شیئر ہولڈرز کو ڈائریکٹرز کی رپورٹ

ہائی ٹیک لبریکنٹس لمیٹڈ ("HTL" یا "کمپنی") کے ڈائریکٹرز 30 جون 2025 کو ختم ہونے والے سال کے لیے اسٹینڈ ایلون اور کنسولیڈیٹڈ آڈٹ شدہ مالیاتی گوشواروں کے ساتھ سالانہ رپورٹ پیش کرتے ہوئے پر مسرت ہیں۔

پاکستان کا معاشی جائزہ

پاکستان کی معیشت نے مالی سال 2024-25 میں استحکام کے ابتدائی آثار دکھائے، بڑے پیمانے پر مینوفیکچرنگ میں معمولی نمو، افراط زر میں کمی، اور مضبوط زرمبادلہ کے ذخائر۔ ترقی کے ساتھ قیمت کے استحکام کو متوازن کرنے کے لیے، مانیٹری پالیسی کمیٹی نے پالیسی ریٹ کو 11.00% پر برقرار رکھا۔ جب کہ بتدریج صنعتی بحالی اور مضبوط بیرونی بفرز کے ساتھ مجموعی نقطہ نظر میں بہتری آئی ہے، عالمی اجناس کی قیمتوں، زراعت، اور بیرونی فنانسنگ سے خطرات برقرار ہیں۔ کمپنی ان میکرو اکنامک حرکیات کو ذہن میں رکھتی ہے اور انہیں اپنی اسٹریٹجک منصوبہ بندی اور آپریشنل فیصلوں میں شامل کرتی ہے۔

مستحکم بنیاد پر مالی کارکردگی

ہائی ٹیک لبریکنٹس لمیٹڈ اور اس کی مکمل ملکیتی ذیلی کمپنی، ہائی ٹیک بلینڈنگ (پرائیویٹ) لمیٹڈ پر مشتمل گروپ نے 30 جون 2025 کو ختم ہونے والے سال کے دوران بہتر نتائج پیش کیے۔ مجموعی آمدنی 38,859 ملین روپے (FY2024: 27,114 ملین روپے) تک بڑھ گئی۔ شرح نمو 43.32%، جبکہ خالص ریونیو بڑھ کر 33,508 ملین روپے (FY2024: 24,317 ملین روپے) 37.80% کا اضافہ ہوا۔ یہ بہتری تینوں کاروباری سیگمنٹس میں زیادہ فروخت کی وجہ سے ہوئی، جس کی حمایت بنیادی حجمی نمو سے ہوئی۔ سیگمنٹ کے لحاظ سے، پچھلے سال کے مقابلے میں بہتر نتائج OMC سیگمنٹ نے فروخت میں 45% اضافے کے ساتھ سب سے زیادہ حصہ ڈالا، جب کہ لبریکنٹس سیگمنٹ کے حصے میں 23% اضافہ ہوا اور پولیمر سیگمنٹ نے 20% اضافہ کیا۔ ان فوائد کے مشترکہ اثر کے نتیجے میں 3,078 ملین روپے (30.17% زیادہ) کا مجموعی منافع ہوا، جو کہ پچھلے سال کے قریب مارجن کو خالص محصول کے 9.19% پر برقرار رکھتا ہے۔

گروپ کا آپریٹنگ منافع 47.25 فیصد اضافے کے ساتھ 917 ملین روپے تک بہتر ہوا۔ مالیاتی لاگت 25.71% کم ہو کر 595 ملین روپے (FY2024: 801 ملین روپے) ہو گئی، بنیادی طور پر اسٹیٹ بینک آف پاکستان کی نرمی کی مالیاتی پالیسی کے مشترکہ اثرات کی وجہ سے مالی سال 2025 کے آغاز میں پالیسی کی شرح 20.50% سے کم ہو کر مالی سال 2025 کے اختتام تک 11٪ پر ختم ہوئی۔

نتیجتاً، گروپ نے مالی سال 2024 میں 178 ملین روپے کے نقصان کے مقابلے میں 322 ملین روپے کا لیوی اور ٹیکسیشن سے پہلے منافع ریکارڈ کیا، اور 102 ملین روپے کے ٹیکس کے بعد خالص منافع، FY2024 میں 137 ملین روپے کے خالص نقصان کے مقابلے میں۔ پچھلے سال میں 0.99 روپے فی شیئر کے نقصان کے مقابلے میں 0.73 روپے کی فی شیئر کمائی کے ساتھ، یہ شیئر ہولڈر کے منافع میں ایک مثبت تبدیلی کا ترجمہ کرتا ہے۔

آپ کے گروپ کی تفصیلی مجموعی مالی کارکردگی ذیل میں پیش کی گئی ہے:

تفصیلات	مجموعی برائے ۳۰ جون	مجموعی برائے ۳۰ جون	تبدیلی
	۲۰۲۵ء	۲۰۲۴ء	
	پاکستانی روپے ملین میں	پاکستانی روپے ملین میں	(مثبت،منفی)
مجموعی آمدنی	۳۸،۸۵۹	۲۷،۱۱۴	۴۳۔۳۲فیصد
خالص آمدنی	۳۳،۵۰۸	۲۴،۳۱۷	۳۷۔۸۰فیصد
مجموعی منافع	۳۰۷۸	۲،۳۶۴	۳۰۔۱۷فیصد
ریونیو کا فیصد	۹۔۱۹فیصد	۹۔۷۲فیصد	
آپریٹنگ منافع	۹۱۷	۶۲۳	۴۷۔۲۵
مالیاتی لاگت	۵۹۵	۸۰۱	منفی ۲۵۔۷۱
(نقصان)/ٹیکس سے پہلے منافع	۳۲۲	(۱۷۸)	۲۸۰۔۹۰فیصد
(نقصان)/ٹیکس کے بعد منافع	۱۰۲	(۱۳۷)	۱۷۴۔۴۵فیصد
(نقصان)/فی شیئر آمدنی	۰۔۷۳	(۰۔۹۹)	۱۷۳۔۷۴فیصد

آپریشنل کارکردگی

ہائی ٹیک بلینڈنگ (پرائیویٹ) لمیٹڈ ("HTBL")

HTBL، کمپنی کا ایک مکمل ملکیتی ذیلی ادارہ، نئی مصنوعات متعارف کروا کر اور اپنی بلینڈنگ کی سہولیات کو بڑھا کر اپنے پورٹ فولیو کو مضبوط کرتا رہا۔ سال کے دوران ایس کے اینمو و کمپنی لیمیٹڈ (SKEN) کے ساتھ تعاون کے ذریعے ایک اہم سنگ میل حاصل کیا گیا جس نے کمپنی کو مقامی طور پر اپنے لبریکینٹ پورٹ فولیو کے 95% تک مقامی بلینڈنگ کو بڑھانے کے قابل بنایا، اس سے قبل جب صرف درمیانی درجے کی مصنوعات کو مقامی طور پر ملایا جاتا تھا۔ یہ ترقی نہ صرف درآمدات پر انحصار کو کم کرتی ہے بلکہ آخری صارفین کے لیے لاگت کو بھی بہتر کرتی ہے اور مقامی مارکیٹ میں مسابقت کو بڑھاتی ہے۔

جدید ترین بلینڈنگ پلانٹ، جو سندر انڈسٹریل اسٹیٹ، لاہور کے قریب واقع ہے، نمایاں پیداواری صلاحیت کے ساتھ بلینڈنگ اور فلنگ آپریشنز کے لیے جدید ٹیکنالوجی کو شامل کرتا ہے۔ یہ سہولت ر لبریکینٹ پراڈکٹس کے لیے HDPE بوتلیں اور کیپس بھی تیار کرتی ہے، مربوط کوالٹی کنٹرول اور سپلائی چین کی کارکردگی کو یقینی بناتی ہے۔

HTBL کے ذریعے پولیمر سیگمنٹ

پولیمر سیگمنٹ، جیسا کہ 2023 سے کام کر رہا ہے، مالی سال 2025 کے دوران فروخت میں 20 فیصد اضافے کے ساتھ اپنی ترقی کی رفتار کو جاری رکھا۔ جبکہ مجموعی منافع کا مارجن گزشتہ سال کے 22 فیصد سے کم ہو کر 12 فیصد رہ گیا، اس طبقے نے مجموعی کارکردگی میں قابل ذکر بہتری ریکارڈ کی کیونکہ لیوی اور ٹیکسیشن مارجن FY میں 1٪ سے 5%-2 فیصد ہو گیا۔ یہ بہتری بنیادی طور پر لاگت کے موثر انتظام اور مالیاتی اخراجات میں نمایاں کمی کی وجہ سے ہوئی۔

نتائج طبقہ کی مضبوط ہوتی ہوئی مارکیٹ کی پوزیشن کی عکاسی کرتے ہیں اور طویل مدتی منافع اور پائیداری کی طرف واضح پیش رفت کا مظاہرہ کرتے ہیں۔

پیٹرولیم سیگمنٹ (HTL فیول اسٹیشنز)

