DIRECTORS' REPORT **TO THE SHAREHOLDERS**

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

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

PAKISTAN'S **ECONOMIC REVIEW**

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

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

FINANCIAL PERFORMANCE ON A **CONSOLIDATED BASIS**

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

Detailed consolidated financial performance of your Group is presented below:

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

OPERATIONAL **PERFORMANCE**

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

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

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

POLYMER **SEGMENT EXPANSION**

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

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

HTL **EXPRESS CENTERS**

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

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

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

MANAGEMENT OF **LIQUID RESOURCES**

CASH **MANAGEMENT & STRATEGIC DECISION MAKING**

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

CAPITAL **EXPENDITURE**

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

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

CONTRIBUTION TO **NATIONAL EXCHEQUER**

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

APPROPRIATION OF **PROFITS**

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

IPO **FUNDS**

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

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

FUTURE **OUTLOOK**

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

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

Our polymer segment is now also having more presence in the markets and serving the customers in a highly satisfying manner. Polymer segment's product line and customer base is steadily expanding.

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

MATERIAL CHANGES AND **COMMITMENTS**

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

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

i. International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

ii. Provisions of and directives issued under the Companies Act, 2017.

iii. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

iv. There has been no material departure from the Best Practices of Corporate Governance, as detailed in the Listing Regulations and Listed Companies (Code of Corporate Governance) Regulations, 2019.

v. The key operating and financial data from the formation of company (i.e. for the last 6 years) is given elsewhere in this annual report.

vi. The Auditors have expressed unqualified opinions on the financials statements of each of the group companies.

COMPLIANCE WITH THE **CODE OF CORPORATE GOVERNANCE**

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

AUDITORS

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

PATTERN OF **SHAREHOLDING**

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

BOARD **COMMITTEES**

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

ADEQUACY OF **INTERNAL CONTROLS**

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

RISK **MANAGEMENT**

The Company has a comprehensive Risk Management Policy that has assigned specific responsibilities to directors and senior management. Three main players in the policy are the Board of Directors, Audit Committee and Risk and Sustainability Committee who regularly review the risk matrix in terms of impact and probability of occurrence. The senior management team, led by the Chief Executive Officer, Executive Director and Non-Executive Directors are responsible for risk mitigation measures and developing proposals thereof for consideration by the Board.

The Company's activities expose it to a variety of financial risks; market risks (including currency risk, price fluctuations risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. Risk management is carried out by the Company's finance department under policies approved by the Board of Directors.

The Company's finance department evaluates and hedges financial risks where possible. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk and investment of excess liquidity. All treasury related transactions are carried out within the parameters of these policies.

The major risks to which Company is exposed as explained in Note 46 of the unconsolidated financial statements. Measures adopted for their mitigation are as follows:

• CREDIT **RISK**

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

• LIQUIDITY **RISK**

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

- ### FOREIGN EXCHANGE **RISK**

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

RISK **GOVERNANCE**

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

POLICIES AND **PROCEDURES**

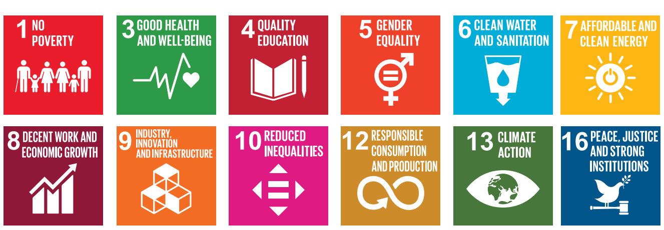
Policies and procedures have been adopted by the Board and its Committees and integrated into the Company's risk governance framework to ensure the smooth management of financial, operational and compliance risks. These are based on best practices, promoting a culture of ethics and values with necessary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

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

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

At the core of our principles lies sustainability

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



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

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

IDENTIFIED MATERIAL TOPICS FOR **SUSTAINABILITY**

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

ENVIRONMENT, **HEALTH & SAFETY**

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

CONTRACTS WITH **RELATED PARTIES**

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

THRESHOLD FOR **CONSIDERATION AS EXECUTIVES**

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

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

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

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

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

- Male: 08
- Female: 02

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

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

COMMITTEES OF **THE BOARD**

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

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

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

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

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

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

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

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

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

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

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

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

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

DIRECTORS **TRAININGS**

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

EVALUATION OF **PERFORMANCES**

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

DIRECTORS' REMUNERATION **POLICY**

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

The objectives of the policy are two-fold:

a. to attract, motivate and retain directors of the highest caliber with broad commercial experience, and

b. to comply with all the provisions of all relevant laws, rules and regulations applicable to directors' remunerations.

The Policy has been drawn considering the following:

a. Company's strategic aims and goals.

b. Company's corporate social responsibility.

c. Company's core principle of business integrity.

d. The market conditions for desired talent;

e. A need for maintaining a work atmosphere that is conducive to efficiency, maturity of thought, motivation to progress and attainment of corporate goals; and

f. Remuneration structure for directors in similar businesses in Pakistan as well as other companies of comparable size.

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

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

b. a. The particular qualifications, relevant experience and stature of the director.

c. b. The prevailing market value of his/her particular talent.

d. c. The nature of association of the director with the company, i.e. type of directorship held.

e. d. Remuneration of Independent Directors is restricted to Directors / Meetings Fees only.

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

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

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

REVIEW BY THE BOARD

THE DISASTER RECOVERY & BUSINESS CONTINUITY PLANNING

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

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

BUSINESS CONTINUITY **PLANNING (BCP)**

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

DISASTER **RECOVERY (DR)**

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

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

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

COMPANY'S STAFF **AND CUSTOMERS**

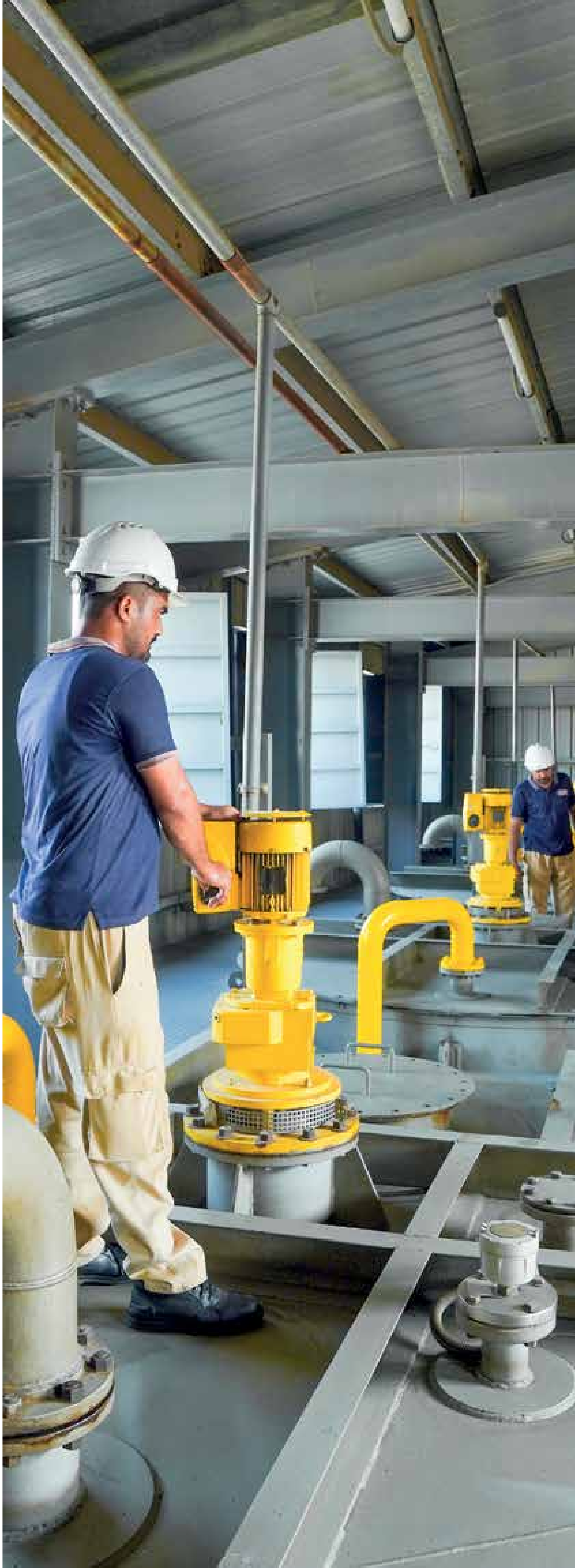
We wish to record our gratitude to all the Company employees' for their sheer hard work and commitment to the Company's objectives and for achieving good results in a challenging year for the country's economy. We are also thankful to Company's stakeholders especially our customers for their continued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

WEBSITE OF **THE COMPANY**

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

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

MR. SHAUKAT HASSAN
(Chairman)



UNCONSOLIDATED **FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2024

INDEPENDENT **AUDITOR'S REPORT**

To the members of Hi-Tech Lubricants Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Hi-Tech Lubricants Limited (the Company), which comprise the statement of financial position as at 30 June 2024, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2024 and of the loss, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

Sr. No.	Key audit matters	How the matter was addressed in our audit
1	**Revenue recognition** The Company recognized net revenue from contracts with customers of Rupees 24,016.482 million for the year ended 30 June 2024. We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicator of the Company and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets. For further information, refer to the following: - Material accounting policy information, Revenue recognition note 2.21 to the financial statements. - Net revenue from contracts with customers as shown on the face of statement of profit or loss.	Our procedures included, but were not limited to: • We obtained an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue. • We compared a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents. • We compared a sample of revenue transactions recorded around the year-end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period. • We tested the effectiveness of the Company's internal controls over the calculation and recognition of discounts. • We assessed whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers'. • We also considered the appropriateness of disclosures in the financial statements.

Sr. No.	Key audit matters	How the matter was addressed in our audit
2	**Stock-in-trade existence and valuation** Stock-in-trade as at 30 June 2024 amounted to Rupees 1,789.235 million and represented a material position in the statement of financial position. The business is characterized by high volume and the valuation and existence of stock-in-trade are significant to the business. Therefore, considered as one of the key audit matters. Stock-in-trade is stated at lower of cost and net realizable value. Cost is determined as per material accounting policy information disclosed in note 2.8 to the financial statements. At year end, the valuation of stock-in-trade is reviewed by management and the cost of stock-in-trade is reduced where stock-in-trade is forecast to be sold below cost. For further information on stock-in-trade, refer to the following: - Material accounting policy information, Stock-in-trade note 2.8 to the financial statements. - Stock-in-trade note 21 to the financial statements.	Our procedures over existence and valuation of stock-in-trade included, but were not limited to: • To test the quantity of stock-in-trade at all locations, we assessed the corresponding stock-in-trade observation instructions and participated in stock-in-trade counts on sites. Based on samples, we performed test counts and compared the quantities counted by us with the results of the counts of the management. • For a sample of stock-in-trade items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets. • We tested that the ageing report used by management correctly aged stock-in-trade items by agreeing a sample of aged stock-in-trade items to the last recorded invoice. • On a sample basis, we tested the net realizable value of stock-in-trade items to recent selling prices and re-performed the calculation of the stock-in-trade write down, if any. • We assessed the percentage write down applied to older stock-in-trade with reference to historic stock-in-trade write downs and recoveries on slow moving stock-in-trade. • In the context of our testing of the calculation, we analyzed individual cost components and traced them back to the corresponding underlying documents. We furthermore challenged changes in unit costs. • We also made inquires of management, including those outside of the finance function, and considered the results of our testing above to determine whether any specific write downs were required.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Atif Anjum.

RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore

Date: 23 September, 2024

UDIN: AR202410132cU4VfRrHx

STATEMENT OF
FINANCIAL POSITION
As at 30 June 2024

	Note	**2024 Rupees**	2023 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
150,000,000 (2023: 150,000,000) ordinary shares of Rupees 10 each		1,500,000,000	1,500,000,000
Issued, subscribed and paid-up share capital	4	1,392,048,000	1,392,048,000
Reserves	5	2,546,312,681	2,430,897,384
Total equity		3,938,360,681	3,822,945,384
LIABILITIES			
Non-current liabilities			
Lease liabilities	6	497,633,412	492,138,641
Long term deposits	7	15,000,000	16,500,000
		512,633,412	508,638,641
Current liabilities			
Trade and other payables	8	2,559,181,892	974,284,283
Accrued mark-up	9	67,682,083	81,019,923
Short term borrowings	10	1,777,187,767	1,851,556,185
Current portion of non-current liabilities	6	149,684,305	150,742,680
Unclaimed dividend		5,689,417	5,830,744
Provision for taxation - net	11	-	-
		4,559,425,464	3,063,433,815
Total liabilities		5,072,058,876	3,572,072,456
Contingencies and commitments	12		
TOTAL EQUITY AND LIABILITIES		9,010,419,557	7,395,017,840
ASSETS			
Non–current assets			
Fixed assets	13	2,771,812,271	2,589,502,914
Right-of-use assets	14	591,486,919	605,121,153
Intangible assets	15	1,197,692	3,981,524
Investment property	16	-	135,000,000
Investment in subsidiary company	17	1,300,000,600	1,300,000,600
Long term security deposits	18	37,718,769	51,943,128
Long term loan to an employee	19	2,050,936	2,985,100
Deferred income tax asset - net	20	144,162,496	83,599,116
		4,848,429,683	4,772,133,535
Current assets			
Stock-in-trade	21	1,789,235,831	1,102,921,785
Trade debts	22	1,019,801,916	159,239,694
Loans and advances	23	245,698,687	625,010,633
Short term deposits and prepayments	24	27,756,981	32,337,488
Other receivables	25	365,876,118	188,392,066
Accrued interest	26	3,486,137	52,987,973
Short term investments	27	222,717,061	222,582,946
Cash and bank balances	28	352,417,143	239,411,720
		4,026,989,874	2,622,884,305
Non-current asset classified as held for sale	29	135,000,000	-
		4,161,989,874	2,622,884,305
TOTAL ASSETS		9,010,419,557	7,395,017,840

The annexed notes form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer

STATEMENT OF
PROFIT OR LOSS
For the year ended 30 June 2024

HTL LIMITED
Hi-Tech Lubricants Ltd

	Note	2024 Rupees	2023 Rupees
Gross revenue from contracts with customers	30	26,759,270,163	17,523,929,280
Discounts		(628,306,843)	(339,727,263)
Sales tax		(2,114,480,990)	(1,652,509,962)
Net revenue from contracts with customers		24,016,482,330	15,531,692,055
Cost of Sales	31	(22,571,816,010)	(13,944,983,410)
Gross profit		1,444,666,320	1,586,708,645
Distribution cost	32	(1,018,633,572)	(1,043,508,059)
Administrative expenses	33	(723,546,889)	(718,731,055)
Other expenses	34	(54,558,901)	(36,142,523)
		(1,796,739,362)	(1,798,381,637)
Other income	35	1,058,520,303	505,105,718
Profit from operations		706,447,261	293,432,726
Finance cost	36	(544,046,620)	(474,616,854)
PROFIT / (LOSS) BEFORE TAXATION AND LEVY		162,400,641	(181,184,128)
LEVY	37	(111,560,224)	(65,705,846)
PROFIT / (LOSS) BEFORE TAXATION		50,840,417	(246,889,974)
Taxation	38	60,563,380	153,477,452
PROFIT / (LOSS) AFTER TAXATION		111,403,797	(93,412,522)
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED	39	0.80	(0.67)

The annexed notes form an integral part of these financial statements.