پیٹرولیم سیگمنٹ کا ریٹیل نیٹ ورک اکسٹھ فیول اسٹیشنوں تک پہنچ گیا، جن میں پنجاب میں سینتیس، خیبر پختونخوا میں بیس، آزاد جموں و کشمیر میں دو اور اسلام آباد میں دو اسٹیشن شامل ہیں۔ ریونیو میں 45% کا اضافہ ہوا، بنیادی طور پر سیلز کے زیادہ حجم اور نیٹ ورک کی توسیع کی وجہ سے، جس کے نتیجے میں پچھلے سال 86 ملین روپے کے نقصان کے مقابلے میں 131 ملین روپے کے ٹیکس اور ٹیکس لگانے سے پہلے منافع کے ساتھ تبدیلی ہوئی۔

آگے دیکھتے ہوئے، کمپنی ریگولیٹری منظوریوں سے مشروط، فیول اسٹیشن نیٹ ورک کی محتاط توسیع کے ساتھ اس سیگمنٹ میں مسلسل ترقی کے لیے پرعزم ہے۔

مائع وسائل کا انتظام کیش منیجمنٹ اور اسٹریٹجک فیصلہ سازی۔

موثر نقدی کا انتظام اور سمجھدار لیکویڈیٹی کنٹرول کمپنی کے اسٹریٹجک فریم ورک میں مرکزی حیثیت رکھتا ہے۔ فنانس، تکنیکی، مارکیٹنگ، اور اندرونی آڈٹ میں تجربہ کار پیشہ ور افراد کے تعاون سے، کمپنی نے مضبوط بجٹ، پیشن گوئی، اور اندرونی کنٹرول کے نظام قائم کیے ہیں۔ مالیاتی پالیسی میں نرمی کے بعد حالیہ کمیوں کے باوجود، نسبتاً زیادہ مالیاتی لاگت کے ماحول میں، آپریشنل کارکردگی اور مالی استحکام کو برقرار رکھنے کے لیے ورکنگ کیپیٹل کی ضروریات کا احتیاط سے انتظام کیا جاتا ہے۔

کیپٹل اخراجات

بورڈ اس بات کی تصدیق کرتا ہے کہ ایسی کوئی مالی رکاوٹیں نہیں ہیں جو کمپنی کی طویل مدتی اسٹریٹجک منصوبوں کو آگے بڑھانے کی صلاحیت میں رکاوٹ بن سکتی ہیں۔

داخلی آڈٹ ڈپارٹمنٹ اور آڈٹ کمیٹی کی نگرانی کے ساتھ منافع اور رسک منیجمنٹ کے مقاصد کے ساتھ صف بندی کو یقینی بنانے کے لیے سرمائے کے اخراجات کا حکمت عملی سے جائزہ لیا جاتا ہے تاکہ منظور شدہ بجٹ کے اندر بروقت تکمیل کو یقینی بنایا جا سکے۔ 30 جون 2025 کو ختم ہونے والے سال کے لیے، گروپ نے 538 ملین روپے خرچ کیے، جو پچھلے سال کے 371 ملین روپے تھے۔ یہ سرمایہ کاری گروپ کے اسٹریٹجک مقاصد اور طویل مدتی قدر کی تخلیق میں معاونت کرتی ہے۔

قومی خزانے میں شراکت

گروپ نے مالی سال 2024-25 میں قومی خزانے میں 12.75 بلین روپے کا حصہ ڈالا، جس میں ورکرز ویلفیئر فنڈ (WPPF)، کسٹمز ڈیوٹی، پیٹرولیم لیوی، نیز سیلز اور انکم ٹیکس کی ادائیگی شامل تھی۔ یہ ملک کی اقتصادی ترقی اور ریگولیٹری تعمیل میں تعاون کے لیے گروپ کے مسلسل عزم کی عکاسی کرتا ہے۔

منافع کی تخصیص

کمپنی کے مالیاتی نتائج کے پیش نظر، بورڈ آف ڈائریکٹرز نے 30 جون 2025 کو ختم ہونے والے سال کے لیے کوئی استحقاق تجویز نہیں کیا ہے۔

IPO کی کارروائیوں کا استعمال

IPO کی آمدنی کے استعمال سے متعلق تفصیلی معلومات نوٹ 51 میں 30 جون 2025 کو ختم ہونے والے سال کے لیے کمپنی کے غیر متفقہ مالی بیانات میں پیش کی گئی ہے۔

تفصیلات	پاکستانی روپے
غیر استعمال شدہ IPO حاصل شدہ بمطابق یکم جولائی ۲۰۲۴ء	۲۱۸،۱۱۵،۹۰۶
شامل کریں: ٹرم ڈپازٹ کی رسید پر منافع	۳۰،۰۰۰،۰۰۰
شامل کریں: بینک ڈپازٹس پر منافع	۴۷۵،۸۶۴
شامل کریں: میوچل فنڈز میں سرمایہ کاری پر ڈیویڈنڈ	۳۰،۵۸۹،۵۱۴
شامل کریں: میوچل فنڈ میں سرمایہ کاری کے تصرف پر فائدہ	۹،۶۶۹
شامل کریں: میوچل فنڈز میں سرمایہ کاری پر غیر حقیقی فائدہ	(۴۹۵،۱۹۹)
کم: OMC پروجیکٹ سے متعلق ادائیگیاں	(۸۴،۲۷۱،۶۷۹)
کم: منافع پر ودہولڈنگ ٹیکس	(۷۱،۳۸۰)
کم: میوچل فنڈز سے ڈیویڈنڈ پر ودہولڈنگ ٹیکس	(۷،۶۴۷،۳۷۸)
کم: میوچل فنڈز کو ضائع کرنے پر ودہولڈنگ ٹیکس	(۱۶،۳۳۹)
کم: بینک چارجز	(۲،۳۷۶)
غیر استعمال شدہ IPO پروسیڈز بمطابق ۳۰ جون ۲۰۲۵ء	۱۸۶،۶۸۶،۶۰۲

مستقبل کا نظر نامہ

کمپنی تمام کاروباری سیگمینٹس میں پائیدار اور متنوع ترقی کے حصول کے لیے پرعزم ہے۔ SKEN کے تعاون سے HTBL کے ذریعے مقامی طور پر اب 95% لبریکینٹ مرکبات کے ساتھ، لاگت کی استعداد اور مضبوط مارکیٹ کی مسابقت کی توقع ہے۔

پولیمر سیگمنٹ، جو 2023 سے کام کر رہا ہے، بڑھتی ہوئی فروخت، بہتر مارجن، اور خالص نقصانات میں مسلسل کمی کے ساتھ حوصلہ افزا رفتار دکھا رہا ہے، اسے منافع کے قریب رکھتا ہے۔

HTL ایکسپریس سینٹرز، جو بڑھتے ہوئے فیول اسٹیشن نیٹ ورک کے ساتھ مربوط ہیں، گاڑیوں کی حفاظتی دیکھ بھال میں صارفین کی سہولت کو بڑھاتے ہوئے، مزید وسعت دینے کے لیے تیار ہیں۔

پیٹرولیم سیگمنٹ میں، ریگولیٹری منظوریوں سے مشروط اضافی فیول اسٹیشنز کے ساتھ مستحکم ترقی کی منصوبہ بندی کی گئی ہے، ایک سال کے بعد جس میں نیٹ ورک 61 آؤٹ لیٹس تک پہنچ گیا اور منافع بخش تبدیلی فراہم کی۔ اجتماعی طور پر، یہ اقدامات پائیدار کارکردگی، قدر کی تخلیق، اور طویل مدتی شیئر ہولڈر کی واپسی کے لیے ایک مضبوط بنیاد فراہم کرتے ہیں۔

مادی تبدیلیاں اور وعدے

- 30 جون 2025 کو ختم ہونے والے مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان کمپنی یا اس کی گروپ کمپنی کی مالی پوزیشن کو متاثر کرنے والی کوئی مادی تبدیلیاں یا وعدے نہیں ہوئے ہیں، سوائے اس کے کہ غیر مربوط اور مستحکم مالی بیانات میں انکشاف کیا گیا ہو۔
- کسی بھی مرحلے پر کسی گروپ کمپنی کے سلسلے میں آڈیٹر کی رپورٹ میں کوئی ترمیم نہیں کی گئی ہے۔
- سال کے دوران گروپ کی کسی بھی کمپنی کی طرف سے کسی بھی قرض کی ادائیگی میں کوئی ڈیفالٹ نہیں ہوا ہے۔

یہ مالیاتی بیانات پاکستان میں لاگو اکاؤنٹنگ اور رپورٹنگ کے معیارات کے مطابق تیار کیے گئے ہیں۔ پاکستان میں لاگو اکاؤنٹنگ اور رپورٹنگ کے معیارات پر مشتمل ہے:

- بین الاقوامی مالیاتی رپورٹنگ کے معیارات (IFRSs) جو انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز بورڈ (IASB) کے ذریعہ جاری کیے گئے ہیں جیسا کہ کمپنیز ایکٹ، 2017 کے تحت مطلع کیا گیا ہے۔ اور
- کمپنیز ایکٹ 2017 کے تحت جاری کردہ دفعات اور ہدایات۔
- جہاں کمپنیز ایکٹ، 2017 کے تحت جاری کردہ دفعات اور ہدایات IFRS سے مختلف ہیں، وہاں کمپنیز ایکٹ، 2017 کے تحت جاری کردہ دفعات اور ہدایات کی پیروی کی گئی ہے۔
- کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی رخصتی نہیں ہوئی ہے، جیسا کہ فہرست سازی کے ضوابط اور فہرست شدہ کمپنیز (کوڈ آف کارپوریٹ گورننس) کے ضوابط، 2019 میں تفصیل سے بتایا گیا ہے۔
- کمپنی کی تشکیل سے لے کر اہم آپریٹنگ اور مالیاتی ڈیٹا (یعنی پچھلے 6 سالوں سے) اس سالانہ رپورٹ میں کہیں اور دیا گیا ہے۔
- آڈیٹرز نے گروپ کمپنیوں میں سے ہر ایک کے مالیاتی بیانات پر نا اہل رائے کا اظہار کیا ہے۔

کوڈ آف کارپوریٹ گورننس کے ساتھ تعمیل

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے لازمی تقاضوں کی پوری طرح سے تعمیل کی گئی ہے اور اس پر تعمیل کا بیان اور اس پر بیرونی آڈیٹر کی جائزہ رپورٹ کو سالانہ رپورٹ میں منسلک کیا گیا ہے۔

آڈیٹرز

موجودہ آڈیٹرز میسرز ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہوجاتے ہیں اور خود کو دوبارہ تقرری کے لیے پیش کرتے ہیں۔ انہوں نے انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (آئی سی اے پی) کی جانب سے تسلی بخش درجہ بندی حاصل کرنے اور انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس (آئی ایف اے سی) کے ضابطہ اخلاق کے ضابطہ اخلاق کی تعمیل کی تصدیق کی ہے جیسا کہ آئی سی اے پی نے اپنایا ہے۔ جیسا کہ آڈٹ کمیٹی کی تجویز ہے، بورڈ آف ڈائریکٹرز نے 30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کے آڈیٹرز کے طور پر ان کی دوبارہ تقرری کی سفارش کی ہے، جو کہ باہمی رضامندی سے فیس پر ہوگی۔

شیئر ہولڈنگ کا پیٹرن

30 جون 2025 تک شیئر ہولڈرز کے مخصوص طبقے کے شیئر ہولڈنگ کے پیٹرن کا بیان، جس کا انکشاف رپورٹنگ فریم ورک کے تحت ضروری ہے، کمپنیز ریگولیشنز، 2024 میں بیان کردہ فارم 20 کی شکل میں منسلک سالانہ رپورٹ 2025 میں شامل ہے۔

بورڈ کمیٹیاں

بورڈ بنیادی طور پر اپنی کمیٹیوں کے ذریعے رسک مینجمنٹ کے عمل کی نگرانی کرتا ہے۔ آڈٹ کمیٹی مالی، ریگولیٹری، اور تعمیل کے خطرات پر توجہ مرکوز کر کے، سہ ماہی یا اس سے زیادہ ضرورت کے مطابق میٹنگ کر کے شفافیت اور جوابدہی کو یقینی بناتی ہے۔ ہیومن ریسورس اینڈ ریمونریشن کمیٹی اپنے ڈومین میں خطرات سے نمٹتی ہے، جس میں جانشینی کی منصوبہ بندی اور معاوضے کے ڈھانچے کا جائزہ شامل ہے تاکہ یہ یقینی بنایا جا سکے کہ وہ کارپوریٹ خطرے میں اضافہ نہ کریں۔ رسک اینڈ سسٹین ایبلٹی کمیٹی مناسب تخفیف کے اقدامات کی سفارش کرتے ہوئے مادی کنٹرولز — مالی، آپریشنل اور تعمیل — کی نگرانی اور جائزہ لیتی ہے۔ سرمایہ کاری کمیٹی سرمایہ کاری کے سلسلے میں رسک مینجمنٹ سمیت سرمایہ کاری کی پالیسیاں اور حکمت عملی بنانے کی ذمہ دار ہے۔

داخلی کنٹرول کی مناسبیت

بورڈ اچھی حکمرانی اور اندرونی کنٹرول کے ایک مضبوط نظام کو برقرار رکھنے کے لیے پرعزم ہے، جو تمام افعال میں مربوط ہے، مؤثر طریقے سے نافذ کیا جاتا ہے، اور باقاعدگی سے نگرانی کی جاتی ہے۔ آڈٹ کمیٹی اثاثوں کی حفاظت، قوانین اور ضوابط کی تعمیل کو یقینی بنانے اور مالیاتی رپورٹنگ کی وشوسنیتا کو برقرار رکھنے کے لیے ان کنٹرولز کا جائزہ لیتی ہے۔ انٹرنل آڈٹ ڈیپارٹمنٹ کارپوریٹ گورننس، رسک مینجمنٹ، اور اندرونی کنٹرولز کا آزادانہ جائزہ فراہم کرتا ہے، براہ راست آڈٹ کمیٹی کو رپورٹ کرتا ہے۔ کمپنی ضابطہ اخلاق، پالیسیوں، اور صنعت کے بہترین طریقوں سے منسلک طریقہ کار کے ذریعے اپنے گورننس فریم ورک کو مضبوط کرتی ہے۔

خطرات سے نمٹنے کی منصوبہ بندی

کمپنی کے پاس خطرات سے نمٹنے کی ایک جامع پالیسی ہے جو بورڈ آف ڈائریکٹرز، آڈٹ کمیٹی، اور رسک

اینڈ سسٹین ایبلٹی کمیٹی کے کردار اور ذمہ داریوں کو واضح طور پر بیان کرتی ہے۔ یہ ادارے اثرات اور امکانات کے لحاظ سے رسک میٹرکس کا باقاعدگی سے جائزہ لیتے ہیں، جبکہ سینئر مینجمنٹ بورڈ کے ذریعے غور کے لیے تخفیف کی حکمت عملی تیار کرتی ہے۔

کمپنی کی سرگرمیاں اسے متعدد مالیاتی خطرات سے دوچار کرتی ہیں: مارکیٹ کے خطرات (بشمول کرنسی کا خطرہ، قیمت کے اتار چڑھاؤ کا خطرہ اور شرح سود کا خطرہ)، کریڈٹ رسک اور لیکویڈیٹی رسک۔ ان خطرات کا انتظام متعلقہ کمیٹیوں کی نگرانی کے ساتھ بورڈ آف ڈائریکٹرز کی منظور شدہ پالیسیوں کے تحت کیا جاتا ہے۔ ان خطرات کی نوعیت اور ان کے تخفیف کے اقدامات کے بارے میں تفصیلی انکشافات نوٹ 47 میں غیر مربوط مالی بیانات کو فراہم کیے گئے ہیں۔

کمپنی کے پاس رسک مینجمنٹ پالیسی اور گورننس فریم ورک ہے جو ہر سطح پر کرداروں اور ذمہ داریوں کا خاکہ پیش کرتا ہے۔ بورڈ اور اس کی کمیٹیاں بنیادی خطرات کا باقاعدہ جائزہ لیتے ہیں، بشمول وہ جو سالوینسی، لیکویڈیٹی، یا طویل مدتی کاروباری کارکردگی کو متاثر کر سکتے ہیں۔

گورننس کی پالیسیاں اور طریقہ کار

بورڈ کے ذریعہ منظور شدہ جامع پالیسیاں اور طریقہ کار مالی، آپریشنل اور تعمیل کے خطرات کے انتظام کی رہنمائی کرتے ہیں۔ یہ بہترین طریقوں کی عکاسی کرتے ہیں، اخلاقیات اور اقدار کے کلچر کو تقویت دیتے ہیں، اور مؤثر عمل درآمد کے لیے اعلیٰ انتظامیہ کو مناسب اختیار سونپتے ہیں۔

پائیداری اور کارپوریٹ سماجی ذمہ داری (CSR)

ہائی ٹیک لبریکنٹس میں، پائیداری ہماری کاروباری حکمت عملی میں سرایت کرتی ہے، جس کی رہنمائی اقتصادی، ماحولیاتی، سماجی، اور گورننس (EESG) کے اصولوں سے ہوتی ہے۔ ہم اقوام متحدہ کے پائیدار ترقیاتی اہداف (SDGs) 2030 سمیت عالمی فریم ورک کے ساتھ اپنے طریقوں کو ہم آہنگ کرتا جاری رکھے ہوئے ہیں، جبکہ بتدریج IFRS S1 اور S2 معیارات کو اپنانے کی طرف بڑھ رہے ہیں تاکہ پائیداری اور آب و ہوا سے متعلق خطرات کے انتظام میں شفافیت کو مضبوط کیا جا سکے۔ مالی سال 2025 کے دوران، ہم نے اپنے پائیداری کے ایجنڈے کو شناخت شدہ مادی شعبوں میں آگے بڑھایا، بشمول کاروباری لچک، سپلائی چین مینجمنٹ، اختراع، موسمیاتی تبدیلی، ڈیجیٹلائزیشن، حفاظت، اور انسانی سرمائے کی ترقی۔

CSR کے محاذ پر، HTL نے تعلیم، صحت کی دیکھ بھال، اور کمیونٹی کی بہبود کے لیے اپنی دیرینہ وابستگی کو برقرار رکھا۔ صابرہ حمیدہ ٹرسٹ کے ذریعے، جسے پاکستان سینٹر فار فلانتھراپی (PCP) نے تسلیم کیا اور انکم ٹیکس آرڈیننس کے تحت تسلیم شدہ، کمپنی نے معیاری تعلیم تک رسائی کو بہتر بنانے کے لیے سرمایہ کاری جاری رکھی۔ مالی سال 2025 میں، HTL گروپ نے خیراتی اقدامات کے لیے 18 ملین روپے کا تعاون کیا، جو معاشرے کے لیے دیرپا قدر پیدا کرنے کے ہمارے عہد کی عکاسی کرتا ہے۔