Chief Executive | Director | Chief Financial Officer

STATEMENT OF
COMPREHENSIVE INCOME
For the year ended 30 June 2024

	2024 Rupees	2023 Rupees
PROFIT / (LOSS) AFTER TAXATION	111,403,797	(93,412,522)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Surplus on revaluation of freehold land	4,011,500	52,220,750
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the year	4,011,500	52,220,750
Total comprehensive income / (loss) for the year	115,415,297	(41,191,772)

The annexed notes form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer

STATEMENT OF
CHANGES IN EQUITY
For the year ended 30 June 2024

HTL LIMITED
Hi-Tech Lubricants Ltd

	Share capital	Reserves					Total 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 2022	1,392,048,000	1,441,697,946	704,626,206	2,146,324,152	604,174,604	2,750,498,756	4,142,546,756
Transactions with owners:							
Final dividend for the year ended 30 June 2022							
@ Rupees 2.00 per share	-	-	-	-	(278,409,600)	(278,409,600)	(278,409,600)
Loss for the year ended 30 June 2023	-	-	-	-	(93,412,522)	(93,412,522)	(93,412,522)
Other comprehensive income for the year ended 30 June 2023	-	-	52,220,750	52,220,750	-	52,220,750	52,220,750
Total comprehensive loss for the year ended 30 June 2023	-	-	52,220,750	52,220,750	(93,412,522)	(41,191,772)	(41,191,772)
Balance as at 30 June 2023	1,392,048,000	1,441,697,946	756,846,956	2,198,544,902	232,352,482	2,430,897,384	3,822,945,384
Profit for the year ended 30 June 2024	-	-	-	-	111,403,797	111,403,797	111,403,797
Other comprehensive income for the year ended 30 June 2024	-	-	4,011,500	4,011,500	-	4,011,500	4,011,500
Total comprehensive income for the year ended 30 June 2024	-	-	4,011,500	4,011,500	111,403,797	115,415,297	115,415,297
Balance as at 30 June 2024	1,392,048,000	1,441,697,946	760,858,456	2,202,556,402	343,756,279	2,546,312,681	3,938,360,681

The annexed notes form an integral part of these consolidated financial statements.

Chief Executive | Director | Chief Financial Officer

STATEMENT OF
CASH FLOWS
For the year ended 30 June 2024

	Note	2024 Rupees	2023 Rupees
Cash flows from operating activities			
Cash (used in) / generated from operations	40	(25,217,193)	506,606,358
Finance cost paid		(557,384,460)	(431,385,437)
Income tax paid		(137,305,411)	(200,960,436)
Net increase in long term loans to employees		-	(3,135,937)
Net decrease in long term security deposits		17,589,620	103,328
Decrease in long term deposits		(1,500,000)	(500,000)
Net cash used in operating activities		(703,817,444)	(129,272,124)
Cash flows from investing activities			
Capital expenditure on operating fixed assets		(296,131,583)	(134,757,935)
Capital expenditure on intangible assets		-	(1,500,000)
Short term loan given to subsidiary company		(391,900,000)	(1,093,656,544)
Short term loan repaid by subsidiary company		877,400,000	608,156,544
Proceeds from disposal of operating fixed assets		21,928,948	59,957,697
Short term investments - net		5,416,933	4,937,545
Dividends received		692,512,052	295,937,019
Interest received on short term loan to subsidiary company		115,829,997	44,386,253
Profit on bank deposits and term deposit receipt received		35,120,772	22,813,380
Net cash from / (used in) investing activities		1,060,177,119	(193,726,041)
Cash flows from financing activities			
Repayment of lease liabilities		(168,844,507)	(125,883,130)
Dividend paid		(141,327)	(278,334,373)
Long term financing repaid		-	(47,851,814)
Short term borrowings - net		(74,368,418)	357,337,406
Net cash used in financing activities		(243,354,252)	(94,731,911)
Net increase / (decrease) in cash and cash equivalents		113,005,423	(417,730,076)
Cash and cash equivalents at the beginning of the year		239,411,720	657,141,796
Cash and cash equivalents at the end of the year	28	352,417,143	239,411,720

The annexed notes form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer

1. THE COMPANY AND ITS OPERATIONS

Hi-Tech Lubricants Limited ("the Company") was incorporated under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at 1-A, Danepur Road, GOR-1, Lahore. The principal activity of the Company is to procure and distribute lubricants and petroleum products. During the year ended 30 June 2017, Oil and Gas Regulatory Authority (OGRA) granted license to the Company to establish an Oil Marketing Company (OMC), subject to some conditions. On 31 May 2019, Oil and Gas Regulatory Authority (OGRA) has granted permission to the Company to operate new storage facility at Sahiwal and marketing of petroleum products in province of Punjab. On 20 January 2020, the Company has started marketing and sale of petroleum products. On 21 February 2020, OGRA has granted permission to the Company to apply for No Objection Certificates (NOCs) from concerned departments to setup petrol pumps in Khyber Pakhtunkhwa. On 09 August 2021, OGRA has acknowledged the satisfactory completion of oil storage facility at Nowshera, Khyber Pakhtunkhwa. On 13 January 2022, OGRA has further extended / renewed the provisional license for setting up of an OMC upto 31 December 2023. On 16 March 2023, OGRA has granted permission to the Company to operate new storage facility at Nowshehra and marketing of petroleum products in the province of Khyber Pakhtunkhwa. On 21 December 2023, OGRA has further extended / renewed the provisional license for setting up of an OMC upto 31 December 2025.

1.1 Geographical location and addresses of all business units are as follows:

Business units	Address
Registered and head office	1-A, Danepur Road, GOR-1, Lahore
Regional office – Karachi	C-6 /1, Street No. 3, Bath Island, Clifton, Karachi
Regional office – Islamabad	Suite No. 1402, 14th Floor, Green Trust Tower, Jinnah Avenue, Blue Area, Islamabad.
Regional office – Multan	House No. 95, Block C, Phase III, Model Town, Multan
Regional office – Peshawar	Office No. 280, 3rd Floor, Deans Trade Centre, Islamia Road, Peshawar
Warehouse	Property No. 35 A/M, Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore
Customs bonded warehouse	7-KM, Sundar Raiwind Road, Bhai Kot, Lahore
Warehouse	7-KM, Sundar Raiwind Road, Bhai Kot, Lahore
Oil Depot – OMC Project	Mouza No. 107/9L, Sahiwal
OMC Project office	House No. 57 C-1, Gulberg III, Lahore
Oil Depot – OMC Project	Mouza Aza Khel Bala, Nowshera
Oil Depot – Extension	Mouza Aza Khel Payan, Nowshera
HTL Express Centre	Dharampura, Lahore
HTL Express Centre	Garden Town, Lahore
HTL Express Centre	Block F, Gulshan-e-Ravi, Lahore
HTL Express Centre	Johar Town, Lahore
HTL Express Centre	Gulistan-e-Johar, Karachi
HTL Express Centre	Pakistan Employees Cooperative Housing Society, Karachi
HTL Express Centre	Askari XIV Sector – A, Rawalpindi
Oil Boy Filling Station	Mouza Neel Kot, Head Muhammad Wala Road, Multan
Punjab Filling Station	Main Satyana Road, Faisalabad
Green Fuel CNG	1-KM, G.T. Road, Lalamusa
A.B. Petroleum Filling Station	Tehsil Liaqatpur, Rahim Yar Khan
Jillani CNG	Lehtrar Road, Islamabad
Dasti Filling Station	Jampur Road, Dera Ghazi Khan
Rehman Filling Station	Chistian Road, Hasilpur
Al-Fazal Filling Station	Sargodha Road, Jhang
Ibrahim Petroleum	Sialkot Road, Gujranwala
Karma Wala-1 Filling Station	Shahkot Road, Jaranwala
Raja Adeel Filling Station	Arifwala Road, Arifwala
Gondal Filling Station	Daska Road, Wazirabad
City Filling Station	Hujra Shah Muqeem, Okara

Al Karam Filling Station	Shamkey Bhattian, Lahore
Green City Fuel Station	Hasilpur Road, Bahalwalpur
Khokhar Fuel Station	Small Industrial Estate, Jinnah Road, Gujranwala
Minhas CNG	Multan Road, Lahore
One Stop	Main Ferozepur Road, Lahore
S&S	Toba Road, Jhang
Al Yousaf CNG	Khanewal Road, Multan
Rana Petroleum	Faisalabad Road, Okara
Mudassir Zulfiqar Filling Station	Vehari Road, Multan
Shahid & Company	Daska Road, Gujranwala
Benzina II Filling Station	Benazir Road, Okara
Nambardar Filling Station	Rawalpindi Road, Chakwal
Iftikhar Nadeem & Company	Mouza Jhawary, Dhamial Road, Rawalpindi Cantt.
Suntrust CNG	Millat Road, Faisalabad
Meezan Filling Station	Jhang Road, Toba Tek Singh
Bahadur Filling Station	Mouza Ismail Khani, Bannu
M Nawaz Filling Station	Main Daraban Road, Mouza Kotla Syedan, Dera Ismail khan
Imdad Mir Filling Station	Mouza Ghanda, Nawab Road, Mansehra
Rahat Filling Station	Saidu Shareef Road, Tehsil Babuzai, Swat
Arab Emirate Filling Station	Mouza Bandi, Tehsil Khawaja Khela, Swat
Rashid Filling Station	Mouza Qambar-192, Tehsil Babuzai, Swat
Al Rehman Filling Station	Mouza Ismail Khani, Bannu
Naik Muhammad Filling Station	Near Bybass Thana, District Malakand
Big Khan Filling Station	Hajiabad Malakand University Road, Chakdara
Ghuman Brothers Filling Station	Plot 105, Block K, Gulberg 3, Lahore
Khalifa Filling Station	Jhang Road, Gojra
Al Sheikh Filling Station	Main GT Road, Gujrat
Moon CNG Filling Station	Mouza Humak, Islamabad
Aabroo Petroleum & CNG	Jaranwala-Khurianwala Road, Jaranwala
Abbasi & Khan Traders	Gujjar Kohala, Dhirkot
AL Mustafa Filling Station	Qaziwala Road, Chishtian
Shah Sardar Petroleum	Mouza Dham Thor, Muree Road, Abbotabad
Shams Petroleum Service	E-35, Hazara Expressway
Roshan Filling Station	Sheikhupura-Sargodha Road
Chawinda Filling Station	Khawaja Sardar Road, Sialkot
Jan Muhammad Filling Station	Ekka Ghund, Mohammand
Phandu Filling Station/CNG	Phandu Chowk, Umar Road, Peshawar
Four Star CNG Filling Station	Mardan Swabi Road, Bughdada
Hussain Filling Station	Near Shah Alam Pull, Charsada Road, Peshawar
Attock CNG & Filling Station	Iqbal Chowk, Choi East Attock City, Attock
Masha Allah CNG	M.CC Kamra Road, Attock City, Attock

1.2 These financial statements are the separate financial statements of the Company. Consolidated financial statements of the Company are prepared separately.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated:

2.1 Basis of preparation

a) Statement of compliance

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

– International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

– Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

b) Accounting convention

These financial statements have been prepared under the historical cost convention except as otherwise stated in the respective accounting policies.

c) Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

Income tax and levy

In making the estimates for income tax and levy currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past. Instances where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

Useful lives, pattern of economic benefits and impairments

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of the assets for possible impairments on an annual basis. If such indication exist assets recoverable amount is estimated in order to determine the extent of impairment loss, if any. Any change in the estimates in the future might affect the carrying amount of respective item of operating fixed assets, with a corresponding effect on the depreciation charge and impairment.

Inventories

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made on each reporting date on inventories for excess inventories, obsolescence and declines in net realisable value and an allowance is recorded against the inventory balances for any such declines.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Impairment of investment in subsidiary company

In making an estimate of recoverable amount of the Company's investments in subsidiary company, the management considers future cash flows.

Revenue from contracts with customers involving sale of goods

When recognizing revenue in relation to the sale of goods to customers, the key performance obligation of the Company is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Provisions

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

Classification of investments

The management of the Company determines the appropriate classification of its investments at the time of purchase or increase in holding and classifies its investments in accordance with IFRS 9 "Financial Instruments".

Contingencies

The Company reviews the status of all pending litigations and claims against the Company. Based on the judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the statement of financial position date.

Revaluation of freehold land and investment property

Fair values of freehold land and investment property are determined by independent valuer engaged by the Company. The key assumptions used to determine the fair values of freehold land and investment property are complex in nature. Further, determining adjustments for any differences in nature, location and condition of freehold land and investment property involves significant judgment. The effect of any changes in fair values are considered as estimate and are accounted for on a prospective basis.

d) Amendments to published approved accounting standard that are effective in current year and are relevant to the Company

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgement').
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 'Income Taxes').
- Change in definition of Accounting Estimate (Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors').
- Amendments to IAS 12 'Income Taxes' - International Tax Reform — Pillar Two Model Rules.

The above-mentioned amendments to approved accounting standards did not have any impact on the amounts recognised in prior period and are not expected to significantly affect the current or future periods.

e) Amendments to published approved accounting standards that are effective in current year but not relevant to the Company

There are amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2023 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

f) Standards and amendments to published approved accounting standards that are not yet effective but relevant to the Company

Following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2024 or later periods:

Classification of liabilities as current or non-current (Amendments to IAS 1 'Presentation of Financial Statements') effective for the annual period beginning on or after 01 January 2024. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

On 31 October 2022, the IASB issued 'Non-current Liabilities with Covenants (Amendments to IAS 1)' to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments are effective for reporting periods beginning on or after 01 January 2024.

On 22 September 2022, the IASB issued 'Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)' with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments are effective for annual periods beginning on or after 01 January 2024.

On 25 May 2023, the IASB issued 'Suppliers Finance Arrangements (Amendments to IAS 7 and IFRS 7)' to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangement. The amendments are effective for reporting period beginning on or after 01 January 2024.

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' (deferred indefinitely) to clarify the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 'Business Combinations'); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

Lack of Exchangeability (Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates'). The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments are effective for annual reporting periods beginning on or after 01 January 2025.

IFRS 18 'Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after 01 January 2027) with a focus on updates to the statement of profit or loss. The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The key new concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

The above standards and amendments are likely to have no significant impact on the financial statements.

g) Standards and amendments to approved published standards that are not yet effective and not considered relevant to the Company

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2024 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.2 Fixed assets

Operating fixed assets except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Cost of operating fixed assets consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable costs of bringing the asset to working condition. Freehold land is stated at revalued amount less any identified impairment loss. Capital work-in-progress are stated at cost less any recognized impairment loss. All expenditure connected with specific assets incurred during installation and construction periods are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to profit and loss account during the period in which they are incurred.

Increases in the carrying amounts arising on revaluation of freehold land are recognized, in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognized in the statement of profit or loss, the increase is first recognized in the statement of profit or loss. Decreases that reverse previous increase of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss.

Depreciation

Depreciation is charged to statement of profit or loss by applying the reducing balance method whereby cost of an asset is written off over its estimated useful life at the rates given in Note 13.1. Depreciation on additions is charged for the full month in which the asset is available for use and on deletion up to the month immediately preceding the deletion.

Useful life of assets is reviewed at each financial year end and if expectations differ from previous estimates the change is accounted for as change in accounting estimate in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

De-recognition

An item of operating fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

2.3 Intangible assets

Intangible assets, which are non-monetary assets without physical substance, are recognized at cost, which comprise purchase price, non-refundable purchase taxes and other directly attributable expenditures relating to their implementation and customization. After initial recognition, an intangible asset is carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized from the month when these assets are available for use, using the straight line method, whereby the cost of the intangible asset is amortized over its estimated useful life over which economic benefits are expected to flow to the Company. The useful life and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

2.4 Right-of-use assets

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses (if any). Cost comprises of the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Company has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are charged to income as incurred.

2.5 Lease liabilities

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of-use asset, or to statement of profit or loss if the carrying amount of the right-of-use asset is fully written down.

2.6 Investment in subsidiary company

Investment in subsidiary company is stated at cost less impairment loss, if any, in accordance with the provisions of IAS 27 'Separate Financial Statements'.

2.7 Foreign currency transactions and translation

All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are charged or credited to statement of profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Pak Rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into Pak Rupees at exchange rates prevailing at the date when fair values are determined.

2.8 Stock-in-trade

Stock-in-trade, except for stock-in-transit, is stated at lower of weighted average cost and estimated net realizable value. Cost comprises of invoice value, charges like custom duties and similar levies and other direct costs.