آگے دیکھتے ہوئے، HTL پائیداری کے انکشافات کو بڑھانے، عالمی معیارات کے ساتھ صف بندی کو مضبوط بنانے، اور زیادہ جامع اور پائیدار مستقبل کی جانب پاکستان کے سفر کی حمایت کرتے ہوئے اسٹیک ہولڈرز کے لیے بامعنی اثر ڈالنے کے لیے پرعزم ہے۔

ہمارے پائیداری کے ایجنڈے، اقدامات، اور کارکردگی کی پیمائش کے بارے میں مزید تفصیلات اس سالانہ رپورٹ کے سرشار پائیداری سیکشن میں پیش کی گئی ہیں۔

ماحولیات، صحت اور حفاظت

HTL اپنے تمام آپریشنز میں ماحولیاتی پائیداری، صحت اور حفاظت کو سب سے زیادہ ترجیح دیتا ہے۔ کمپنی کم اخراج اور کم ماحولیاتی اثرات والی مصنوعات کے ذریعے ماحول دوست طریقوں کو فروغ دینے کے لیے پرعزم ہے۔ ہم اپنی افرادی قوت اور اسٹیک ہولڈرز کی فلاح و بہبود کو یقینی بنانے کے لیے صحت اور حفاظت کے مضبوط پروٹوکول کو بھی برقرار رکھتے ہیں، جن کی حمایت باقاعدہ تربیت سے ہوتی ہے۔ یہ اقدامات ہماری اقدار اور پائیدار مستقبل کے عزم کی عکاسی کرتے ہیں۔ ہماری سرگرمیوں کی مزید تفصیلات اس سالانہ رپورٹ کے پائیداری سیکشن میں پیش کی گئی ہیں۔

متعلقہ فریقوں کے ساتھ معاہدے

سال کے دوران، ایچ ٹی ایل نے مسٹر معین الدین (نان ایگزیکٹیو ڈائریکٹر مسٹر شوکت حسن کے بھائی) کے ساتھ کنٹریکٹی ایمپلائمنٹ کے لیے متعلقہ پارٹی کنٹریکٹ پر نظر ثانی کی۔ اس متعلقہ فریق کے ساتھ معاہداتی ملازمت کے معاہدے کی تعمیل میں، وسائل کمپنی کے مشیر خصوصی پروجیکٹس کے طور پر پیشہ ورانہ خدمات فراہم کرنا جاری رکھے ہوئے ہے۔ کمپنیز ایکٹ، 2017 کے تقاضوں اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے رہنما خطوط کے ساتھ ساتھ کمپنی کے تجارتی اور کاروباری مفادات کا تحفظ کرتے ہوئے، بورڈ نے مذکورہ معاہدے پر نظر ثانی کی منظوری دی۔

یگزیکٹوز کے طور پر غور کرنے کی حد

بورڈ نے کمپنی کے ایگزیکٹوز کے طور پر غور کرنے کے لیے ملازمین کی حد مقرر کی ہے جس میں سی ای او، سی ایف او، کمپنی سیکرٹری، ہیڈ آف انٹرنل آڈٹ، تمام ہیڈ آف ڈیپارٹمنٹس اور ایسے دیگر ملازمین شامل ہیں جو کہ ہیومن ریسورس اینڈ ریمونریشن کمیٹی کے ذریعہ ان کی کارکردگی کے دائرہ کار کو مدنظر رکھتے ہوئے جن کی تنظیم کے کلیدی مقاصد کو متاثر کرتی ہے اور جن کی ماہانہ تنخواہ ساڑھے سات لاکھ یا اس سے اوپر ہو۔

مالی 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 (چیف ایگزیکٹو اور ایگزیکٹو ڈائریکٹر)
- جناب محمد علی حسن (ایگزیکٹیو ڈائریکٹر)
- محترمہ ماورا طاہر (نان ایگزیکٹو ڈائریکٹر)
- جناب فراز اختر زیدی (نان ایگزیکٹو ڈائریکٹر)
- محترمہ مہوش خان (نان ایگزیکٹو ڈائریکٹر)
- جناب شفیق الرحمان (نان ایگزیکٹو آزاد ڈائریکٹر)
- جناب منتظر عباس حسین (26 اکتوبر 2024 کو ڈائریکٹرز کے انتخاب کے بعد سے نان ایگزیکٹو آزاد ڈائریکٹر)
- جناب محمود اختر (26 اکتوبر 2024 کو ڈائریکٹرز کے انتخاب کے بعد سے نان ایگزیکٹو آزاد ڈائریکٹر)
- مسٹر ڈونگھیون کم (SKEN کے نامزد) (25 فروری 2025 سے نان ایگزیکٹو ڈائریکٹر مسٹر وونجن یون (SKEN کے نامزد) کی جگہ پر (نان ایگزیکٹو ڈائریکٹر جو 25 فروری 2025 تک بورڈ پر رہے)
- سید اسد عباس حسین (26 اکتوبر 2024 کو ریٹائرمنٹ تک نان ایگزیکٹیو آزاد ڈائریکٹر)
- ڈاکٹر صفدر علی بٹ (26 اکتوبر 2024 کو ریٹائرمنٹ تک نان ایگزیکٹو آزاد ڈائریکٹر)

ڈائریکٹرز کی رپورٹ کے وقت بورڈ کی تشکیل

ڈائریکٹرز کی رپورٹ کے وقت بورڈ کی تشکیل حسب ذیل ہے۔

مندرجہ ذیل کے مطابق ڈائریکٹرز کی کل تعداد 10 ہے۔

- مرد: 08
- خواتین: 02

ڈائریکٹرشپ کی قسم کی بنیاد پر بورڈ کی تشکیل حسب ذیل ہے:

الف) آزاد ڈائریکٹرز: 03

ب) دیگر نان ایگزیکٹو ڈائریکٹر: 05 (بشمول 02 خواتین ڈائریکٹرز)

پ) ایگزیکٹو ڈائریکٹرز: 02

30 جون 2025 کو ختم ہونے والے مالی سال کے دوران بورڈ کی کمیٹیاں
بورڈ نے مختلف کاموں میں اس کی مدد کے لیے درج ذیل کمیٹیاں تشکیل دی ہیں۔

بورڈ کی آڈٹ کمیٹی (BAC) کے ارکان کے نام

- جناب شفیق الرحمان (چیئرمین اور رکن آڈٹ کمیٹی) (ڈاکٹر صفدر علی بٹ کی جگہ 26 اکتوبر 2024 سے چیئرمین آڈٹ کمیٹی)
- جناب شوکت حسن (رکن آڈٹ کمیٹی)
- جناب فراز اختر زیدی (رکن آڈٹ کمیٹی)
- محترمہ ماورا طاہر (26 اکتوبر 2024 سے رکن آڈٹ کمیٹی)

بورڈ کی انسانی وسائل اور معاوضہ کمیٹی (ایچ آر اینڈ آر سی) کے ارکان کے نام

- جناب محمود اختر (چیئرمین اور رکن ایچ آر اینڈ آر سی) (چیئرمین ایچ آر اینڈ آر سی 26 اکتوبر 2024 سے ڈاکٹر صفدر علی بٹ کی جگہ)
- جناب شوکت حسن (رکن ایچ آر اینڈ آر سی)
- محترمہ ماورا طاہر (رکن ایچ آر اینڈ آر سی)
- محترمہ مہوش خان (رکن ایچ آر اینڈ آر سی)
- جناب فراز اختر زیدی (26 اکتوبر 2024 سے رکن ایچ آر اینڈ آر سی)

بورڈ کی نامزدگی کمیٹی (نامزدگی کمیٹی) کے ارکان کے نام

- جناب شوکت حسن (چیئرمین اور رکن نامزدگی کمیٹی) (ڈاکٹر صفدر علی بٹ کی جگہ 26 اکتوبر 2024 سے چیئرمین نامزدگی کمیٹی)
- محترمہ ماورا طاہر (رکن نامزدگی کمیٹی)
- محترمہ مہوش خان (رکن نامزدگی کمیٹی)
- جناب منتظر عباس حسین (26 اکتوبر 2024 سے رکن نامزدگی کمیٹی)

بورڈ کی رسک اینڈ سسٹین ایبلٹی کمیٹی (رسک کمیٹی) کے اراکین کے نام

- جناب فراز اختر زیدی (چیئرمین اور رکن رسک کمیٹی)
- محترمہ ماورا طاہر (رکن رسک کمیٹی)
- جناب شفیق الرحمان (رکن رسک کمیٹی)

بورڈ کی کارپوریٹ سماجی ذمہ داری کمیٹی (CSR کمیٹی) کے ارکان کے نام

- جناب شوکت حسن (CSR کمیٹی کے چیئرمین اور رکن)
- محترمہ ماورا طاہر (رکن CSR کمیٹی)
- جناب حسن طاہر (رکن CSR کمیٹی)
- جناب محمد علی حسن (رکن CSR کمیٹی)
- مسز ثنا صابر (HTBL کی ڈائریکٹر اور رکن CSR کمیٹی)

بورڈ کی سرمایہ کاری کمیٹی (سرمایہ کاری کمیٹی) کے ارکان کے نام

- جناب شوکت حسن (چیئرمین رکن سرمایہ کاری کمیٹی)
- جناب فراز اختر زیدی (رکن سرمایہ کاری کمیٹی)
- جناب حسن طاہر (رکن سرمایہ کاری کمیٹی)
- جناب محمد علی حسن (رکن سرمایہ کاری کمیٹی)
- جناب محمد عمران (سابقہ سی ایف او) (رکن سرمایہ کاری کمیٹی 22 اپریل 2025 کو استعفیٰ تک)
- جناب شہزاد سہیل (جی ایم سپلائی چین) (26 اکتوبر 2024 کو BIC کی دوبارہ تشکیل تک رکن سرمایہ کاری کمیٹی)

ڈائریکٹرز کی تربیت

کمپنی کے دس میں سے سات ڈائریکٹرز پہلے ہی ڈائریکٹرز ٹریننگ پروگرام سرٹیفکیشن (DTP سرٹیفکیشن) حاصل کر چکے ہیں۔ کمپنی نے 01 خاتون ڈائریکٹر اور 01 آزاد ڈائریکٹر کے لیے ڈی ٹی پی سرٹیفکیشن کے انتظامات بھی کیے ہیں۔

کارکردگی کا اندازہ

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے قاعدہ 28(1)(vi) کی تعمیل میں، 30 جون 2025 کو ختم ہونے والے سال کے لیے بورڈ، اس کے ممبران، کمیٹیوں، چیئرمینوں اور چیف ایگزیکٹو آفیسر کی کارکردگی کا جائزہ ایک آزاد کنسلٹنٹ نزیر شاہین ایسوسی ایٹس کے ذریعے کیا گیا۔ تشخیص نے اس بات کی تصدیق کی کہ بورڈ اور اس کی قیادت کی کارکردگی تسلی بخش تھی اور اس نے حکمرانی کو مزید مضبوط بنانے اور تاثیر کو بڑھانے کے لیے بصیرت فراہم کی۔

ڈائریکٹرز کے معاوضے کی پالیسی

درج کمپنیوں (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے تحت ضرورت کے مطابق ڈائریکٹرز کے معاوضے کی پالیسی کا ایک اقتباس ذیل میں شامل کیا گیا ہے۔ بورڈ کی طرف سے ہیومن ریسورسز اینڈ ریمونریشن کمیٹی (HRRC) کو کمپنی کے ڈائریکٹرز کے معاوضے پر عمل درآمد کے ڈیزائن اور نگرانی کرنے کا اختیار دیا گیا ہے۔ اس کی نمایاں خصوصیات درج ذیل ہیں:

پالیسی کے مقاصد دوگنا ہیں:

الف: وسیع تجارتی تجربے کے ساتھ اعلیٰ ترین صلاحیت کے ڈائریکٹرز کو اپنی طرف متوجہ، حوصلہ افزائی اور برقرار رکھنے کے لیے، اور

ب: ڈائریکٹرز کے معاوضوں پر لاگو تمام متعلقہ قوانین، قواعد وضوابط کی تمام دفعات کی تعمیل کرنا

مندرجہ ذیل باتوں پر غور کرتے ہوئے پالیسی تیار کی گئی ہے۔

الف: کمپنی کے اسٹریٹجک مقاصد اور اہداف۔

ب: کمپنی کی کارپوریٹ سماجی ذمہ داری۔

پ: کاروباری سالمیت کا کمپنی کا بنیادی اصول۔

ج: مطلوبہ ٹیلنٹ کے لیے مارکیٹ کے حالات۔

د: کام کے ماحول کو برقرار رکھنے کی ضرورت جو کارکردگی، سوچ کی پختگی، ترقی کی تحریک اور کارپوریٹ اہداف کے حصول کے لیے سازگار ہو۔ اور

ح: پاکستان میں اسی طرح کے کاروبار کے ساتھ ساتھ موازنہ سائز کی دیگر کمپنیوں کے ڈائریکٹرز کے لیے معاوضے کا ڈھانچہ۔

ڈائریکٹرز کو دی جانے والی بنیادی تنخواہ اور فوائد کی بالائی حد بورڈ آف ڈائریکٹرز کی طرف سے منظور شدہ ہے۔

تاہم، کسی بھی انفرادی ڈائریکٹر کے معاوضے کا پیکج طے کرتے وقت، درج ذیل عوامل پر غور کیا جاتا ہے:

الف: ڈائریکٹر کی خاص قابلیت، متعلقہ تجربہ اور سینیارٹی۔

ب: اس کے مخصوص ہنر کی مروجہ مارکیٹ ویلیو۔

پ: کمپنی کے ساتھ ڈائریکٹر کی وابستگی کی نوعیت، یعنی ڈائریکٹر شپ کی قسم۔

ج: آزاد ڈائریکٹرز کا معاوضہ صرف ڈائریکٹرز/میٹنگز فیس تک محدود ہے۔

ڈائریکٹران کے مختلف درجات کے حوالے سے مشاہرہ کا خلاصہ کچھ یوں ہے:

	ایگزیکٹیو ڈائریکٹرز	نان ایگزیکٹیو 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 اخراجات	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 جانے والے اصل اخراجات 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 کی طرف سے جائزہ-IT، ڈیزاسٹر ریکوری اور کاروبار کے تسلسل کی منصوبہ بندی

بورڈ پورے HTL میں آپریشنل لچک کو یقینی بنانے میں انفارمیشن ٹیکنالوجی (IT) اور مینجمنٹ انفارمیشن سسٹمز (MIS) کے اہم کردار کو تسلیم کرتا ہے۔ IT فنکشن کمپنی کے کمپیوٹنگ سسٹمز کی دستیابی اور کارکردگی کو برقرار رکھتا ہے جبکہ سخت معلومات کی حفاظتی پالیسیوں، رسائی کے کنٹرول، اور تسلیم شدہ معیارات اور بہترین طریقوں کی تعمیل کرتا ہے۔

تمام بنیادی ڈومینز بشمول مالیات، سپلائی چین، پروکیورمنٹ، سیلز، HR، مارکیٹنگ، OMC، اور HTL ایکسپریس کے ساتھ ساتھ ملازمین، تقسیم کاروں، وینڈرز، اور کاروباری شراکت داروں کے لیے کاروبار کے تسلسل کی حفاظت کے لیے، کمپنی نے ایک جامع کاروباری تسلسل اور ڈیزاسٹر ریکوری (BCP/DR) کا فریم ترتیب دیا ہے۔

کلیدی سرورز کلسٹر ڈفن تعمیر کے ساتھ جدید ترین ڈیٹا سینٹر میں ہوسٹ کیے جاتے ہیں، جو پاور، کنیکٹیویٹی، درجہ حرارت پر قابو پانے، اور جسمانی تحفظ میں فالتو پن فراہم کرتے ہیں۔ ایک وقف شدہ ڈیزاسٹر ریکوری سائٹ بھی قائم کی گئی ہے، جو ڈیٹا کے صفر نقصان اور کسٹمر پورٹلز اور HR پلیٹ فارمز سمیت اہم نظاموں کے حقیقی وقت کے تحفظ کو حاصل کرنے کے لیے ڈیزائن کی گئی ہے۔ سائبر سیکیورٹی کے مضبوط اقدامات،

تربیت یافتہ پیشہ ور افراد کی مسلسل نگرانی کے ساتھ، بیرونی خطرات کے خلاف لچک کو یقینی بناتے ہیں اور رکاوٹوں کی صورت میں بلاتعطل آپریشنز اور تیزی سے بحالی کو قابل بناتے ہیں۔

شیئر ہولڈرز کے خیالات کو سمجھنے کی طرف بورڈز کی کوششیں

بورڈ تمام شیئر ہولڈرز بشمول اقلیتی اسٹیک ہولڈرز کے لیے اپنی ذمہ داری کو تسلیم کرتا ہے۔ بورڈ کے اراکین اور انتظامی ٹیم دونوں ہی بڑے ادارہ جاتی سرمایہ کاروں اور بروکریج ہاؤسز کے ساتھ حصص یافتگان کی ترجیحات کو سمجھنے اور کسی بھی قسم کے خدشات کو دور کرنے کے لیے سرگرم عمل ہیں۔ بورڈ کا مقصد ایک اعلیٰ صلاحیت والے شیئر ہولڈر بیس کو راغب کرنا اور اسے برقرار رکھنا ہے جو کمپنی کے امکانات اور اسٹریٹجک سمت کے بارے میں اچھی طرح سے آگاہ ہو۔

26 اکتوبر 2024 کو منعقدہ سالانہ جنرل میٹنگ کے دوران، بورڈ کے اراکین نے شیئر ہولڈرز کے ساتھ جسمانی اور عملی طور پر بات چیت کی تا کہ ان کے خیالات کو اکٹھا کیا جا سکے۔ بورڈ اس پریکٹس کو آئندہ AGM میں جاری رکھنے کا ارادہ رکھتا ہے، جسے ہائبرڈ فارمیٹ میں منعقد کرنے کا منصوبہ ہے، جس میں جسمانی اور آن لائن دونوں طرح کی شرکت کی اجازت دی جائے گی۔ مزید برآں، کمپنی 30 جون 2025 کو ختم ہونے والے سال کے سالانہ آڈٹ شدہ مالیاتی بیانات پر مبنی کم از کم ایک بند کاروباری سیشن (CBS) منعقد کرنے کا ارادہ رکھتی ہے، AGM کے ایک ماہ کے اندر، جیسا کہ PSX کے ضوابط کے تحت اجازت ہے۔