Cost in relation to items in transit comprises of invoice value and other charges thereon.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

2.9 Investments and other financial assets

a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

- those to be measured at amortized cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

b) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income / (other expenses) and impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss

Changes in the fair value of equity investments at fair value through profit or loss are recognised in other income / (other expenses) in the statement of profit or loss as applicable.

Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

2.10 Financial Liabilities - classification and measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on de-recognition is also included in profit or loss.

2.11 Impairment of financial assets

The Company recognizes loss allowances for Expected Credit Losses (ECLs) on:

- Financial assets measured at amortized cost;
- Debt investments measured at FVTOCI; and
- Contract assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and

- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

The Company has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Company has established a matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVTOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

2.12 De-recognition of financial assets and financial liabilities

a) Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

b) Financial liabilities

The Company derecognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

2.13 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which assets carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Reversals of the impairment losses are restricted to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if impairment losses had not been recognized. An impairment loss or reversal of impairment loss is recognized in the statement of profit or loss.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

2.15 Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

2.16 Taxation and levy

Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. Final taxes levied under the Income Tax Ordinance, 2001 and any excess over the amount designated as provision for current tax are charged as levy in the statement of profit or loss. The charge for current tax and levy also includes adjustments, where considered necessary, to provision for tax and levy made in previous years arising from assessments framed during the year for such years. Previously, component representing levy was included in provision for current tax and was not separately charged in the statement of profit or loss. Now, the Company has changed its accounting policy of taxation and levy in accordance with "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes" issued by Institute of Chartered Accountants of Pakistan through circular 7/2024. This change in accounting policy has been applied retrospectively in accordance with the provisions of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and resulted in following reclassification of corresponding figures:

Reclassified from	Reclassified to	30 June 2023
		Rupees
Statement of profit or loss:		
Taxation	Levy	65,705,846
Statement of financial position:		
Provision for taxation	Levy payable	83,537,154
Advance income tax	Prepaid levy	5,390,534

Had there been no change in the above referred accounting policy, amount of levy Rupees 111.560 million, prepaid levy 6.376 million and levy payable Rupees 111.560 million would have been presented as taxation expense, advance income tax and provision for taxation respectively in these financial statements for the year ended 30 June 2024. This change in accounting policy has no impact of earnings per share of the Company. Furthermore, the Company has not presented the third statement of financial position as at the beginning of the preceding period as the retrospective application does not have an effect on the information in the statement of financial position at the beginning of the preceding period.

Deferred

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

Group taxation adjustments

Current and deferred taxes based on the consolidated results of the Group (under Section 59AA of the Income Tax Ordinance, 2001) are allocated within the Group on the basis of separate return method, modified for determining realizability of tax credits and tax losses which are assessed at Group level. Any adjustments in the current and deferred taxes of the Company on account of group taxation are credited or charged to statement of profit or loss in the year in which they arise.

2.17 Borrowings

Financing and borrowings are initially recognized at fair value of the consideration received, net of transaction costs. They are subsequently measured at amortized cost using the effective interest method.

2.18 Borrowing costs

Borrowing costs are recognized as expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of cost of that asset.

2.19 Trade debts and other receivables

Trade debts are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

2.20 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost and subsequently measured at amortized cost using the effective interest method.

2.21 Revenue recognition

(a) Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

(b) Interest

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(c) Dividend

Dividend on equity investments is recognized when right to receive the dividend is established.

(d) Rental income

The Company earns rental income on some of its property leased out. Rental income is recognized on accrual basis over the period of lease agreement as per the requirements of IFRS 16.

2.22 Contract assets

Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due. Contract assets are treated as financial assets for impairment purposes.

2.23 Customer acquisition costs

Customer acquisition costs are capitalised as an asset where such costs are incremental to obtaining a contract with a customer and are expected to be recovered. Customer acquisition costs are amortised on a straight-line basis over the term of the contract.

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained or which are not otherwise recoverable from a customer are expensed as incurred to profit or loss. Incremental costs of obtaining a contract where the contract term is less than one year is immediately expensed to profit or loss.

2.24 Customer fulfilment costs

Customer fulfilment costs are capitalised as an asset when all the following are met: (i) the costs relate directly to the contract or specifically identifiable proposed contract; (ii) the costs generate or enhance resources of the Company that will be used to satisfy future performance obligations; and (iii) the costs are expected to be recovered. Customer fulfilment costs are amortised on a straight-line basis over the term of the contract.

2.25 Right of return assets

Right of return assets represents the right to recover inventory sold to customers and is based on an estimate of customers who may exercise their right to return the goods and claim a refund. Such rights are measured at the value at which the inventory was previously carried prior to sale, less expected recovery costs and any impairment.

2.26 Contract liabilities

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs its performance obligations under the contract.

2.27 Refund liabilities

Refund liabilities are recognised where the Company receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the Company does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

2.28 Segment reporting

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the chief executive officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the chief executive officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those incomes, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

The Company has following reportable business segments:

- Lubricants (purchase and sale of lubricants, parts and rendering of services).
- Petroleum products (Marketing and sale of petroleum products).

2.29 Contingent liabilities

Contingent liability is disclosed when the Company has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the financial statements.

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

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

3 SUMMARY OF OTHER ACCOUNTING POLICIES

3.1 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency. Figures are rounded off to the nearest Pak Rupees.

3.2 Employee benefits

The Company operates a contributory provident fund scheme covering all regular employees. Equal monthly contributions are made by the Company and employees to the fund at the rate of 10% of basic salary of employees. The Company's contributions to the fund are charged to statement of profit or loss.

3.3 Ijarah contracts

Under the Ijarah contracts the Company obtains usufruct of an asset for an agreed period for an agreed consideration. The Company accounts for its Ijarah contracts in accordance with the requirements of IFAS 2 'Ijarah'. Accordingly, the Company as a Mustaj'ir (lessee) in the Ijarah contract recognises the Ujrah (lease) payments as an expense in the profit and loss on straight line basis over the Ijarah term.

3.4 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax.

3.5 Earnings per share

The Company presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

3.6 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of fixed assets are included in non-current liabilities as deferred income and are credited to profit or loss over the expected lives of the related assets.

3.7 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

3.8 Investment property

Land held for capital appreciation or to earn rental income is classified as investment property. Investment property is carried at fair value.

Independent valuation is performed periodically, the carrying amount is reviewed against the valuation and adjustment is made where there is material change. Increase in the carrying amount arising on revaluation of investment property is recognised in the statement of profit or loss.

3.9 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legal enforceable right to set off and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

3.10 Contingent assets

Contingent assets are disclosed when the Company has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization becomes certain.

4. ISSUED, SUBSCRIBED AND PAID–UP SHARE CAPITAL

2024	2023		2024	2023
(Number of shares)			Rupees	Rupees
41,002,000	41,002,000	Ordinary shares of Rupees 10 each		
		fully paid-up in cash	410,020,000	410,020,000
25,000,000	25,000,000	Ordinary shares of Rupees 10 each		
		issued as fully paid for consideration		
		other than cash (Note 4.2)	250,000,000	250,000,000
73,202,800	73,202,800	Ordinary shares of Rupees 10 each		
		issued as fully paid bonus shares	732,028,000	732,028,000
139,204,800	139,204,800		1,392,048,000	1,392,048,000

4.1 993,330 (2023: 993,330) ordinary shares of the Company are held by SK Enmove Co., Ltd. - principal supplier and long term partner.

4.2 On 01 July 2011, the Company entered into 'Agreement for Takeover of Partnership Firm by Private Limited Company / Dissolution of Partnership' ("the Agreement") with partners of Hi-Tec Lubricants, a registered partnership firm ("the Firm") and took over all the business, assets and liabilities of the Firm, as per audited financial statements of Hi-Tec Lubricants for the year ended 30 June 2011, against consideration of issuance of shares of the Company amounting to Rupees 250,000,000 divided into 2,500,000 ordinary shares of Rupees 100 each.

4.3 The principal shareholders of the Company and SK Enmove Co., Ltd. - have a shareholders agreement in place. The parties to the agreement have agreed on certain board of directors' unanimous resolution items such as direct or indirect engagement in lubricant products under the brand name of the Company or any other party other than SK Enmove Co., Ltd., engagement with other companies engaged in lubricants business, lubricants business reorganizations, etc. The principal shareholders have undertaken to hold, in aggregate, at all times 51% shares or more of the Company.

	2024 Rupees	2023 Rupees
5. RESERVES		
Capital reserve		
Share premium (Note 5.1)	1,441,697,946	1,441,697,946
Surplus on revaluation of freehold land		
As at 01 July	756,846,956	704,626,206
Add: Surplus on revaluation of freehold land	4,011,500	52,220,750
As at 30 June	760,858,456	756,846,956
Revenue reserve		
Un-appropriated profit	343,756,279	232,352,482
	2,546,312,681	2,430,897,384

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

		2024 Rupees	2023 Rupees
6.	**LEASE LIABILITIES**		
	Total lease liabilities	647,317,717	642,881,321
	Less: Current portion shown under current liabilities	(149,684,305)	(150,742,680)
		497,633,412	492,138,641
6.1	Reconciliation of lease liabilities is as follows:		
	Opening balance	642,881,321	596,281,908
	Add: Additions during the year	162,958,870	137,363,481
	Add: Interest accrued during the year (Note 36)	86,094,950	66,160,324
	Add: Impact of lease modifications during the year	10,367,143	66,903,337
	Less: Impact of lease reassessment during the year	(45,110)	-
	Less: Impact of lease terminations during the year	-	(30,608,025)
	Less: Payments made during the year	(254,939,457)	(193,219,704)
		647,317,717	642,881,321
	Less: Current portion shown under current liabilities	(149,684,305)	(150,742,680)
		497,633,412	492,138,641
6.2	Maturity analysis of lease liabilities is as follows:		
	Upto 6 months	126,409,995	98,083,366
	6-12 months	88,707,146	87,543,123
	1-2 year	167,213,004	164,131,787
	More than 2 years	721,428,965	359,201,160
		1,103,759,110	708,959,436
	Less: Future finance cost	(456,441,393)	(66,078,115)
	Present value of lease liabilities	647,317,717	642,881,321
6.3	Amounts recognised in the statement of profit or loss:		
	Interest accrued during the year (Note 36)	86,094,950	66,160,324
	Expense relating to leases of low-value assets (included in distribution cost)	3,628,183	1,961,644
	Total amount recognised in statement of profit or loss	89,723,133	68,121,968

6.4 Implicit rates against lease liabilities range from 7.40% to 25.93% (2023: 7.40% to 23.69%) per annum.

6.5 Leases from banking companies are secured against the leased assets, personal guarantees of directors and security deposits of Rupees 37.253 million (2023: Rupees 54.869 million).

7. LONG TERM DEPOSITS

7.1 These are unsecured, interest free and repayable on termination of agreements. These security deposits have been utilized for the purpose of business in accordance with under process amendments to the terms of written agreements.

	2024 Rupees	2023 Rupees
8. TRADE AND OTHER PAYABLES		
Creditors (Note 8.1)	1,939,866,846	532,407,429
Accrued liabilities	54,512,126	64,309,560
Infrastructure development cess payable	67,555,065	67,555,065
Contract liabilities - unsecured	56,960,090	56,684,948
Retention money payable	11,767,201	11,508,299
Customs duty and other charges payable	357,617,418	36,991,393
Income tax deducted at source	29,161,466	26,872,192
Workers' profit participation fund payable (Note 8.2)	-	22,682,575
Workers' welfare fund payable (Note 8.3)	15,889,350	15,889,350
Payable to Hi-Tech Blending (Private) Limited - subsidiary company (Note 8.4)	25,745,187	135,254,590
Payable to employees' provident fund trust	107,143	4,128,882
Net deferred income tax (asset) / liability	2,559,181,892	974,284,283

8.1 These include Rupees 244.023 million (2023: Rupees 157.782 million) and Rupees 107.151 million (2023: Rupees 54.196 million) payable to Hi-Tech Blending (Private) Limited - subsidiary company and SK Enmove Co., Ltd. - principal supplier and long term partner respectively.

	2024 Rupees	2023 Rupees
8.2 Workers' profit participation fund		
Balance as on 01 July	22,682,575	19,292,825
Add: Provision for the year	-	-
Add: Interest for the year (Note 36)	5,252,760	3,389,750
	27,935,335	22,682,575
Less: Payment made during the year	(27,935,335)	-
Balance as on 30 June	-	22,682,575

8.2.1 The Company retains workers' profit participation fund for its business operations till the date of allocation to workers. Interest is paid at prescribed rate under the Companies Profit (Workers' Participation) Act, 1968 on funds utilized by the Company till the date of allocation to workers.

	2024 Rupees	2023 Rupees
8.3 Workers welfare fund		
Balance as on 01 July	15,889,350	15,889,350
Add: Provision for the year	-	-
Balance as on 30 June	15,889,350	15,889,350

8.4 The Company and Hi-Tech Blending (Private) Limited - subsidiary company have opted for group taxation as one fiscal unit under section 59AA of the Income Tax Ordinance, 2001. As on reporting date, the Company's share under group taxation after netting of advance tax has been recognized as payable to Hi-Tech Blending (Private) Limited - subsidiary company.

	2024 Rupees	2023 Rupees
9. ACCRUED MARK-UP		
Short term borrowings	67,682,083	81,019,923

10. SHORT TERM BORROWINGS		
From banking companies - secured		
Short term finances (Note 10.1 and Note 10.2)	1,777,187,767	1,851,556,185

10.1 These finances are obtained from banking companies under mark-up arrangements and are secured against trust receipts, first joint pari passu hypothecation charge over present and future current assets of the Company, personal guarantees of sponsor directors of the Company and hypothecation charge over land, building and plant and machinery of Hi-Tech Blending (Private) Limited - subsidiary company.

10.2 The effective rates of mark-up ranged from 21.19% to 28% (2023: 14.14% to 23.24%) per annum.

	2024 Rupees	2023 Rupees
11. PROVISION FOR TAXATION AND LEVY- NET		
Advance income tax - net		
Advance income tax	105,183,461	78,146,620
Less: Provision for taxation	-	-
	105,183,461	78,146,620
Levy - net		
Prepaid levy	6,376,763	5,390,534
Less: Levy payable	(111,560,224)	(83,537,154)
	(105,183,461)	(78,146,620)
	-	-

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

12.1.1 Deputy Commissioner Inland Revenue (DCIR) passed an order under section 122(1) and 122(5A) of the Income Tax Ordinance, 2001 for tax year 2013 whereby a demand of Rupees 83.595 million has been raised. On 26 October 2018, the Company filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] against the order of DCIR. CIR(A) vide order dated 18 December 2018 upheld some of the additions made by DCIR and also directed the DCIR to give opportunity of hearing to the Company in one of the said matters. Being aggrieved by the order of CIR(A), the Company filed appeal before the Appellate Tribunal Inland Revenue (ATIR) on 19 May 2021. ATIR decided the case in favour of the Company. The tax authorities have filed an income tax reference before Honourable Lahore High Court, Lahore against the order of the ATIR which is pending for adjudication. No provision against the case has been made in these financial statements, as the management, based on the advice of the legal counsel, is confident of favorable outcome of litigation.

12.1.2 During the year ended 30 June 2018, assessment under section 161 and section 205 of the Income Tax Ordinance, 2001 for the tax year 2014 was finalized by the Deputy Commissioner Inland Revenue (DCIR) creating a demand of Rupees 18.207 million against the Company. Being aggrieved, the Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] on 14 November 2017 who decided the case in favor of the Company and reduced the total demand to Rupees 0.191 million. However, the department filed an appeal against the order of CIR(A) before the Appellate Tribunal Inland Revenue (ATIR) on 31 March 2018. On 09 April 2024, ATIR granted partial relief to the Company and confirmed demand of Rupees 0.563 million. Further, ATIR remanded back the issue relating to default surcharge to assessing officer for fresh calculation. No remand back proceedings have been initiated by the department yet. No provision has been recognized in these financial statements, as the management, based on advice of the tax advisor, is confident of favorable outcome of the matter.