کمپنی کی ویب سائٹ

قانونی اور ریگولیٹری تقاضوں کے مطابق، کمپنی سے متعلق تمام متعلقہ معلومات کو اس کی سرکاری ویب سائٹ www.hitechlubricants.com پر اسٹیک ہولڈرز کی آسانی سے رسائی کے لیے مناسب طریقے سے رکھا گیا ہے۔

کمپنی کا عملہ اور صارفین

بورڈ کمپنی کے تمام ملازمین کو ان کی لگن، محنت، اور کمپنی کے مقاصد کے حصول کے لیے عزم کے لیے ان کی مخلصانہ تعریف کرتا ہے۔ مشکل معاشی ماحول کے باوجود قابل ستائش نتائج دینے میں ان کی کاوشیں اہم رہی ہیں۔ ہم شکریہ کے ساتھ اپنے اسٹیک ہولڈرز، خاص طور پر اپنے قابل قدر صارفین کے مسلسل اعتماد اور تعاون کو بھی تسلیم کرنا چاہتے ہیں، جن کا ہماری مصنوعات اور خدمات پر اعتماد ہماری کامیابی کا بنیادی ستون ہے۔

جناب حسن طاہر	جناب شوکت حسن
(چیف ایگزیکٹو آفیسر)	(چیئرمین)

لاہور، 22 ستمبر، 2025

چیئرمین کا جائزہ

محترم اسٹیک ہولڈرز

ڈائریکٹرز کے بورڈ کی جانب سے مجھے خوشی ہے کہ میں ہائی ٹیک لُبریکنٹس لمیٹڈ (HTL) کا مالی سال 30 جون 2025 کو اختتام پذیر ہونے والا سالانہ جائزہ پیش کر رہا ہوں۔ ہم اپنے حصص یافتگان اور دیگر اسٹیک ہولڈرز کے اعتماد اور تعاون کے تہہ دل سے شکر گزار ہیں، جو پائیدار ترقی اور طویل مدتی قدر پیدا کرنے کے ہمارے عزم کی راہنمائی کرتے ہیں۔

معاشی اور صنعتی پس منظر

مالی سال 2025 میں پاکستان میں مجموعی طور پر زیادہ معاشی استحکام رہا۔ افراطِ زر میں نمایاں کمی واقع ہوئی، اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ کو 20.5 فیصد سے کم کر کے 11 فیصد کر دیا، اور بیرونی کھاتوں کی پوزیشن بہتر ہوئی۔ اگرچہ بعض طلب پر مبنی شعبے، خصوصاً آٹوموٹو، ساختی مشکلات کا شکار رہے، تاہم مجموعی ماحول گزشتہ سال کے مقابلے میں کہیں زیادہ مستحکم رہا جس نے بحالی اور ترقی کے لیے بہتر بنیاد فراہم کی۔

امور اور کارکردگی کا جائزہ

مالیاتی کارکردگی کے اعتبار سے، گروپ نے مالی سال 2025 میں 102 ملین روپے کا یکجا خالص منافع حاصل کیا جبکہ مالی سال 2024 میں 137 ملین روپے کا خالص خسارہ ریکارڈ ہوا تھا۔ خالص آمدنی میں مضبوط اضافہ دیکھنے میں آیا جس کی بنیاد منظم مالی حکمتِ عملی، عملیاتی کارکردگی میں بہتری اور مربوط کاروباری ماڈل کی طاقت تھی۔ اس ماڈل کے تحت، ہائی ٹیک بلینڈنگ پرائیویٹ لمیٹڈ (HTBL) لُبریکنٹس کی پیداوار کا بنیادی ڈھانچہ فراہم کرتی ہے، جبکہ HTL تقسیم، مارکیٹ کی ترقی اور صارفین سے تعلقات سنبھالتا ہے۔ یہ ہم آہنگی مسابقتی حیثیت کو مستحکم کرتی ہے، بیرونی خطرات کو کم کرتی ہے اور طویل مدتی پائیدار ترقی کے لیے مضبوط بنیاد قائم کرتی ہے۔ مزید عملیاتی اور شعبہ جاتی تفصیلات ڈائریکٹرز کی رپورٹ اور سی ای او کے پیغام میں شامل ہیں۔

گورننس، رسک اوورسائٹ اور کمپلائنس

بورڈ کمپنیز ایکٹ 2017 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے مطابق اعلیٰ ترین گورننس معیارات پر کاربند ہے۔ ریگولیشنز کے رول 28(1)(vi) کے تحت بورڈ، اس کے ارکان، کمیٹیوں، چیئرمین اور چیف ایگزیکٹو آفیسر کی کارکردگی کا آزاد بیرونی کنسلٹنٹ M/s Nazeer Shaheen Associates کے ذریعے جائزہ لیا گیا۔ اس تشخیص میں بورڈ کی تشکیل، شمولیت کا معیار، کمیٹیوں کی افادیت، اخلاقی طرزِ عمل اور مجموعی گورننس طریقہ کار کا احاطہ کیا گیا۔ نتائج سے ثابت ہوا کہ بورڈ اور اس کی کمیٹیاں مؤثر انداز میں کام کر رہی ہیں اور بہترین عالمی معیارات، ریگولیٹری تقاضوں اور حصص یافتگان کے طویل مدتی مفادات سے ہم آہنگ ہیں۔

داخلی کنٹرولز اور آڈٹ کی نگرانی

بورڈ نے گروپ کے رسک مینجمنٹ فریم ورک پر بھی سخت نگرانی برقرار رکھی تاکہ مالی احتیاط، عملیاتی لچک اور پائیداری کو حکمتِ عملی اور فیصلہ سازی کے مرکز میں رکھا جا سکے۔ آڈٹ کمیٹی کی معاونت سے بورڈ نے سال بھر اندرونی کنٹرولز اور رسک مینجمنٹ فریم ورک کی مؤثریت کا باقاعدگی سے جائزہ لیا۔ داخلی آڈٹ اور بیرونی آڈیٹرز کی یقین دہانی کے ساتھ یہ بات واضح ہوئی کہ مالیاتی رپورٹنگ، آپریشنل کنٹرولز اور کمپلائنس کے عمل مؤثر انداز میں فعال ہیں۔ اگرچہ کوئی بھی نظام خطرات کو مکمل طور پر ختم نہیں کر سکتا، بورڈ اس بات پر مطمئن ہے کہ HTL کا فریم ورک مضبوط، ریگولیٹری تقاضوں سے ہم آہنگ اور شفافیت، جوابدہی اور پائیدار کارکردگی کے فروغ کے لیے مسلسل بہتر بنایا جا رہا ہے۔

کارپوریٹ ذمہ داری

HTL یہ بھی تسلیم کرتا ہے کہ اس کی ذمہ داری صرف مالی کارکردگی تک محدود نہیں۔ ماحولیاتی، سماجی اور گورننس (ESG) اصولوں اور اقوامِ متحدہ کے پائیدار ترقیاتی اہداف کے مطابق گروپ تعلیم، صحت، ماحولیاتی پائیداری اور کمیونٹی کی فلاح و بہبود کے اقدامات کو ترجیح دیتا ہے۔ یہ کاوشیں نہ صرف معاشرے پر مثبت اثر ڈالتی ہیں بلکہ ان کمیونٹیز میں دیرپا قدر پیدا کرتی ہیں جنہیں ہم خدمت فراہم کرتے ہیں۔

آئندہ کا لائحہ عمل

آگے بڑھتے ہوئے، بورڈ کو اعتماد ہے کہ گروپ مالی سال 2025 میں حاصل ہونے والی کامیابیوں کو برقرار رکھے گا۔ ایک مضبوط مربوط ڈھانچے، منظم گورننس اور متنوع کاروباری پورٹ فولیو کے ساتھ HTL مسابقتی حیثیت کو مزید مستحکم کرنے اور نپی تلی توسیع کرنے کے لیے پُرعزم ہے، جو ریگولیٹری منظوریوں اور کمپلائنس تقاضوں سے ہم آہنگ ہو گی۔ اس کے ساتھ ساتھ ہم محتاط ترقی، مؤثر رسک مینجمنٹ اور پائیداری کو اپنی حکمتِ عملی کا بنیادی جزو بنانے پر توجہ مرکوز رکھیں گے۔

شکریہ

بورڈ کی جانب سے میں اپنے حصص یافتگان کا ان کے اعتماد پر، ملازمین کا ان کی لگن اور پیشہ ورانہ صلاحیتوں پر، اور صارفین و کاروباری شراکت داروں کا ان کے مسلسل اعتماد پر شکریہ ادا کرتا ہوں۔ میں اپنے رفقائے ڈائریکٹرز کا بھی قیمتی رہنمائی اور قیادت پر مشکور ہوں۔ ہم سب HTL کو پائیدار ترقی، زیادہ لچک اور دیرپا کامیابی کی طرف لے جانے کے لیے پرعزم ہیں۔

خلوص کے ساتھ،

شوکت حسن

چیئرمین

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 Friday October 24, 2025 at 11:00 a.m. and at any adjournment thereof.

As witness my/our hand this _____________day of October, 2025 at _____________

Witness' Signature:...

....

Name...

CNIC # ....

Address..

....

Witness' Signature:...

....

Name...

CNIC # ....

Address..

....

Affix Revenue Stamp of Rs. 50/-

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

مختارنامہ

میں/ہم ____________________

کا/کے ____________________

بحیثیت رکن ہائی۔ٹیک لبریکنٹس لمیٹڈاور حامل حصص، بمطابق شیئر رجسٹر فولیونمبر ____________________

اور/یاسی ڈی سی پارٹیسپنٹ (شرکت آئی ڈی) نمبر ____________________

اورسب اکاؤنٹ (ذیلی کھاتہ) نمبر ____________________

محترم/محترمہ ____________________

کواپنے/ہمارے ایماء پر ____________________

مورخہ 24 اکتوبر 2025ء بروز جمعہ بوقت صبح 11:00 بجے

کومنعقد 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......................... 2025ء کودستخط 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 کرسکتا ہے۔

2۔ نیابت فارم باقاعدہ دستخط شدہ اور مہر شدہ لازماً اجلاس سے کم ازکم اڑتالیس (۴۸) گھنٹے قبل کمپنی کے رجسٹرڈ دفتر میں جمع کرائے جانے چاہئیں۔

3۔ نائب کی نامزدگی کیلئے۔

a۔ فردکی صورت میں، کھاتہ داراور یا ذیلی کھاتہ دار جن کی رجسٹریشن کی تفصیلات سی ڈی سی ضابطے کے مطابق اپ لوڈ کردی گئی ہوں، درج زیل ضروریات کے مطابق نیابت فارم جمع کرانا ہوگا۔

b۔ نیابت فارم پردوگواہوں 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 اپلیکیشن 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 اپلیکیشن میں لاگن کرتے وقت بھیجے گا، (اگر پہلے فراہم نہ کئے گئے ہوں)۔

BEST CORPORATE REPORT (BCR) CHECKLIST 2025

Reference No.	Information/Criteria	Page No.
1	**Organizational Overview and External Environment**	
1.01	Mission, vision, code of conduct, ethical, principal and core values.	12-13
1.02	Profile of the company including principal business activities, markets (local and international), key brands, products and services.	10, 15-25
1.03	Geographical location and address of all business units including sales units and plants.	36
1.04	The legislative and regulatory environment in which the company operates.	67
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.	27
1.06	Name and country of origin of the holding company / subsidiary company, if such companies are a foreign company.	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.	45
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.	11, 99-100
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.	11, 99-100, 163, 324
1.11	Position of the reporting organization within the value chain showing connection with other businesses in the upstream and downstream value chain.	50-51
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.	54
	b) The effect of seasonality on business in terms of production and sales.	55
1.13	The legitimate needs, interests of key stakeholders and industry trends.	67
1.14	SWOT Analysis of the company.	53
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).	67
1.16	History of major events.	39
1.17	Details of significant events occurred during the year and after the reporting period.	39, 40, 100-101
2	**Strategy and Resource Allocation**	
2.01	Short, medium and long-term strategic objectives and strategies in place to achieve objectives.	56 - 58
2.02	Resource allocation plans to implement the strategy. Resource mean 'Capitals' including:	56 - 58
	a) Financial Capital;	
	b) Human Capital;	
	c) Manufactured Capital;	
	d) Intellectual Capital;	
	e) Social and Relationship Capital; and	
	f) Natural Capital."	
2.03	The capabilities and resources of the company that provide sustainable competitive advantage, resulting in value creation by the company.	58
2.04	Company's strategy on market development, product and service development.	60
2.05	The effects of the given factors on the company strategy and resource allocation:	61
	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).	
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.	61
2.07	The linkage of strategic objectives with company's overall mission, vision and objectives.	62
2.08	Board's statement on the internal controls including IT controls of the company.	62
2.09	Board's statement on the significant plans and decisions such as corporate restructuring, business expansion, major capital expenditure or discontinuance of operations.	62
2.10	a) Information about defaults in payment of any debt with reasons and its repayment plan;	62
	b) Board strategy to overcome liquidity problems and plans to meet operational losses.	62
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.	64 - 65
3.02	Company's robust assessment of the principal risks and uncertainties being faced, including those that would threaten the business model, future performance and solvency or liquidity. This may include operational risk, IT risk, regulatory risk, legal risk, political risk, strategic risk, and credit risk etc.	65
3.03	Risk Management Framework covering principal risks and uncertainties facing by the company, risk methodology, risk appetite and risk reporting.	66, 101
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
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).	66
4	**Sustainability Disclosures & Corporate Social Responsibility (CSR)**	
4.01	Disclosure of the role of the Board to address the company's sustainability risks and	SUSTAINABILITY REPORT 129-157
	opportunities, as required under the recent amendments of the SECP 'Listed Companies	
	(Code of Corporate Governance) Regulations, 2019, SECP SRO 920/2024 dated June 12,	
	2024 for the following:	
	a) Disclosures of company specific sustainability-related risks and opportunities (climate- related risks and opportunities) and their impact on the financial performance in the short, medium and long term and how these are managed or mitigated;	
	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) Disclosure of company's sustainability and DE&I related strategies, priorities and targets, the measures taken to promote in the company as well as performance against these targets are periodically reviewed and monitored.	
	d) Boards are encouraged to adopt of the SECP's ESG Disclosure Guidelines (https://www.secp.gov.pk/document/secp-esg-disclosure-guidelines-for-listed-companies/)	
4.02	Highlights of the company's performance, policies, initiatives and plans in place relating to the various aspects of sustainability:	
	• Social initiatives - financial inclusion, research and development, employment generation, community health and education, and health and safety of staff etc.; • Environmental initiatives - climate change mitigation etc. by focusing on 3R's (Reduce, Reuse & Recycle), how does the company reduce pollution, depletion and degradation of natural resources; and indirect like investment/financing in green /sustainable project. • Technological innovation - use of advanced technology, innovative ideas leading to sustainability practices like energy-efficient processes or eco-friendly product designs; • Information on consumption and management of materials, energy, water, emissions and waste."	
4.03	a) Has the board established a dedicated sustainability committee, having at least one	
	female director, or assign additional responsibilities to an existing board committee.	

	b) Has the committee submitted to the board a report, at least once a year, on embedding	
	sustainability principles into the organization's strategy and operations to increase	
	corporate value.	
4.04	Board's statement for the adoption of CSR best practices including Board's commitment to promote CSR and how the company's sustainable practices can affect the financial performance of the company.	
4.05	Highlights of the company's performance, policies, initiatives for CSR.	
5	**Governance**	
5.01	Board composition:	78-85
	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.	
5.02	A brief description about role of the Chairman and the CEO.	86
5.03	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.	86
5.04	Chairman's Review Report on the overall performance of the board including:	73
	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."	
5.05	Board statement of its commitment to establish high level of ethics and compliance in the company.	101
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.	73, 102
5.07	Disclosure if the board's performance evaluation is carried out by an external consultant once in every three years.	73, 102
5.08	Details of formal orientation courses for directors.	86, 106
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.	106
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.	101
5.11	Disclosure about related party transactions:	101, 108, 305-306
	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.	
5.12	Disclosure of Board's Policy on the following significant matters:	
	a) Risk Management and internal control policies.	101
	b) Disclosure of director's interest in significant contracts and arrangements.	101, 307-308
	c) Remuneration of non-executive directors including independent directors for attending board meetings and general meetings.	102,103, 309

	d) Retention of board fee by the executive director earned by him against his services as non-executive director in other companies.	102,103, 309
	e) Security clearance of foreign directors.	110
	f) Board meetings held outside Pakistan.	110
	g) Human resource management including: • Preparation of succession plan; • Merit based recruitment; • Performance based appraisal system; • Promotion, reward and motivation; • Training and development; • Diversity, Equity & Inclusion (DE&I) policy; and • Employee engagement /feedback."	109-110
	h) Social and environmental responsibility including managing and reporting policies like procurement, waste and emissions.	101108, 129-157
	i) Communication with stakeholders.	103, 108-109, 116-118
	j) Dividend policy.	109
	k) Investors' relationship and grievances.	109
	l) Employee's health, safety and protection.	110
	m) Whistle blowing policy	108
	n) anti-harassment policy to safeguard the rights and well-being of employees.	109
	o) Safety of records of the company.	109
5.13	Board statement of the organization's business continuity plan or disaster recovery plan.	103
5.14	Compliance with the Best Practices of Code of Corporate Governance (No marks in case of any non-compliance).	104
5.15	Disclosure about: a) Shares held by Sponsors / Directors / Executives;"	121-122
	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).	
5.16	Details about Board meetings and its attendance.	85
5.17	TORs, composition and meeting attendance of the board committees including (Audit, Human Resource, Nomination and Risk management).	88-89
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).	-
5.19	Audit Committee report should describe the work of the committee in discharging its responsibilities. The report should include:	'91-93
	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.	