12.1.3 Deputy Commissioner Inland Revenue (DCIR) passed an assessment order on 28 November 2018 under section 161 and section 205 of the Income Tax Ordinance, 2001 for the tax year 2015 whereby a demand of Rupees 22.358 million has been raised. On 21 December 2018, the Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] against the order of DCIR. CIR(A) accepted the Company's stance on certain issues assailed in appeal and reduced the aggregate demand to Rupees 10.735 million. Being aggrieved by the order of CIR(A), the Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) which is pending adjudication. No provision against this demand has been recognized in these financial statements, as the management, based on advice of the tax advisor, is confident of favorable outcome of the matter.

12.1.4 On 27 June 2022, Deputy Commissioner Inland Revenue (DCIR) passed an assessment order under section 161 and section 205 of the Income Tax Ordinance, 2001 for the tax year 2016 whereby a demand of Rupees 5.467 million including default surcharge has been raised against the Company on account of non / short deduction of withholding tax in respect of certain payments. The Company filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] against the order of DCIR. On 17 November 2022, CIR(A) decided the appeal in favor of the Company. On 12 January 2023, the tax department has filed appeal before the Appellate Tribunal Inland Revenue (ATIR) against the order passed by CIR(A) which is pending adjudication. No provision against this demand has been recognized in these financial statements, as the management, based on advice of the tax advisor, is confident of favorable outcome of the matter.

12.1.5 On 24 March 2022, the Deputy Commissioner Inland Revenue (DCIR) has issued an amended assessment order under section 122(1) of the Income Tax Ordinance, 2001 for the tax year 2018 creating a demand of Rupees 1,115.673 million on account of various issues. Against the aforesaid order, the Company preferred an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] on 19 April 2022. On 29 August 2022, CIR(A) vacated the entire tax demand. However, in respect of various issues, the matter has been remanded back to the department for fresh consideration. Against the order of CIR(A), the Company has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR), which is pending for hearing. The management, based on the advice of the tax advisor, is confident of favourable outcome of the matter. Therefore, no provision has been recognized in these financial statements.

12.1.6 On 26 February 2022, Deputy Commissioner Inland Revenue (DCIR) passed an assessment order under section 177 and section 122(1) of the Income Tax Ordinance, 2001 for the tax year 2019 whereby a demand of Rupees 843.451 million has been raised against the Company on various issues. Against the order of DCIR, the Company preferred an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] on 22 March 2022. On 16 May 2022, CIR(A) vacated the tax demand. However, in respect of certain issues, the case has been remanded back to assessing officer for fresh consideration. On 13 July 2022, the tax authorities have filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the order of CIR(A) which is pending adjudication. The management, based on the advise of the tax advisor, is confident of favourable outcome of the matter. Therefore, no provision has been recognized in these financial statements.

12.1.7 During the year ended 30 June 2020, Deputy Commissioner Inland Revenue (DCIR) issued a notice to recover an amount of Rupees 21.124 million against super tax for the tax year 2019 under section 4B of the Income Tax Ordinance, 2001. The Company through its tax advisor submitted its reply that liability on account of super tax did not arise for subject year. However, on 29 September 2021, DCIR confirmed the matter and re-issued an order to recover Rupees 21.124 million against super tax for the tax year 2019 under section 4B of the Income Tax Ordinance, 2001. Against the aforesaid order, the Company preferred an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)]. On 25 February 2022, CIR(A) remanded back the case to department for fresh consideration. However, these remand back proceedings have not been initiated yet. The management, based on advise of the tax advisor, is confident of favourable outcome of the matter. Therefore, no provision has been recognized in these financial statements.

12.1.8 On 28 February 2022, Deputy Commissioner Inland Revenue (DCIR) issued an order for tax periods from July 2016 to June 2017 creating a demand of Rupees 1,353.135 million alongwith penalty and default surcharge on various issues under relevant provisions of the Sales Tax Act, 1990. Against the aforesaid order, the Company preferred an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] on 22 March 2022. On 27 May 2022, CIR(A) provided partial relief to the Company. However, sales tax default in respect of certain issues was upheld by CIR(A). Being aggrieved with the order of CIR(A), the Company and tax department filed appeals before Appellate Tribunal Inland Revenue (ATIR). On 07 December 2022, ATIR accepted the Company's stance in respect of all matters except for imposition of penalty and default surcharge relating to late filing of sales tax returns and late payment of due sales tax liability. However, appeal filed by the tax department is yet to be heard. The management, based on advise of the tax advisor, is confident of favourable outcome of the matter. Therefore, no provision has been recognized in these financial statements.

12.1.9 On 15 March 2022, Deputy Commissioner Inland Revenue (DCIR) issued an order for tax periods from July 2018 to June 2019 creating a demand of Rupees 901.257 million alongwith penalty and default surcharge on various issues under relevant provisions of the Sales Tax Act, 1990. Against the aforesaid order, the Company preferred an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] on 11 April 2022. On 31 May 2022, CIR(A) provided partial relief to the Company. However, sales tax default in respect of certain issues was upheld by CIR(A). Being aggrieved with the order of CIR(A), the Company and tax deparment filed appeals before Appellate Tribunal Inland Revenue (ATIR). On 07 December 2022, ATIR accepted the Company's stance in respect of all matters except for imposition of penalty and default surcharge relating to late filing of sales tax returns and late payment of due sales tax liability. However, appeal filed by the tax department is yet to be heard. The management, based on advise of the tax advisor, is confident of favourable outcome of the matter. Therefore, no provision has been recognized in these financial statements.

12.1.10 On 30 May 2023, Deputy Commissioner Inland Revenue (DCIR) passed an assessment order under section 161 and section 205 of the Income Tax Ordinance, 2001 for the tax year 2017 whereby a demand of Rupees 22.545 million including default surcharge has been raised against the Company on account of non / short deduction of withholding tax in respect of certain payments. On 25 June 2023, the Company filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)]. On 01 January 2024, CIR(A) granted partial relief to the Company and accepted the Company's stance in respect of certain matters. Further, CIR(A) remanded back certain matters to assessing officer for verification of Company's position. However, the department has not yet initiated the remand back proceedings. The management, based on advise of tax advisor, is confident of favorable outcome of the matter. Therefore, no provision has been recognized in these financial statements.

12.1.11 On 06 February 2019, Deputy Commissioner Inland Revenue (DCIR) passed an assessment order under section 4B of the Income Tax Ordinance, 2001 for the tax year 2018 whereby a demand of Rupees 29.323 million was raised. Being aggrieved with the order, the Company preferred an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] on 04 March 2019. On 16 May 2019, CIR(A) upheld the order of DCIR. Being aggrieved with the order of CIR(A), the Company filed an appeal before Appellate Tribunal Inland Revenue (ATIR) on 29 May 2019. On 17 April 2024, ATIR passed an order and upheld the decision of CIR(A). Being aggrieved with the order, the Company is in the process of filing Income Tax Reference before Lahore High Court, Lahore. The management, based on advise of legal advisor, is confident of favorable outcome of the matter. Therefore, no provision has been recognized in these financial statements.

12.1.12 On 01 March 2024, Deputy Commissioner Inland Revenue (DCIR) passed an assessment order under section 161 and section 205 of the Income Tax Ordinance, 2001 for the tax year 2020 to recover an amount of Rupees 43.575 million in respect of withholding tax default along with default surcharge of Rupees 19.168 million. The Company filed an application before Commissioner Inland Revenue (CIR) on the grounds that the order was passed without considering the documents / records submitted by the Company. On 07 March 2024, CIR set aside the order of DCIR and remanded back the case to assessing officer. The remand back proceedings hasve not been initiated yet. The management, based on advise of tax advisor, is confident of favorable outcome of the matter. Therefore, no provision has been recognized in these financial statements.

12.1.13 On 18 March 2024, Deputy Commissioner Inland Revenue (DCIR) passes an order under section 11 of the Sales Tax Act, 1990 for tax periods from July 2018 to June 2019 creating a demand of Rupees 405.983 million along with default surcharge and penalty on the issue of difference between value of closing stocks as per Company's financial statements and the amount adopted in sales tax declaration. Against the aforesaid order, the Company preferred an appeal before Commissioner Inland Revenue (Appeal) [CIR(A)] which is pending for hearing. The management, based on advice of the tax advisor, is confident of favorable outcome of the matter. Therefore, no provision has been recognized in these financial statements.

12.1.14 Corporate guarantees of Rupees 2,967.5 million (2023: Rupees 2,967.5 million) have been given by the Company to the banks in respect of financing to Hi-Tech Blending (Private) Limited - subsidiary company.

12.1.15 Guarantee of Rupees 58 million (2023: Rupees 58 million) is given by the bank of the Company to Director Excise and Taxation, Karachi against disputed amount of infrastructure cess.

12.1.16 Guarantees of Rupees 22.314 million (2023: Rupees 22.314 million) are given by the bank of the Company to Chairman, Punjab Revenue Authority, Lahore against disputed amount of infrastructure cess.

12.1.17 Guarantee of Rupees 15 million (2023: Rupees 15 million) and Rupees 2.25 million (2023: Rupees 2.25 million) are given by the banks of the Company to Total Parco Pakistan Limited and Pakistan State Oil Company Limited respectively against fuel cards obtained by the Company for its employees.

		2024 Rupees	2023 Rupees
12.2	**Commitments**		
12.2.1	For capital expenditures	30,816,991	46,143,062
12.2.2	Letters of credit other than for capital expenditures	39,705,429	49,166,475

		2024 Rupees	2023 Rupees
13.	**FIXED ASSETS**		
	Operating fixed assets (Note 13.1)	2,608,162,726	2,458,955,725
	Capital work-in-progress (Note 13.2)	163,649,545	130,547,189
		2,771,812,271	2,589,502,914

13.1 Operating fixed assets

Reconciliation of the carrying amounts of operating fixed assets at the beginning and at the end of the year is as follows:

Description	Freehold land	Buildings on freehold land	Buildings on leasehold land (Note 13.1.6)	Machinery	Tanks and pipelines	Dispensing pumps	Furniture and fittings	Vehicles	Leasehold improvements	Office equipment	Computers	Total
	Categories											
	Rupees											
At 30 June 2022												
Cost / revalued amount	1,224,136,500	503,397,673	426,477,390	80,867,323	250,636,205	36,111,951	26,731,269	253,364,855	4,463,125	177,912,538	43,891,683	3,027,990,512
Accumulated depreciation	-	(106,958,745)	(125,570,457)	(24,495,228)	(37,525,175)	(3,894,537)	(13,708,173)	(177,750,358)	(1,159,122)	(52,109,695)	(25,626,534)	(568,798,024)
Net book value	1,224,136,500	396,438,928	300,906,933	56,372,095	213,111,030	32,217,414	13,023,096	75,614,497	3,304,003	125,802,843	18,265,149	2,459,192,488
Year ended 30 June 2023												
Opening net book value	1,224,136,500	396,438,928	300,906,933	56,372,095	213,111,030	32,217,414	13,023,096	75,614,497	3,304,003	125,802,843	18,265,149	2,459,192,488
Additions	-	-	42,056,824	4,000,035	3,409,167	20,156,420	879,250	50,562,795	-	2,282,272	12,013,778	135,360,541
Revaluation surplus	52,220,750	-	-	-	-	-	-	-	-	-	-	52,220,750
Transferred from right-of-use assets:												
Cost	-	-	-	-	-	-	-	3,862,420	-	-	-	3,862,420
Accumulated depreciation	-	-	-	-	-	-	-	(2,287,712)	-	-	-	(2,287,712)
	-	-	-	-	-	-	-	1,574,708	-	-	-	1,574,708
Disposals:												
Cost	-	-	-	-	-	-	-	(60,003,353)	-	-	(1,713,776)	(61,717,129)
Accumulated depreciation	-	-	-	-	-	-	-	7,466,621	-	-	1,086,070	8,552,691
	-	-	-	-	-	-	-	(52,536,732)	-	-	(627,706)	(53,164,438)
Depreciation	-	(39,643,890)	(31,875,898)	(5,870,545)	(17,162,522)	(4,922,728)	(1,371,332)	(14,977,607)	(660,801)	(12,722,376)	(7,020,625)	(136,228,324)
Closing net book value	1,276,357,250	356,795,038	311,087,859	54,501,585	199,357,675	47,451,106	12,531,014	60,237,661	2,643,202	115,362,739	22,630,596	2,458,955,725
At 30 June 2023												
Cost / revalued amount	1,276,357,250	503,397,673	468,534,214	84,867,358	254,045,372	56,268,371	27,610,519	247,786,717	4,463,125	180,194,810	54,191,685	3,157,717,094
Accumulated depreciation	-	(146,602,635)	(157,446,355)	(30,365,773)	(54,687,697)	(8,817,265)	(15,079,505)	(187,549,056)	(1,819,923)	(64,832,071)	(31,561,089)	(698,761,369)
Net book value	1,276,357,250	356,795,038	311,087,859	54,501,585	199,357,675	47,451,106	12,531,014	60,237,661	2,643,202	115,362,739	22,630,596	2,458,955,725
Year ended 30 June 2024												
Opening net book value	1,276,357,250	356,795,038	311,087,859	54,501,585	199,357,675	47,451,106	12,531,014	60,237,661	2,643,202	115,362,739	22,630,596	2,458,955,725
Additions	-	-	143,874,264	1,605,460	47,146,502	39,978,545	1,960,722	8,000,973	-	1,057,737	16,038,145	259,662,348
Revaluation surplus	4,011,500	-	-	-	-	-	-	-	-	-	-	4,011,500
Transferred from right-of-use assets:												
Cost	-	-	-	-	-	-	-	96,470,329	-	-	-	96,470,329
Accumulated depreciation	-	-	-	-	-	-	-	(49,139,981)	-	-	-	(49,139,981)
	-	-	-	-	-	-	-	47,330,348	-	-	-	47,330,348
Disposals:												
Cost	-	-	(3,834,385)	-	(1,926,050)	-	-	(17,650,654)	-	-	(7,109,194)	(30,520,283)
Accumulated depreciation	-	-	1,373,735	-	572,638	-	-	7,583,178	-	-	4,458,912	13,988,463
	-	-	(2,460,650)	-	(1,353,412)	-	-	(10,067,476)	-	-	(2,650,282)	(16,531,820)
Written-off:												
Cost	-	(2,503,363)	(7,085,938)	-	-	-	-	-	-	-	-	(9,589,301)
Accumulated depreciation	-	695,270	2,818,435	-	-	-	-	-	-	-	-	3,513,705
	-	(1,808,093)	(4,267,503)	-	-	-	-	-	-	-	-	(6,075,596)
Depreciation	-	(35,498,695)	(37,724,783)	(5,509,571)	(17,451,912)	(6,742,444)	(1,391,857)	(14,139,122)	(528,640)	(11,606,996)	(8,595,759)	(139,189,779)
Closing net book value	1,280,368,750	319,488,250	410,509,187	50,597,474	227,698,853	80,687,207	13,099,879	91,362,384	2,114,562	104,813,480	27,422,700	2,608,162,726
At 30 June 2024												
Cost / revalued amount	1,280,368,750	500,894,310	601,488,155	86,472,818	299,265,824	96,246,916	29,571,241	334,607,365	4,463,125	181,252,547	63,120,636	3,477,751,687
Accumulated depreciation	-	(181,406,060)	(190,978,968)	(35,875,344)	(71,566,971)	(15,559,709)	(16,471,362)	(243,244,981)	(2,348,563)	(76,439,067)	(35,697,936)	(869,588,961)
Net book value	1,280,368,750	319,488,250	410,509,187	50,597,474	227,698,853	80,687,207	13,099,879	91,362,384	2,114,562	104,813,480	27,422,700	2,608,162,726
Annual rate of depreciation (%)		10	10	10	8	10	10	20	20	10	30	

13.1.1 Detail of operating fixed assets exceeding the book value of Rupees 500,000 disposed of during the year is as follows:

Description	Quantity Nos.	Cost	Accumulated depreciation	Net book value	Sale Proceeds	Gain / (loss)	Mode of disposal	Particulars of purchasers
		Rupees						
Vehicles								
Toyota Fortuner - ACC - 614	1	9,838,240	4,647,147	5,191,093	9,500,000	4,308,907	Company policy	Mr. Sohail Hashmi
Proton SAGA - AQU - 057	1	4,187,560	69,793	4,117,767	3,600,000	(517,767)	Negotiation	Shabir Ahmad, Lahore
Tanks and Pipelines								
Storage tank	1	1,926,050	572,638	1,353,412	1,483,113	129,701	Negotiation	Lali Son's, Lalian
Building on leasehold land								
Steel Canopy	1	3,067,050	1,102,270	1,964,780	2,153,069	188,289	Negotiation	Lali Son's, Lalian
		19,018,900	6,391,848	12,627,052	16,736,182	4,109,130		
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000		11,501,383	7,596,615	3,904,768	1,774,866	(2,129,902)		
		30,520,283	13,988,463	16,531,820	18,511,048	1,979,228		
Capital work-in-progress:								
Storage tank	1	2,272,778	-	2,272,778	3,417,900	1,145,122	Negotiation	Gasoline CNG, Kasur
		32,793,061	13,988,463	18,804,598	21,928,948	3,124,350		

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

	2024 Rupees	2023 Rupees
Distribution cost (Note 32)	107,868,799	104,919,540
Administrative expenses (Note 33)	31,320,980	31,308,784
	139,189,779	136,228,324

13.1.3 Buildings on leasehold land include two warehouses and water tank having net book value of Rupees 111.553 million (2023: Rupees 123.947 million) constructed on the land owned by Hi-Tech Blending (Private) Limited - subsidiary company. The Company has entered into a lease agreement for 20 years with Hi-Tech Blending (Private) Limited - subsidiary company ending on 30 June 2036, against a piece of land measuring 45 Kanals where the aforesaid warehouses and water tank are constructed.