HTL LIMITED
Hi-Tech Lubricants Ltd

	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.	
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.	86
5.21	Board disclosure on Company's use of Enterprise Resource Planning (ERP) software including:	110
	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.	
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
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**	
6.01	Analysis of the financial and non-financial performance using both qualitative and quantitative indicators, showing linkage between:	175
	a) Past and current performance;	
	b) Performance against targets /budget; and	
	The analysis should cover significant deviations from previous year in operating results and the reasons for loss, if incurred, as well as future prospects of profits.	
6.02	a) Analysis of financial ratios (Annexure I) with graphical presentation and disclosure of methods and assumptions used in compiling the indicators.	160-162
	b) Explanation of negative change in the performance as compared to last year.	
6.03	Vertical and horizontal analysis of Balance Sheet, Profit and Loss Account and summary of Cash Flow Statement for last 6 years. Weightage to be given to graphical presentation.	164-168, 170
6.04	Cash Flow Statement based on Direct Method (separate Cash Flow for specific funds e.g. Zakat).	171
6.05	a) Information about business segment and non-business segment; and	163
	b) Segmental analysis of business performance including segment revenue, segment results, profit before tax, segment assets and liabilities.	
6.06	Disclosure of market share of the company and share price sensitivity analysis.	169
6.07	Statement of value added and its distribution with graphical presentation:	120
	a) Employees as remuneration;	
	b) Government as taxes (separately direct and indirect);	
	c) Shareholders as dividends;	
	d) Providers of financial capital as financial charges;	
	e) Society as donation; and	

	f) Retained within the business.	
6.08	Statement of Economic value added (EVA) [EVA = NOPAT – WACC x TC, where NOPAT is Net Operating Profit After Tax, WACC is Weighted Average Cost of Capital, and TC is Total Invested Capital]"	173
6.09	CEO presentation video on the company's business performance of the year covering the company business strategy to improve and future outlook. (Please provide relevant webpage link of the video in the company's annual report).	118
7	**Business Model**	
7.01	Describe the business model including inputs, business activities, outputs and outcomes as per international applicable framework.	48-49
7.02	Explanation of any material changes in the entity's business model during the year.	49
8	**Disclosures on IT Governance and Cybersecurity**	
8.01	The Board responsibility statement on the IT system/ controls and AI strategy of the company including compliance of legal and regulatory requirements regarding data privacy and cyber security and how the board is engaging with management in case of any breaches.	111
8.02	Disclosure related to IT governance and cybersecurity programs, policies and procedures and industry specific requirements for cybersecurity and strategy in place.	
8.03	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.	
8.04	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.	
8.05	Disclosure of policy related to independent comprehensive security assessment of technology environment, including third party risks and when last such review was carried out.	
8.06	Disclosure about resilient contingency and disaster recovery plan in terms of dealing with a possible IT failure or cyber breach and details about company's cyber insurance.	
8.07	Disclosure of advancement in digital transformation on how the organization has leveraged 4.0 Industrial revolution (Artificial Intelligence (AI), RPA, Data Analytics, Block Chain, Cloud Computing etc.) to improve transparency and governance, value creation and reporting.	111-112
8.08	Disclosure about education and training efforts of the Company to mitigate cybersecurity risks.	112
9	**Future Outlook**	
9.01	Forward-looking statement in narrative and quantitative form, including projections or forecasts about known trends and uncertainties that could affect the company's resources, revenues and operations in the short, medium and long term.	68
9.02	Status of the projects in progress and those disclosed in the forward-looking statement in the previous year and whether the performance of the company is aligned with the forward- looking statement.	68
9.03	Disclosures about the company's future plans for AI adoption and its potential impact on the company's long-term strategy.	68
9.04	Disclosure about company's future Research & Development initiatives.	68
9.05	Sources of information and assumptions used for projections / forecasts in the forward- looking statement, and any assistance taken by any external consultant	69
10	**Stakeholders Relationship and Engagement**	
10.01	Stakeholder's engagement policy of the company and how the company has identified its stakeholders.	116
10.02	Stakeholders' engagement process and the frequency of such engagements during the year. Explanation on how the relationship is likely to affect the performance and value of the company, and how those relationships are managed. These engagements may be with:	116-117
	a) Institutional investors;	
	b) Customers & suppliers;	
	c) Banks and other lenders;	

	d) Media;	
	e) Regulators;	
	f) Local committees; and	
	g) Analysts.	
10.03	Steps taken by the management to encourage the minority shareholders to attend the general meetings.	117
10.04	Investors' Relations section on the corporate website with all relevant information including audited annual reports are available in the section.	118
10.05	Issues raised in the last AGM, decisions taken and their implementation status.	118
10.06	a) Steps board has taken to solicit and understand the views of stakeholders through corporate briefing sessions; and	118
	b) Disclosure of brief summary of Corporate Analyst briefing conducted during the year.	
10.07	Highlights about redressal of investors' complaints including number of complaints received and resolved during the year.	118
10.08	Details about corporate benefits to shareholders like value appreciation, dividend etc.	169
10.09	Disclosure of whistle blowing mechanism to receive and handle complains in a fair and transparent manner, and provide protection to the complainant against victimization and reporting in the Audit Committee's report.	118
11	**Striving for Excellence in Corporate Reporting**	
11.01	Board's responsibility statement on full compliance of financial accounting and reporting standards as applicable in Pakistan (i.e. International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB)).	175, 189
11.02	BCR criteria cross referred with page numbers of the annual report. (details can be maintained by companies on the Investor Relation section of the company's website).	Attached
12	**Specific Disclosures of the Financial Statements**	
12.01	Fair value of Property, Plant and Equipment.	285, 311
12.02	Particulars of significant / material assets and immovable property including location and area of land.	286-290
12.03	Capacity of an industrial unit, actual production and the reasons for shortfall.	309
12.04	Specific disclosures required for shariah compliant companies / companies listed on the Islamic Indices as required under clause 10 of the Fourth Schedule of the Companies Act, 2017.	320
12.05	Disclosure requirements for common control transactions as specified under the Accounting Standard on 'Accounting for common control transactions' developed by ICAP and notified by SECP (through SECP S.R.O. 53(I)/2022 dated January 12, 2022)	N/A
12.06	Disclosure about Human Resource Accounting (includes the disclosure of process of identifying and measuring the cost incurred by the company to recruit, select, hire, train, develop, allocate, conserve, reward and utilize human assets).	N/A
12.07	Where any property or asset acquired with the funds of the company and is not held in the name of the company or is not in the possession and control of the company, this fact along with reasons for the property or asset not being in the name of or possession or control of the company shall be stated; and the description and value of the property or asset, the person in whose name and possession or control it is held shall be disclosed.	N/A
13	**Assessment based on Qualitative Factors**	
13.01	Assessment of overall quality of information contained in the annual report based on the following qualitative factors:	Complete Report
	a) Clarity, simplicity and lucidity in presentation of Financial Statements;	
	b) Theme on the cover page;	
	c) Effective use of presentation tools, particularly diagrams, graphs, charts, smart arts, icons, tables and infographics in the annual report;	
	d) Effectiveness and relevance of photos and graphs;	
	e) Effectiveness of the theme on the cover page.	

GRI CONTENT **INDEX**

STATMENT OF USE:

Hi-Tech Lubricants Limited has reported the information cited in this GRI Content Index for the year 2024 – 2025 with reference to the GRI Standards (2021).

GRI 1 Used GRI 1 Foundation 2021
GRI 2 General Disclosures 2021
GRI 3 Material Topics

GRI Standard	Disclosure Reference	Disclosure Title	Location
GRI 2: General Disclosures 2021	2-1	Organizational details	HTL at Glance (Page 10-45)
	2-2	Entities included in the sustainability report	Reporting Framework (Page 4-5)
	2-3	Reporting period, frequency, contact point	Reporting Framework (Page 4-5)
	2-5	External assurance	Limited Assurance Report (Page 156-157)
	2-9, 2-11	Governance structure and composition, Chair of highest governance body	Corporate Governance Oversight (Page No. 78-113)
	2-12	Role of highest governance body in overseeing sustainability impacts	Risk & Sustainability Committee (Page No. 133)
	2-22	Statement on sustainable development strategy	Sustainability Report (Page No. 129-152)
	2-23	Policy commitments (ethics, anti-corruption, human rights)	Policies & Code of Conduct (Page No. 13, 78-113)
	2-29	Approach to stakeholder engagement	Stakeholder Engagement and Social Impact (Page No. 116-127)
GRI 3: Material Topics 2021	3-1, 3-2 & 3-3	Process to determine material topics, list of material topics & management of material topics	Sustainability Report (Page No. 129-152)

In Loving Memory of

TAHIR AZAM
1951-2024

Our esteemed Founder and Director, was a trailblazer whose entrepreneurial foresight and unwavering commitment laid the foundation of the Company. His humility, wisdom, and dedication to excellence touched countless lives, embedding values that remain central to our culture.

MUHAMMAD BASIT HASSAN
1979-2017

Our beloved Executive Director, was a dynamic leader whose energy, innovation, and ability to inspire others drove the Company's growth. His rare blend of business acumen and human warmth continues to guide us in every endeavor.

We fondly remember two remarkable leaders whose vision and character continue to shape the journey of Hi-Tech Lubricants Limited. Their legacy is defined by integrity, resilience, and compassion. Though they are no longer with us, their spirit endures in the principles they instilled and the aspirations they set in motion. We remain committed to honoring their memory by carrying forward the vision and values they so passionately championed.

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