13.1.4 Particulars of immovable properties including capital work-in-progress (i.e. land and buildings) are as follows:

Location	Usage of Immovable Property	Total area of land	Covered area of building
		Acres	Square feet
Property No. 35 A/M, Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore	Warehouse	0.69	21,965
Mouza No. 107/9L, Sahiwal	Oil depot	6.70	199,513
Mouza Aza Khel Bala, Nowshera	Oil depot	7.55	9,257
Mouza Ali Murad Kalhoro, Indus Highway, Shikarpur (under construction)	Oil depot	8.50	56,307
I&A Fuel Station - Plot No. 2, Block K, Main Boulevard, Gulberg-II, Lahore (Under Construction)	Company Finance	0.39	1,847
Mouza Aza Khel Payan, Nowshera	Oil depot extension	1.34	-
7-KM, Sundar Raiwind Road, Bhai Kot, Lahore	Warehouse - 1	-	49,658
7-KM, Sundar Raiwind Road, Bhai Kot, Lahore	Warehouse - 2	-	53,348
Oil Boy Filling Station - Mouza Neel Kot, Head Muhammad Wala Road, Multan	Dealer of retail outlet	-	2,818

Location	Usage of Immovable Property	Total area of land	Covered area of buildings
		Acres	Square feet
Punjab Filling Station - Main Satiana Road, Faisalabad	Dealer of retail outlet	-	2,821
Green Fuel CNG - 1-KM, G.T. Road, Lalamusa	Dealer of retail outlet	-	4,981
A.B. Petroleum Filling Station - Tehsil Liaqatpur, Rahim Yar Khan	Dealer of retail outlet	-	3,054
Jillani CNG - Lehtrar Road, Islamabad	Dealer of retail outlet	-	2,650
Dasti Filling Station - Jampur Road, Dera Ghazi Khan	Dealer of retail outlet	-	1,815
Rehman Filling Station - Chistian Road, Hasilpur	Dealer of retail outlet	-	2,525
Al-Fazal Filling Station - Sargodha Road, Jhang	Dealer of retail outlet	-	2,121
Ibrahim Petroleum - Sialkot Road, Gujranwala	Dealer of retail outlet	-	3,185
Karma Wala-1 Filling Station - Shahkot Road, Jaranwala	Dealer of retail outlet	-	2,059
Raja Adeel Filling Station - Arifwala Road, Arifwala	Dealer of retail outlet	-	2,892
Gondal Filling Station - Daska Road, Wazirabad	Dealer of retail outlet	-	1,493
City Filling Station - Hujra Shah Muqeem, Okara	Dealer of retail outlet	-	962
Al-Karam Filling Station - Shamkay Bhattian, Lahore	Dealer of retail outlet	-	6,633
Green City Fuel Station - Hasilpur Road, Bahawalpur	Dealer of retail outlet	-	1,289
Khokhar Fuel Station - Small Industrial Estate, Jinnah Road, Gujranwala	Dealer of retail outlet	-	1,175
Minhas CNG - Multan Road, Lahore	Dealer of retail outlet	-	841
One Stop - Main Ferozepur Road, Lahore	Dealer of retail outlet	-	1,970
S&S - Toba Road, Jhang	Dealer of retail outlet	-	3,310
Al-Yousaf CNG - Khanewal Road, Multan	Dealer of retail outlet	-	1,793
Rana Petroleum - Faisalabad Road, Okara	Dealer of retail outlet	-	2,633
Mudassir Zulfiqar Filling Station - Vehari Road, Multan	Dealer of retail outlet	-	8,084
Shahid & Company - Daska Road, Gujranwala	Dealer of retail outlet	-	6,396
Benzina II Filling Station - Benazir Road, Okara	Dealer of retail outlet	-	4,709
Nambardar Filling Station - Rawalpindi Road, Chakwal	Dealer of retail outlet	-	5,875
Iftikhar Nadeem & Company - Mouza Jhawary, Dhamyal Road, Rawalpindi Cantt.	Dealer of retail outlet	-	5,162
Suntrust CNG - Millat Road, Faisalabad	Dealer of retail outlet	-	4,086
Meezan Filling Station - Jhang Road, Toba Tek Singh	Dealer of retail outlet	-	6,227
M Nawaz Filling Station - Main Darban Road, Kotla Syedan, Dera Ismail Khan	Dealer of retail outlet	-	8,966
Big Khan Filling Station - Hajiabad Malakand University Road, Chakdara	Dealer of retail outlet	-	4,872
Imdad Mir Filling Station - Mouza Ghanda, Nawab Road, Mansehra	Dealer of retail outlet	-	3,368
Bahadur Fuel Station - Mouza Ismail Khani, Bannu	Dealer of retail outlet	-	1,527
Arab Emirat Filling Station - Mouza Bandi, Tehsil Khawaja Khela, Swat	Dealer of retail outlet	-	4,580
Rashid Fuel Station - Mouza Qambar-192, Tehsil Babuzai,Swat	Dealer of retail outlet	-	1,369
Al - Rehman Fuel Station - Mouza Ismail Khani, Bannu	Dealer of retail outlet	-	2,022
Naik Muhammad Fuel Station - Near Bybass Thana, District Malakand	Dealer of retail outlet	-	1,620
Ghuman Brothers - Plot 105, Block K, Gulberg 3, Lahore	Dealer of retail outlet	-	1,667
Khalifa Fuel Station - Jhang Road, Gojra	Dealer of retail outlet	-	2,120
Al-Sheikh Fuel Station - Main G.T Road, Gujrat	Dealer of retail outlet	-	4,030
Moon CNG Filling Station - Mouza Humak, Islamabad	Dealer of retail outlet	-	1,893

Location	Usage of Immovable Property	Total area of land	Covered area of buildings
		Acres	Square feet
Aabroo Petroleum & CNG - Jaranwala - Khurianwala Road, Jaranwala	Dealer of retail outlet	-	4,692
Abbasi & Khan Traders - Gujjar Kohala, Dhirkot	Dealer of retail outlet	-	1,284
Al-Mustafa Fuel Station - Qaziwala Road, Chishtian	Dealer of retail outlet	-	1,981
Shah Sardar Petroleum - Mouza Dham Thor, Murree Road, Abbottabad	Dealer of retail outlet	-	3,301
Shams Petroleum Service - E-35, Hazara Expressway	Dealer of retail outlet	-	1,320
Roshan Fuel Station - Sheikhupura - Sargodha Road	Dealer of retail outlet	-	2,645
Chawinda Fuel Station - Khawaja Sardar Road, Sialkot	Dealer of retail outlet	-	6,876
Jan Muhammad Filling Station - Ekka Ghund, Mohammand	Dealer of retail outlet	-	1,038
Phandu Filling Station/CNG - Phandu Chowk, Umar Road, Peshawar	Dealer of retail outlet	-	3,941
Four Star CNG Filling Station - Mardan Swabi Road, Bughdada	Dealer of retail outlet	-	1,503
Hussain Filling Station - Near Shah Alam Pull, Charsada Road, Peshawar	Dealer of retail outlet	-	3,565
Attock CNG & Filling Station - Iqbal Chowk, Choi East Attock City, Attock	Dealer of retail outlet	-	1,318
Rahat Fuel Station - Saidu Shareef Road, Tehsil Babuzai, Swat	Dealer of retail outlet	-	252
Masha Allah CNG - M.C.S Kamra Road, Attock City, Attock	Dealer of retail outlet	-	2,125
Dharampura, Lahore	HTL Express Centre	-	1,436
Garden Town, Lahore	HTL Express Centre	-	1,789
Block F, Gulshan-e-Ravi, Lahore	HTL Express Centre	-	2,444
Johar Town, Lahore	HTL Express Centre	-	4,500
Gulistan-e-Johar, Karachi	HTL Express Centre	-	3,149
Pakistan Employees Cooperative Housing Society, Karachi	HTL Express Centre	-	2,700
Askari XIV, Sector-A, Rawalpindi	HTL Express Centre	-	881

13.1.5 Cost of fixed assets (including capital work-in-progress) held by dealers of retail outlets and operators of HTL Express Centres of the Company is as follows:

Description	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	-	877,100	-	-	-	-	-	877,100
Green Fuel CNG - 1 - KM G.T. Road, Lalamusa	2,725,893	1,132,550	-	-	-	-	-	3,858,443
A.B. Petroleum Filling Station - Tehsil Liaqatpur, Rahim Yar Khan	4,623,288	1,480,589	1,958,750	-	-	-	-	8,062,627
Jillani CNG - Lehtrar Road, Islamabad	7,147,011	1,386,830	842,830	-	-	-	-	9,376,671
Dasti Filling Station - Jampur Road, Dera Ghazi Khan	1,919,332	808,290	2,754,484	-	-	-	-	5,482,106
Rehman Filling Station - Chistian Road, Hasilpur	2,013,421	-	-	-	-	-	-	2,013,421
Al-Fazal Filling Station - Sargodha Road, Jhang	3,163,859	-	2,227,102	-	-	-	-	5,390,961
Ibrahim Petroleum - Sialkot Road, Gujranwala	1,962,962	-	-	-	-	-	-	1,962,962
Karma Wala-1 Filling Station - Shahkot Road, Jaranwala	2,532,005	-	-	-	-	-	-	2,532,005
Raja Adeel Filling Station - Arifwala Road, Arifwala	1,853,000	-	-	-	-	-	-	1,853,000
Gondal Filling Station - Daska Road, Wazirabad	2,204,744	-	1,421,968	-	-	-	-	3,626,712
City Filling Station - Hujra Shah Muqeem, Okara	1,504,906	-	-	-	-	-	-	1,504,906
Al-Karam Filling Station - Shamkay Bhattian, Lahore	3,556,882	-	3,244,171	-	-	-	-	6,801,053
Green City Fuel Station - Hasilpur Road, Bahawalpur	9,954,398	1,377,706	1,911,655	-	-	-	-	13,243,759
Khokhar Fuel Station - Small Industrial Estate, Jinnah Road, Gujranwala	2,101,400	1,377,706	3,212,099	-	-	-	-	6,691,205
Minhas CNG - Multan Road, Lahore	4,749,486	-	1,421,968	-	-	-	-	6,171,454
One Stop - Main Ferozepur Road, Lahore	17,757,318	2,102,230	2,482,580	-	-	-	-	22,342,128
S&S - Toba Road, Jhang	2,549,650	-	-	-	-	-	-	2,549,650
Al-Yousaf CNG - Khanewal Road, Multan	1,651,843	578,690	1,558,512	-	-	-	-	3,789,045
Rana Petroleum - Faisalabad Road, Okara	2,439,500	-	-	-	-	-	-	2,439,500
Mudassir Zulfiqar Filling Station - Vehari Road, Multan	2,176,375	-	-	-	-	-	-	2,176,375
Shahid & Company - Daska Road, Gujranwala	1,828,249	-	4,722,091	-	-	-	-	6,550,340
Benzina II Filling Station - Benazir Road, Okara	2,318,142	3,037,269	8,036,682	-	-	-	-	13,392,093
Nambardar Filling Station - Rawalpindi Road, Chakwal	926,830	-	-	-	-	-	-	926,830
Iftikhar Nadeem & Company - Mouza Jhawary, Dhamyal Road, Rawalpindi Cantt.	1,571,303	2,763,529	4,477,015	-	-	-	-	8,811,847
Suntrust CNG - Millat Road, Faisalabad	40,743,349	3,409,167	4,937,988	-	-	-	-	49,090,504
Meezan Filling Station - Jhang Road, Toba Tek Singh	1,313,475	-	-	-	-	-	-	1,313,475
"M Nawaz Filling Station - Main Darban Road, Mouza Kotla Sayedan, Dera Ismail Khan"	3,274,200	1,269,700	2,452,163	-	-	-	-	6,996,063
Big Khan Filling Station - Hajiabad University Road, Chakdara	7,169,410	2,481,646	1,862,255	-	-	-	-	11,513,311
Imdad Mir Filling Station - Mouza Ghanda, Nawab Road, Mansehra	13,361,573	1,469,223	1,334,850	-	-	-	-	16,165,646
Toru Fuel Station - Mardan Road , Nowshera (under construction)	-	2,859,022	-	-	-	-	-	2,859,022
Abro Petroleun & CNG - Jaranwala-Kurdiawala Road, Jaranwala	2,989,711	3,551,259	1,172,755	-	-	-	-	7,713,725
Khalifa Filling Station - Jhang Road, Gojra	3,164,915	4,406,779	1,435,500	-	-	-	-	9,007,194
Al-Sheikh Filling Station - Main G.T Road, Gujrat	11,563,910	4,429,207	1,708,511	-	-	-	-	17,701,628
Moon CNG Filling Station - Mouza Humak, Islamabad	3,014,908	3,551,259	2,272,869	-	-	-	-	8,839,036
Abbasi & Khan Traders - Gujjar Kohala, Dhirkot	2,621,313	3,445,266	1,435,500	-	-	-	-	7,502,079
Ghuman Brothers - Plot 105, Block K, Gulberg III, Lahore	2,733,451	3,203,581	2,762,556	-	-	-	-	8,699,588
Attock CNG & Filling Station - Iqbal Chowk, Choi East Attock City, Attock	1,843,506	3,342,818	1,283,255	-	-	-	-	6,469,579
Shah Sardar Petroleum - Mouza Dham Thor, Murree Road, Abbottabad	10,388,121	6,812,887	4,212,608	-	-	-	-	21,413,616
Bahadur Filling Station - Mouza Ismail Khani, Bannu	2,887,200	-	1,222,256	-	-	-	-	4,109,456
Rahat Fuel Station - Saidu Shareef Road, Tehsil Babuzai, Swat	2,465,200	-	1,649,362	-	-	-	-	4,114,562
Arab Emirates Filling Station - Mouza Bandi, Tehsil Khawaja Khela, Swat	2,910,500	-	-	-	-	-	-	2,910,500
Rashid Filling Station - Mouza Qambar-192, Tehsil Babuzai, Swat	2,839,100	-	1,779,800	-	-	-	-	4,618,900
Al - Rehman Filling Station - Mouza Ismail Khani, Bannu	2,825,950	-	-	-	-	-	-	2,825,950
Naik Muhammad Filling Station - Near Bybass Thana, District Malakand	2,683,374	-	-	-	-	-	-	2,683,374
AL - Mustafa Filling Station - Qaziwala Road Chishtian	2,236,124	-	-	-	-	-	-	2,236,124
Shams Petroleum Service - E - 35, Hazara Expressway	2,609,871	-	1,514,000	-	-	-	-	4,123,871
Roshan Filling Station - Sheikhupura - Sargodha Road	7,617,792	-	1,330,012	-	-	-	-	8,947,804
Chawinda Filling Station - Khawaja Sardar Road, Sialkot	15,121,957	5,729,531	8,027,707	-	-	-	-	28,879,195
Jan Muhammad Filling Station - Ekka Ghund, Mohammand	2,205,230	-	-	-	-	-	-	2,205,230
Phandu Filling Station / CNG - Phandu Chowk, Umar Road, Peshawar	2,244,646	-	-	-	-	-	-	2,244,646
Four Star CNG Filling Station - Mardan Swabi Road, Bughdada	1,857,799	-	-	-	-	-	-	1,857,799

Description	Buildings on leasehold land	Tanks and pipelines	Dispens-ing pumps	Machinery	Furniture and fittings	Office equipment	Computers	Total
	Catagories							
	Rupees							
Hussain Filling Station - Near Shah Alam Pull, Charsada Road, Peshawar	3,196,519	-	-	-	-	-	-	3,196,519
Masha Allah CNG - M.C.S Kamra Road, Attock City, Attock	2,071,234	3,453,346	2,032,898	-	-	-	-	7,557,478
HTL Express Centre - Dharampura, Lahore	27,571,142	-	-	3,197,442	145,431	478,583	-	31,392,598
HTL Express Centre - Garden Town, Lahore	7,442,541	-	-	2,471,843	56,796	1,741,346	-	11,712,526
HTL Express Centre - Block F, Gulshan-e-Ravi, Lahore	16,220,083	-	-	5,308,603	56,796	2,602,702	14,040	24,202,224
HTL Express Centre - Johar Town, Lahore	16,713,760	-	-	7,727,402	153,621	-	24,000	24,618,783
HTL Express Centre - DHA, Karachi (Discontinued)	-	-	-	4,019,037	669,727	97,044	-	4,785,808
HTL Express Centre - Gulistan-E-Johar, Karachi	11,978,196	-	-	6,117,945	1,115,829	811,290	-	20,023,260
HTL Express Centre - Pakistan Employees Cooperative Housing Society, Karachi	20,357,427	-	-	1,524,751	126,500	841,438	-	22,850,116
HTL Express Centre - Askari XIV, Sector-A, Rawalpindi	9,133,147	-	-	4,419,000	854,206	2,808,753	-	17,215,106
	360,681,484	**72,822,280**	**89,101,200**	**34,786,023**	**3,178,906**	**9,381,156**	**38,040**	**569,989,089**

The above assets are not in possession of the Company as these have been provided to dealers of retail outlets and operators of HTL Express Centres to facilitate them to promote and sell Company's products.

13.1.6 This includes apartment amounting to Rupees 25.976 million in Grand Hayatt (the "Project") at 1-Constitution Avenue, Islamabad. On 29 July 2016, Capital Development Authority (CDA) cancelled the leased deed of BNP (Private) Limited on the grounds of violating the terms and conditions of the said lease and sealed the Project. Against the alleged order, BNP (Private) Limited filed a writ petition before the Honorable Islamabad High Court ("IHC") challenging the cancellation of said lease. IHC dismissed the writ petition of BNP (Private) Limited. However, the honorable judge of IHC ruled that it is a duty of the Federal Government to ensure that the purchasers do not suffer due to Government's own wrongful actions and omissions, particularly when the regulatory failure of the CDA stands admitted. The Company and others filed appeals against the aforesaid judgment of IHC before Honorable Supreme Court of Pakistan. On 09 January 2019, Honorable Supreme Court of Pakistan has passed order whereby the Court has ordered BNP (Private) Limited to pay Rupees 17.5 billion in eight years to CDA to revive the original lease together with all approvals and permissions already granted. The Court has further ordered that BNP (Private) Limited shall complete the entire project within a reasonable time. CDA and BNP (Private) Limited have filed review petitions against the order of the Supreme Court of Pakistan which are still pending for review. Supreme Court of Pakistan referred the matter to the Public Accounts Committee (PAC) and asked them to submit its recommendation on the subject matter. During the year ended 30 June 2021, PAC endorsed the amount of Rupees 17.5 billion to be paid to CDA in six years for the revival of lease and de-sealing of the Project in accordance with the settlement held between CDA and BNP (Private) Limited. On 06 January 2021, on the directives of PAC and payment of first installment of settlement amount by BNP (Private) Limited, CDA de-sealed the Project. Pursuant to the settlement of the matter as stated above and de-sealing of the Project, BNP (Private) Limited and the Company started negotiations to finalize the terms and conditions of "Undertaking and Indemnity Agreement" to take the possession of the apartment. However, in March 2023, CDA has cancelled the lease deed of BNP (Private) Limited once again due to non-payment of due installment of settlement amount of Rupees 17.5 billion and taken the possession of the Project. BNP (Private) Limited filed petition before IHC against the cancellation of lease deed by CDA who decided the case against BNP (Private) Limited. Subsequently, BNP (Private) Limited filed petition before Supreme Court of Pakistan who also dismissed the petition and upheld the decisions of the Apex courts. On 15 April 2024, CDA handed over the possession of the apartment to the Company. However, BNP (Private) Limited has again started litigation against CDA in IHC.

	2024 Rupees	2023 Rupees
13.2 Capital work-in-progress		
Civil works	116,438,207	44,199,846
Dispensing pumps	15,986,659	8,681,790
Advance against purchase of apartment	-	25,976,750
Tanks and pipelines	31,224,679	50,594,702
Mobilization advances	-	1,094,101
	163,649,545	130,547,189

13.2.1 Movement in capital work in progress is as follows:

	Categories					
	Civil works	Dispensing pumps	Advance against purchase of apartment	Tanks and pipelines	Mobilization advances	Total
At 30 June 2022	32,339,864	20,752,020	25,976,750	20,799,838	5,281,323	131,149,795
Add: Additions during the year	53,916,806	2,770,000	-	33,204,031	-	113,446,832
Less: Mobilization advances adjusted during the year	-	-	-	-	(4,187,222)	(4,187,222)
Add: Transferred from inventory	-	5,316,190	-	-	-	5,316,190
Less: Transferred to operating fixed assets during the year	(42,056,824)	(20,156,420)	-	(3,409,167)	-	(115,178,406)
At 30 June 2023	44,199,846	8,681,790	25,976,750	50,594,702	1,094,101	130,547,189
Add: Additions during the year	190,135,875	27,917,503	-	30,049,257	-	248,102,635
Add / (less): Adjustments made during the year	-	(4,107,256)	-	(2,272,778)	-	(6,380,034)
Less: Mobilization advances written off during the year	-	-	-	-	(1,094,101)	(1,094,101)
Add: Transferred from inventory	-	23,473,167	-	-	-	23,473,167
Less: Transferred to operating fixed assets during the year	(117,897,514)	(39,978,545)	(25,976,750)	(47,146,502)	-	(230,999,311)
At 30 June 2024	116,438,207	15,986,659	-	31,224,679	-	163,649,545

14. RIGHT-OF-USE ASSETS

	Land	Buildings	Vehicles	Total
	Rupees			
At 30 June 2022	371,805,431	46,625,761	137,313,384	555,744,577
Add: Additions during the year	18,557,113	45,328,092	71,928,735	135,813,940
Add: Impact of lease modifications	(1,845,647)	69,122,276	-	67,276,629
Less: Impact of lease termination	25,059,314	-	-	25,059,314
Less: Book value of assets transferred to operating fixed assets - during the year	-	-	1,574,708	1,574,708
Less: Depreciation expense for the year (Note 33)	60,162,403	34,768,030	32,149,538	127,079,971
At 30 June 2023	303,295,180	126,308,099	175,517,873	605,121,153
Add: Additions during the year	146,309,901	16,648,969	-	162,958,870
Add: Impact of lease modifications	2,486,841	7,880,302	-	10,367,143
Less: Impact of lease terminations	10,991,411	(11,036,521)	-	(45,110)
Less: Book value of assets transferred to operating fixed assets - during the year	-	-	47,330,348	47,330,348
Less: Depreciation expense for the year (Note 33)	58,473,352	49,091,992	32,019,445	139,584,789
At 30 June 2024	404,609,981	90,708,857	96,168,080	591,486,919

Lease of land

The Company obtained land on lease for its service centers, filling stations and storage warehouses. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Lease periods range from five to twenty five years.

Lease of buildings

The Company obtained buildings on lease for its offices. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Lease periods range from two to five years.

Lease of vehicles

The Company obtained vehicles on lease for employees and director of the Company. The average contract duration is three years.

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

		2024 Rupees	2023 Rupees
15.	**INTANGIBLE ASSETS - Computer softwares**		
	Opening net book value	3,981,524	6,657,720
	Add: Cost of additions during the year	-	1,500,000
	Less: Written off during the year		
	Cost	(262,830)	-
	Accumulated amortization	236,547	-
		(26,283)	-
	Less: Amortization charged during the year (Note 33)	2,757,549	4,176,196
	Closing net book value	1,197,692	3,981,524
15.1	Cost as at 30 June	47,211,120	47,473,948
	Accumulated amortization	(46,013,428)	(43,492,424)
	Net book value as at 30 June	1,197,692	3,981,524

15.2 Intangible assets - computer softwares have been amortized at the rate of 30% (2023: 30%) per annum.

15.3 Intangible assets costing Rupees 39.827 million (2023: Rupees 30.204 million) are fully amortized and are still in use of the Company.

		2024 Rupees	2023 Rupees
16.	**INVESTEMENT PROPERTY**		
16.1	**Land - at fair value**		
	Opening book value	135,000,000	130,000,000
	Add: Fair value gain (Note 35)	-	5,000,000
	Less: Reclassified to non-current asset held for sale (Note 29)	(135,000,000)	-
	Closing book value	-	135,000,000

16.2 The fair value of investment property was determined by an independent valuer M/s Anderson Consulting (Private) Limited as at 30 June 2023. Forced sale value of investment property as at 30 June 2023 was Rupees 114.750 million.

16.3 Particulars of investment property (i.e. land) were as follows:

Description and address	Area of land
	Kanals
Land - 22 - A, Zafar Ali Road, Lahore	1.25

	2024 Rupees	2023 Rupees
17. INVESTMENT IN SUBSIDIARY COMPANY - at cost		
Hi-Tech Blending (Private) Limited - unquoted		
130,000,060 (2023: 130,000,060) fully paid ordinary shares of Rupees 10 each		
Equity held 100% (2023: 100%)	1,300,000,600	1,300,000,600

17.1 Investment in Hi-Tech Blending (Private) Limited includes 60 (2023: 60) shares in the name of nominees of the Company. Out of 60 shares, 10 shares are in the name of Mr. Tahir Azam who passed away on 09 June 2024. These shares shall be transferred to his legal heirs upon completion of legal formalities.

	2024 Rupees	2023 Rupees
18. LONG TERM SECURITY DEPOSITS		
Security deposits against leased assets	37,252,819	54,869,439
Security deposits - others	13,966,150	13,939,150
	51,218,969	68,808,589
Less: Current portion shown under current assets (Note 24)	13,500,200	16,865,461
	37,718,769	51,943,128
19. LONG TERM LOANS TO EMPLOYEES		
Considered good:		
Loans to employees - interest free and unsecured (Note 19.1)	2,985,102	3,919,266
Less: Current portion shown under current assets (Note 23)	934,166	934,166
	2,050,936	2,985,100

19.1 These represent interest free and unsecured loans given to employees, receivable in maximum 60 monthly instalments in accordance with the Company's policy. Fair value adjustment in accordance with the requirements of IFRS 9 'Financial Instruments' arising in respect of staff loans is not considered material and hence not recognized.

20. DEFERRED INCOME TAX ASSET

	2024 Rupees	2023 Rupees
The net deferred income tax asset comprised of temporary differences relating to:		
Deductible temporary differences		
Unabsorbed tax depreciation	86,999,447	38,632,306
Available unused tax losses	14,714,778	102,279,334
Turnover tax carried forward	171,549,704	-
Allowance for expected credit losses	5,101,562	10,319,125
Provision for slow moving and damaged inventory items	10,245,587	7,849,828
Provision for doubtful advances to suppliers	476,487	356,353
Lease liabilities	187,722,138	186,435,583
	476,809,703	345,872,529
Taxable temporary differences		
Accelerated tax depreciation and amortization	(94,483,000)	86,788,279
Right-of-use assets	(171,531,207)	175,485,134
	(266,014,207)	262,273,413
Net deferred income tax asset	210,795,496	83,599,116
Deferred income tax asset not recognised in these financial statements	(66,633,000)	-
Deferred income tax asset recognised in these financial statements	144,162,496	83,599,116

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

	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

	2023		
	Opening Balance	Recognised in statement of profit or loss	Closing balance
		Rupees	
Unabsorbed tax depreciation	-	(38,632,306)	38,632,306
Available unused tax losses	-	(102,279,334)	102,279,334
Allowance for expected credit losses	11,542,280	1,223,155	10,319,125
Provision for slow moving and damaged inventory items	4,654,722	(3,195,106)	7,849,828
Provision for doubtful advances to suppliers	983,709	627,356	356,353
Lease liabilities	196,773,030	10,337,447	186,435,583
Accelerated tax depreciation and amortization	(100,436,367)	(13,648,088)	(86,788,279)
Right-of-use assets	(183,395,710)	(7,910,576)	(175,485,134)
	(69,878,336)	153,477,452	83,599,116

20.2 Deferred income tax asset has been recognised to the extent that the realization of related tax benefits is probable from future taxable profits. It is probable that sufficient taxable profits will be available for utilization of recognised deferred income tax asset. Detail of recognised deferred income tax asset on available unused tax losses, unabsorbed tax depreciation and turnover tax carried forward and unrecognised deferred income tax asset on turnover tax carried forward is given as follows:

	Accounting year to which the tax credit relates	Amount	Accounting year in which tax credit will expire
		Rupees	
Turnover tax carried forward	2023	66,633,000	2026
	2024	104,916,704	2027
		171,549,704	

	Accounting year to which the tax loss relates	Amount	Accounting year in which tax loss will expire
		Rupees	
Unabsorbed tax depreciation	2023	133,214,848	Unlimited
	2024	166,783,245	Unlimited
		299,998,092	

	Accounting year to which the tax loss relates	Amount	Accounting year in which tax loss will expire
		Rupees	
Available unused tax losses	2023	50,740,613	2028

		2024 Rupees	2023 Rupees
21.	**STOCK-IN-TRADE**		
	Lubricants and parts (Note 21.1)	428,492,803	292,185,127
	Less: Provision for slow moving and damaged inventory items (Note 21.2)	35,329,612	27,068,373
		393,163,191	265,116,754
	Petroleum products		
	- Stock in hand (Note 21.3)	316,614,901	139,978,203
	- Stock in pipeline system (Note 21.4)	1,045,532,295	638,125,434
		1,362,147,196	778,103,637
	Dispensing pumps and other installations (Note 21.5)	33,925,444	59,701,394
		1,789,235,831	1,102,921,785

21.1 This includes stock amounting to Rupees 118.898 million (2023: Rupees 70.612 million) lying at customs bonded warehouse.

		2024 Rupees	2023 Rupees
21.2	Provision for slow moving and damaged inventory items:		
	Opening balance	27,068,373	14,105,219
	Add: Provision recognized during the year	11,479,157	12,963,154
	Less: Written off against provision during the year	3,217,918	-
		8,261,239	12,963,154
	Closing balance	35,329,612	27,068,373

21.3 This includes stock of petroleum products in possession of third parties as follows:

	2024 Rupees	2023 Rupees
Askar Oil Services (Private) Limited	2,395,911	2,425,987
Be Energy Limited	23,153,653	36,668,049
Al-Rahim Trading Company (Private) Limited	-	459,393
Gas and Oil Pakistan Limited	4,888,641	3,410,459
Karachi Hydrocorban Terminal Limited	257,496,950	4,756,350
Z.Y. & Co. Bulk Terminals (Private) Limited	2,955,252	-
	290,890,407	47,720,238

21.4 This represents the Company's share of pipeline stock of High Speed Diesel and Petroleum Motor Gasoline amounting to Rupees 355.458 million (2023: Rupees 469.131 million) and Rupees 687.248 million (2023: Rupees 168.995 million) respectively held by Pak-Arab Pipeline Company Limited.

21.5 These dispensing pumps and other installations have been purchased by the Company for resale to service and filling station dealers as part of OMC operations.

	2024 Rupees	2023 Rupees
22. TRADE DEBTS		
Unsecured:		
Considered good	1,037,393,509	194,822,885
Less: Allowance for expected credit losses (Note 22.2)	17,591,593	35,583,191
	1,019,801,916	159,239,694

22.1 As at the reporting date, trade debts of Rupees 146.553 million (2023: Rupees 70.957 million) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The ageing analysis of trade debts is as follows:

	2024 Rupees	2023 Rupees
Neither past due nor impaired	890,840,145	123,866,297
Past due but not impaired		
1 to 6 months	132,149,524	36,546,749
6 months to 1 year	12,124,200	34,409,839
More than 1 year	2,279,640	-
	146,553,364	70,956,588
	1,037,393,509	194,822,885
22.2 Allowance for expected credit losses		
Opening balance	35,583,191	34,976,606
Add: Recognized during the year (Note 34)	6,856,033	606,585
Less: Written off against provision during the year	24,847,631	-
Closing balance	17,591,593	35,583,191

22.3 The maximum aggregate amount receivable from Hi-Tech Blending (Private) Limited at the end of any month during the year was Rupees 105.257 million (2023: Rupees 121.330 million).

	2024 Rupees	2023 Rupees
23 LOANS AND ADVANCES		
Considered good, unsecured:		
Loans to employees - interest free and against salaries:		
- Executives	12,841,434	8,623,129
- Other employees	5,586,243	2,809,835
	18,427,677	11,432,964
Short term loan to subsidiary company (Note 23.1)	-	485,500,000
Advances to employees against expenses	2,691,708	3,363,189
Current portion of long term loans to employees (Note 19)	934,166	934,166
Advances to suppliers (Note 23.2)	206,145,136	106,280,314
Margin against bank guarantees	17,500,000	17,500,000
	245,698,687	625,010,633

23.1 This represents unsecured short term loan given to Hi-Tech Blending (Private) Limited - subsidary company to meet the working capital requirements and is repayable on demand. This carries mark-up at the rate of 3 month KIBOR plus 1.5 % per annum. The effective rate of mark-up charged during the year on outstanding balance ranged from 22.96% to 24.40% (2023: 17.21% to 23.58%) per annum.

		2024 Rupees	2023 Rupees
23.2	**Advances to suppliers**		
	Unsecured:		
	Considered good	206,145,136	106,280,314
	Considered doubtful	1,643,057	1,228,802
		207,788,193	107,509,116
	Less: Provision for doubtful advances to suppliers (Note 23.2.1)	1,643,057	1,228,802
		206,145,136	106,280,314
23.2.1	**Provision for doubtful advance to supplier**		
	Opening balance	1,228,802	2,980,936
	Add: Recognized during the year (Note 34)	414,255	-
	Less: Advances to suppliers written off against provision	-	749,933
	Less: Reversal of provision during the year (Note 35)	-	1,002,201
	Closing balance	1,643,057	1,228,802

24. SHORT TERM DEPOSITS AND PREPAYMENTS

Current portion of long term security deposits (Note 18)	13,500,200	16,865,461
Short term security deposits	2,437,595	2,197,595
Prepaid expenses	827,406	827,406
Prepaid insurance	7,550,642	6,040,676
Prepaid rent	3,441,138	6,406,350
	27,756,981	32,337,488

25. OTHER RECEIVABLES

Receivable from MAS Associates (Private) Limited - associated company (Note 25.1)	347,497	444,154
Receivable from SK Enmove Co., Ltd. - related party (Note 25.2)	69,585,301	-
Sales tax receivable	265,201,125	167,526,359
Inland freight equalization margin	27,171,584	16,760,468
Others	3,570,611	3,661,085
	365,876,118	188,392,066

25.1 It is neither past due nor impaired. The maximum aggregate amount receivable from associated company at the end of any month during the year was Rupees 0.672 million (2023: Rupees 0.754 million).

25.2 This represents promotional incentive receivable from SK Enmove Co., Ltd. - principle supplier and long term partner. The maximum aggregate amount receivable from SK Enmove Co., Ltd. - principal supplier and long term partner at the end of any month during the year was Rupees 177.597 million (2023: Rupees 181.400 million).

	2024 Rupees	2023 Rupees
26. ACCRUED INTEREST		
On bank deposits	186,102	9,013
On short term loan to subsidary company (Note 26.1)	3,300,035	45,954,988
On term deposit receipt	-	7,023,972
	3,486,137	52,987,973

26.1 It is neither past due nor impaired. The maximum aggregate amount receivable from subsidiary company at the end of any month during the year was Rupees 66.077 million (2023: Rupees 51.965 million).

	2024 Rupees	2023 Rupees
27. SHORT TERM INVESTMENTS		
27.1 Equity instruments		
Fair value through profit or loss		
Quoted - other than related party:		
Engro Fertilizer Limited		
49,500 (2023: 49,500) fully paid ordinary shares of Rupees 10 each	4,085,235	4,387,680
First Habib Cash Fund		
2,068,832.1513 (2023: 2,125,858.6099) units	209,515,390	214,608,551
NBP Islamic Daily Dividend Fund		
55,802.3031 (2023: 37,955.7549) units	558,023	379,557
UBL Liquidity Plus Fund - Class 'C'		
23,901.8786 (2023: 20,187.0219) units	2,418,565	2,045,041
MCB Cash Management Optimizer		
5,176.0518 (2023: 4,378.7994) units	525,355	443,593
Meezan Rozana Amdani Fund		
8,045.0943 (2023: 6,812.5239) units	402,255	340,625
	217,504,823	222,205,047
Unrealized gain on remeasurement of investments at fair value through profit or loss - net	5,212,238	377,899
	222,717,061	222,582,946

27.1.1 The fair value of listed securities is based on quoted market prices on Pakistan Stock Exchange (PSX) at reporting date. The fair values of funds are based on the Net Asset Value (NAV) being the current bid price at reporting date as quoted by the respective Asset Management Company.

	2024 Rupees	2023 Rupees
28. CASH AND BANK BALANCES		
Cash in hand	607,898	1,771,008
Cash at banks:		
Saving accounts (Note 28.1)	48,549,022	7,873,895
Current accounts	303,260,223	54,766,817
	351,809,245	62,640,712
	352,417,143	64,411,720
Term deposit receipt (Note 28.3)	-	175,000,000
	352,417,143	239,411,720

28.1 Saving accounts carry profit at the rate of 20.5% (2023: 12.25% to 21.80%) per annum.

28.2 Bank balances (including term deposit receipt) of Rupees 3.627 million (2023: Rupees 177.401 million) and short term investments of Rupees 214.489 million (2023: Rupees 218.497 million) represents un-utilized proceeds of the initial public offer.

28.3 As at the reporting date, term deposit receipt of Rupees Nil (2023: Rupess 175 million) was having maturity of three months. Effective rate of interest on term deposit receipt during the year ranges from 19.45% to 21.15% (2023: 10.93% to 19.50%) per annum.

29. NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE

On 27 October 2023, shareholders of the Company accorded approval to sell investment property (land) measuring 01 kanal and 05 marlas situated at 22-A, Zafar Ali Road, Lahore. The management of the Company anticipates that disposal will be completed subsequent to the reporting period. Fair value less costs to sell is expected to be higher than the carrying amount of the related asset.

	2024 Rupees	2023 Rupees
30. GROSS REVENUE FROM CONTRACTS WITH CUSTOMERS		
Lubricants	10,347,686,473	9,155,331,178
Petroleum products	16,259,445,090	8,212,223,924
Others (Note 30.1)	152,138,600	156,374,178
	26,759,270,163	17,523,929,280
30.1 Others		
Packing material, spare parts and base oil (Note 30.1.1)	105,257,378	121,140,414
Dispensing pumps	8,112,354	3,629,355
Franchise and joining fee	38,768,868	31,604,409
	152,138,600	156,374,178

30.1.1 This represents sale of packing material, spare parts and base oil to Hi-Tech Blending (Private) Limited - subsidary company amounting to Rupees 105.257 million (2023: Rupees 121.140 million).

30.2 Revenue is recognised at point in time as per the terms and conditions of underlying contracts with customers.

30.3 The amount of Rupees 55.442 million included in contract liabilities (Note 8) at 30 June 2023 has been recognised as revenue during the year ended 30 June 2024.

	2024 Rupees	2023 Rupees
31. COST OF SALES		
Opening stock of lubricants and other items	351,886,521	1,563,444,220
Lubricants and other items purchased during the year	6,743,120,317	4,678,093,657
	7,095,006,838	6,241,537,877
Closing stock of lubricants and other items	462,418,247	351,886,521
Cost of lubricants and other items sold	6,632,588,591	5,889,651,356
Opening stock of petroleum products	778,103,637	1,319,558,797
Petroleum products purchased during the year	12,482,859,347	6,127,519,591
Petroleum development levy	3,672,736,684	1,226,148,575
Inland freight equalization margin	288,087,908	63,358,500
	16,443,683,939	7,417,026,666
Closing stock of petroleum products	1,362,147,196	778,103,637
Cost of petroleum products sold	15,859,640,380	7,958,481,826
Cost of packing material, spare parts and base oil sold to subsidary company	79,587,039	96,850,228
Total	22,571,816,010	13,944,983,410

	2024 Rupees	2023 Rupees
32. DISTRIBUTION COST		
Salaries and other benefits (Note 32.1)	416,570,449	495,521,402
Sales promotion and advertisements - net (Note 32.2)	35,695,242	13,880,511
Freight outward	41,347,780	37,689,754
Rent, rates and taxes	6,646,869	3,555,668
Travelling and conveyance	53,454,963	64,844,779
Insurance	29,251,839	23,965,207
Utilities	25,903,867	18,399,959
Repair and maintenance	30,855,357	20,400,104
Vehicles' running and maintenance	68,356,490	67,717,670
Communication	12,242,746	9,516,412
Entertainment	12,831,481	11,931,447
Depreciation on fixed assets (Note 13.1.2)	107,868,799	104,919,540
Depreciation on right-of-use assets (Note 14)	139,584,789	127,079,971
Hospitality charges	12,307,730	8,607,862
Printing and stationery	1,080,301	1,642,903
Miscellaneous	24,634,870	33,834,870
	1,018,633,572	1,043,508,059

32.1 Salaries other benefits include provident fund contribution of Rupees 15.857 million (2023: Rupees 13.128 million) by the Company.

33.2 These are net off incentives in the shape of reimbursement against sales promotion expenses and advertisements amounting to Rupees 62.416 million (2023: Rupees 181.400 million) from SK Enmove Co., Ltd. - principal supplier and long term partner.

		2024 Rupees	2023 Rupees
33.	**ADMINISTRATIVE EXPENSES**		
	Salaries, wages and other benefits (Note 33.1)	502,387,737	499,139,804
	Rates and taxes	2,450,141	921,314
	Travelling and conveyance	22,816,070	41,708,009
	Insurance	22,684,039	16,906,277
	Vehicles' running and maintenance	39,412,962	33,070,608
	Utilities	13,548,780	9,768,100
	Repair and maintenance	6,467,178	7,038,228
	Fee and subscription	15,453,966	15,208,543
	Printing and stationery	1,410,789	1,450,359
	Communication	8,264,171	5,040,966
	Entertainment	17,706,999	16,790,197
	Legal and professional	29,380,619	29,955,690
	Auditor's remuneration (Note 33.2)	5,569,362	4,842,926
	Depreciation on fixed assets (Note 13.1.2)	31,320,980	31,308,784
	Amortization on intangible assets (Note 15)	2,757,549	4,176,196
	Miscellaneous	1,915,547	1,405,054
		723,546,889	718,731,055

33.1 Salaries, wages and other benefits include provident fund contribution of Rupees 14.718 million (2023: Rupees 12.3 million) by the Company.

		2024 Rupees	2023 Rupees
33.2	**Auditor's remuneration**		
	Annual audit fee	2,545,732	2,213,680
	Certifications	1,156,430	1,005,592
	Half year review	1,453,200	1,263,654
	Reimbursable expenses	414,000	360,000
		5,569,362	4,842,926
34.	**OTHER EXPENSES**		
	Allowance for expected credit losses (Note 22.2)	6,856,033	606,585
	Provision for slow moving and damaged inventory items - net (Note 21.2)	11,479,157	12,963,154
	Provision for doubtful advances to suppliers	414,255	-
	Long term security deposit written off	-	325,000
	Sales tax receivable written off	628,898	-
	Fixed assets written off	6,075,596	-
	Intangible assets written off (Note 15)	26,283	-
	Advances to suppliers written off	8,814,444	-
	Mobilization advances written off	1,094,101	-
	Loans to employees written off	84,068	-
	Charities and donations (Note 34.1)	19,038,480	22,037,093
	Exchange loss - net	-	150,553
	Miscellaneous	47,586	60,138
		54,558,901	36,142,523

34.1 These include amount of Rupees 18 million (2023: Rupees 18 million) paid to Sabra Hamida Trust, 1-A, Danepur Road, GOR-1, Lahore, in which Mr. Hassan Tahir - Chief Executive, Mr. Shaukat Hassan - Director, Mr. Tahir Azam - deceased Director and Mr. Ali Hassan - Director are trustees.

	2024 Rupees	2023 Rupees
35. OTHER INCOME		
Income from financial assets:		
Dividend income (Note 35.1)	692,512,052	295,937,019
Profit on bank deposits and term deposit receipt	28,273,889	29,275,783
Interest on short term loan to subsidary company	73,175,044	90,341,241
Gain on disposal of short term investments	338,810	338,180
Unrealized gain on remeasurement of investments at fair value through profit or loss - net	5,212,238	377,899
Credit balances written back	201,554	10,541,826
Income from non-financial assets:		
Gain on disposal of operating fixed assets (Note 13.1.1)	3,124,350	6,793,259
Fair value gain on investment property (Note 16)	-	5,000,000
Gain on termination of leases	-	5,548,712
Amortization of deferred income - Government grant	-	361,618
Income from handling and storage services	29,050,833	19,261,960
Reversal of provision for doubtful advances to suppliers (Note 23.2.1)	-	1,002,201
Common facility charges	1,881,780	521,400
Scrap sales	12,000	1,260,451
Insurance claim	-	3,421,000
Promotional incentive (Note 35.2)	184,705,857	-
Miscellaneous	494,665	4,725,419
Others:		
Exchange gain - net	8,463,255	-
Rental income from HTL Express Centres	31,073,976	30,397,750
	1,058,520,303	505,105,718

35.1 This includes Rupees 650 million (2023: Rupees 260 million) received from Hi-Tech Blending (Private) Limited - subsidiary company.

35.2 This is from SK Enmove Co., Ltd. - principal supplier and long term partner.

36. FINANCE COST

	2024 Rupees	2023 Rupees
Mark-up on long term financing	-	550,955
Mark-up on short term borrowings	424,609,298	396,895,791
Interest expense on lease liabilities (Note 6.1)	86,094,950	66,160,324
Bank charges and commission	28,089,612	7,620,034
Interest on workers' profit participation fund	5,252,760	3,389,750
	544,046,620	474,616,854

37. LEVY

	2024 Rupees	2023 Rupees
Minimum tax (Note 37.1)	111,421,173	72,119,069
Prior year adjustment	139,051	(6,413,223)
	111,560,224	65,705,846

37.1 Levy represents minimum tax (excess over the amount designated as provision for current tax) on local sales under section 113 of the Income Tax Ordinance, 2001.

	2024 Rupees	2023 Rupees
38. TAXATION		
Deferred tax	(60,563,380)	(153,477,452)

38.1 The Company and Hi-Tech Blending (Private) Limited - subsidiary company have opted for group taxation as one fiscal unit under section 59AA of the Income Tax Ordinance, 2001 and the provision for current taxation has been made accordingly. The numerical reconciliation between the average tax rate and the applicable tax rate has been given as follows:

	2024 Rupees	2023 Rupees
Relationship between tax expense and accounting profit		
Profit / (loss) before taxation and levy	162,400,641	(181,184,128)
Tax at the applicable rate of 29% (2023: 29%)	47,096,186	(52,543,397)
Effect of minimum tax on turnover taxed at lower rate	120,082,411	77,658,460
Effect of dividend income taxed at a lower rate	6,376,763	5,390,535
Effect of capital gain taxed at a lower rate	127,701	94,642
Effect of change in prior year's tax	139,051	(6,413,223)
Effect of group taxation adjustments	(15,165,702)	(11,024,569)
Effect arising as a consequence of recognition of deferred income tax	(60,563,380)	(153,477,452)
Effect of inadmissible income	(47,096,186)	52,543,397
	50,996,844	(87,771,606)

	2024	2023
39. EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED		
There is no dilutive effect on the basic earnings / (loss) per share which based on:		
Profit / (loss) after taxation attributable to ordinary shareholders (Rupees)	111,403,797	(93,412,522)
Weighted average number of shares (Number)	139,204,800	139,204,800
Earnings / (loss) per share - basic and diluted (Rupees)	0.80	(0.67)

	2024 Rupees	2023 Rupees
40. CASH GENERATED FROM / (USED IN) OPERATIONS		
(Loss) / profit before taxation	162,400,641	(181,184,128)
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets (Note 13.1.2)	139,189,779	136,228,324
Depreciation on right-of-use assets (Note 14)	139,584,789	127,079,971
Amortization on intangible assets (Note15)	2,757,549	4,176,196
Amortization of deferred income - Government grant	-	(361,618)
Allowance for expected credit losses (Note 34)	6,856,033	606,585
Provision for slow moving and damaged inventory items - net (Note 34)	11,479,157	12,963,154
Provision for doubtful advances to suppliers (Note 34)	414,255	-
Gain on disposal of operating fixed assets (Note 35)	(3,124,350)	(6,793,259)
Dividend income (Note 35)	(692,512,052)	(295,937,019)
Profit on bank deposits and term deposit receipt (Note 35)	(28,273,889)	(29,275,783)
Interest income on short term loan to subsidiary company (Note 35)	(73,175,044)	(90,341,241)
Fair value gain on investment property	-	(5,000,000)
Gain on disposal of short term investments (Note 35)	(338,810)	(338,180)
Unrealized gain on remeasurement of investments carried at fair value through profit or loss - net (Note 35)	(5,212,238)	(377,899)
Fixed assets written off (Note 34)	6,075,596	-
Intangible assets written off (Note 34)	26,283	-
Mobilization advances written off (Note 34)	1,094,101	-
Reversal of provision for doubtful advances to suppliers (Note 35)	-	(1,002,201)
Stock-in-trade written off (Note 34)	-	-
Credit balances written back (Note 35)	(201,554)	(10,541,826)
Long term security deposit written off (Note 34)	-	325,000
Other receivables written off (Note 34)	628,898	-
Loss / (gain) on termination of lease	-	(5,548,712)
Exchange (gain) / loss - net (Note 35 and Note 34)	(8,463,255)	150,553
Finance cost (Note 36)	544,046,620	474,616,854
Working capital changes (Note 40.1)	(228,469,702)	377,161,587
	(25,217,193)	506,606,358

	2024 Rupees	2023 Rupees
40.1 Working capital changes		
Decrease / (increase) in current assets:		
Stock-in-trade	(697,793,203)	1,753,012,859
Trade debts	(867,418,255)	(53,627,298)
Loans and advances	(105,668,145)	54,635,333
Short term deposits and prepayments	1,215,246	(22,704,767)
Other receivables	(178,112,950)	251,673,352
	(1,847,777,307)	1,982,989,479
(Decrease) / increase in trade and other payables	1,619,307,605	(1,605,827,892)
	(228,469,702)	377,161,587

40.2 Reconciliation of movement of liabilities to cash flows arising from financing activities:

	2024			
	Liabilities from financing activities			
	Lease liabilities	Short term borrowings	Unclaimed dividend	Total
Balance as at 01 July 2023	642,881,321	1,851,556,185	5,830,744	2,500,268,250
Finance obtained	-	24,470,075,431	-	24,470,075,431
Repayment of financing	-	(24,544,443,849)	-	(24,544,443,849)
Acquisitions - finance leases	162,958,870	-	-	162,958,870
Other change - non-cash movement	10,322,033	-	-	10,322,033
Repayment of lease liabilities	(168,844,507)	-	-	(168,844,507)
Dividend declared	-	-	-	-
Dividend paid	-	-	(141,327)	(141,327)
Balance as at 30 June 2024	647,317,717	1,777,187,767	5,689,417	2,430,194,901

	2023				
	Liabilities from financing activities				
	Long term financing	Lease liabilities	Short term borrowings	Unclaimed dividend	Total
			Rupees		
Balance as at 01 July 2022	47,490,196	596,281,908	1,494,218,779	5,755,517	2,143,746,400
Finance obtained	-	-	13,248,374,631	-	13,248,374,631
Repayment of financing	(47,851,814)	-	(12,891,037,225)	-	(12,938,889,039)
Acquisitions - finance leases	-	137,363,481	-	-	137,363,481
Other change - non-cash movement	361,618	35,119,062	-	-	35,480,680
Repayment of lease liabilities	-	(125,883,130)	-	-	(125,883,130)
Dividend declared	-	-	-	278,409,600	278,409,600
Dividend paid	-	-	-	(278,334,373)	(278,334,373)
Balance as at 30 June 2023	-	642,881,321	1,851,556,185	5,830,744	2,500,268,250

	2024 Rupees	2023 Rupees
40.3 Non-cash financing activities		
Acquisition of right-of-use assets	162,958,870	137,363,481

41. PROVIDENT FUND

Investments, out of provident fund, have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

42. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of subsidiary company, associated undertakings, other related parties, key management personnel and provident fund trust. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties, other than those which have been disclosed else where in these financial statements, are as follows:

Relationship	Nature of transaction	2024 Rupees	2023 Rupees
Subsidiary company			
Hi-Tech Blending (Private) Limited	Sale of lubricants	1,926,474	103,023,346
	Sale of packing material and parts	105,257,378	18,117,068
	Purchase of lubricants	6,064,354,523	4,305,440,690
	Dividend received	650,000,300	260,000,120
	Lease rentals paid	3,000,000	3,000,000
	Short term loan given	391,900,000	1,093,656,544
	Short term loan repaid	877,400,000	608,156,544
	Interest received on short term loan	115,829,997	44,386,254
Associated companies			
MAS Associates (Private) Limited	Share of common expenses	1,881,780	1,452,548
Other related parties			
SK Enmove Co., Ltd.	Purchase of lubricants	697,900,417	333,138,787
(Formerly SK Lubricants Co., Ltd.)	Incentive	247,122,001	181,400,000
	Dividend paid	-	1,986,660
Provident fund trust	Contribution	30,574,917	25,429,262
Sabra Hamida Trust	Donations	18,000,000	18,000,000
Directors of the Company			
Mr. Shaukat Hassan	Dividend paid	-	721,200
Mr. Muhammad Ali Hassan	Dividend paid	-	18,000,720
Mr. Hassan Tahir	Dividend paid	-	18,000,720
Ms. Mavira Tahir	Dividend paid	-	1,2000,360
Mr. Tahir Azam*	Dividend paid	-	721,200
Mr. Faraz Akhtar Zaidi	Dividend paid	-	1,200
Dr. Safdar Ali Butt	Dividend paid	-	1,200
Mr. Shafiq Ur Rehman	Dividend paid	-	1,200
Mr. Syed Asad Abbas Hussain	Dividend paid	-	1,200

* Ceased to be the director of the Company with effect from 09 June 2024.

42.1 Following are the related parties with whom the Company had entered into transactions or have arrangements / agreements in place:

Name of related party	Basis of relationship	Transactions entered or agreements and / or arrangements in place during the financial year	% age of shareholding held by the Company
Hi-Tech Blending (Private) Limited	Wholly owned subsidiary company	Yes	100%
MAS Associates (Private) Limited	Common directorship	Yes	None
SK Enmove Co., Ltd.	Principal supplier and long term partner	Yes	None
Hi-Tech Energy (Private) Limited	Common directorship	No	None
MAS Infosoft (Private) Limited	Common directorship	No	None
MAS Services	Common partnership of directors	No	None
Haut Buys (Private) Limited	Common directorship	No	None
Sabra Hamida Trust	Common trusteeship of directors	Yes	None
WASL Investment Finance Limited	Common directorship	No	None
Alliance Francaise De Lahore Foundation	Common trusteeship of directors	No	None
Pakistan France Business Alliance	Common trusteeship of directors	No	None
Food Check (Private) Limited	Common directorship	No	None
Pak Agro Packaging (Private) Limited	Common directorship	No	None
Ujala Education Foundation	Common trusteeship of directors	No	None
MAS Associates Employees Provident Fund Trust	Common trusteeship of directors	No	None
Hi-Tech Lubricants Limited Employees Provident Fund Trust	Common trusteeship of directors	Yes	None
Hi-Tech Blending (Private) Limited Provident Fund Trust	Subsidiary company's employee provident fund trust	No	None
MAS Services Employees Provident Fund Trust	Common trusteeship of directors	No	None
Haut Notch (Private) Limited	Common directorship	No	None
Gulf Rubber Works (Private) Limited	Common directorship	No	None
ANALI	Common partnership of director	No	None
Chenab Energy (Private) Limited	Common directorship	No	None
JSSR Consulting, Pakistan	Common partnership of director	No	None
14th Gate Restructuring Company Limited	Common directorship	No	None
Mr. Shaukat Hassan	Director of the Company	No	None
Mr. Muhammad Ali Hassan	Director of the Company	No	None
Mr. Hassan Tahir	Director of the Company	No	None
Ms. Mavira Tahir	Director of the Company	No	None
Mr. Tahir Azam (Late)*	Director of the Company	No	None
Mr. Faraz Akhtar Zaidi	Director of the Company	No	None
Dr. Safdar Ali Butt	Director of the Company	No	None
Mr. Shafiq Ur Rehman	Director of the Company	No	None
Mr. Sanghyuk Seo**	Director of the Company	No	None
Mr. Syed Asad Abbas Hussain	Director of the Company	No	None
Mr. Wonjin Yoon***	Director of the Company	No	None
Ms. Mehvish Khan****	Director of the Company	No	None

* Ceased to be the director of the Company with effect from 09 June 2024.
** Ceased to be the director of the Company with effect from 28 February 2024.
*** Appointed as director of the Company with effect from 28 February 2024.
**** Appointed as director of the Company with effect from 22 August 2024, subsequent to the reporting period, on casual vacany arising due to sad demise of Mr. Tahir Azam.

42.2 Detail of compensation to key management personnel comprising of chief executive officer and executives is disclosed in note 43.

43. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in these financial statements in respect of remuneration, including all benefits to the chief executive, directors and executives of the Company are as follows:

	2024				2023			
		Directors				Directors		
	Chief Executive	**Executives**	**Non-Executives**	**Executives**	Chief Executive	Executives	Non-Executives	Executives
	Rupees							
Managerial remuneration	15,483,871	13,935,484	45,483,870	160,464,282	15,180,645	13,645,161	45,161,292	133,306,711
Bonus	2,000,000	1,800,000	-	19,592,012	2,765,000	2,475,000	-	17,750,265
Allowances								
House rent	6,967,742	6,270,968	20,467,741	72,208,917	6,831,290	6,140,322	20,322,581	59,988,020
Medical	1,548,384	1,393,548	4,548,378	16,046,483	1,518,065	1,364,516	4,516,129	13,330,671
Travelling	3,000,000	3,000,000	10,000,000	868,850	3,000,000	3,000,000	10,000,000	891,950
Others incentives	-	-	-	22,106,652	6,157,513	6,137,513	2,000,000	77,884,355
Contribution to provident fund trust	-	-	-	14,367,723	-	-	-	11,336,955
Leave fare assistance	-	-	-	14,122,404	-	-	-	8,321,586
	28,999,997	26,400,000	80,499,989	319,777,323	35,452,513	32,762,512	82,000,002	322,810,513
	1	**1**	**4**	**68**	**1**	**1**	**4**	**64**

43.1 Chief executive, five directors (other than independent directors) and certain executives of the Company are provided with fully maintained vehicles.

43.2 Aggregate amount charged in these financial statements for meeting fee to three directors (2023: three directors) is Rupees 5.2 million (2023: Rupees 6.1 million).

44. NUMBER OF EMPLOYEES

	2024		2023	
	Permanent	**Contractual**	Permanent	Contractual
Total number of employees as on 30 June	383	107	363	115
Average number of employees during the year	380	108	395	113

45. CAPACITY AND PRODUCTION

Considering the nature of the Company's business, the information regarding production has no relevance whereas product storage capacities at Company's facility during the current year is detailed below:

	Storage Capacity Metric Tons		
Description	**SKO**	**PMG**	**HSD**
Sahiwal depot	198	2,040	1,858
Nowshera depot	-	1,401	1,551

46. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table.

Recurring fair value measurements at 30 June 2024	Level 1	Level 2	Level 3	Total
	Rupees			
Financial assets				
Financial assets at fair value through profit or loss	222,717,061	-	-	222,717,061

Recurring fair value measurements at 30 June 2023	Level 1	Level 2	Level 3	Total
	Rupees			
Financial assets				
Financial assets at fair value through profit or loss	222,582,946	-	-	222,582,946

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further there was no transfer in and out of level 3 measurements.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(ii) Valuation techniques used to determine fair values

Specific valuation technique used to value financial instruments is the use of quoted market prices on Pakistan Stock Exchange and for funds, Net Asset Value (NAV) of respective Asset Management Company.

47. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Judgments and estimates are made in determining the fair value of non-financial assets that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels.

At 30 June 2024	Level 1	Level 2	Level 3	Total
		Rupees		
Freehold land	-	1,280,368,750	-	1,280,368,750

At 30 June 2023	Level 1	Level 2	Level 3	Total
		Rupees		
Freehold land	-	1,276,357,250	-	1,276,357,250
Investment property - land	-	135,000,000	-	135,000,000
	-	1,411,357,250	-	1,411,357,250

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further, there was no transfer in and out of level 3 measurements.

(ii) Valuation techniques used to determine level 2 fair values

The Company obtains independent valuations for its freehold land (classified as fixed assets) at least annually. At the end of reporting period, the management updates the assessment of the fair value of property, taking into account the most recent independent valuations. The management determines a property's value within a range of reasonable fair value estimate. The best evidence of fair value is current prices in an active market for similar lands.

Valuation processes

The Company engages external, independent and qualified valuer to determine the fair value of the Company's freehold land at the end of every financial year. As at 30 June 2024, the fair value of the free hold land has been determined by M/S Unicorn International Surveyors, an independent valuer.

Changes in fair values are analyzed at each reporting date during the annual valuation process between the Chief Financial Officer and the valuer. As part of this discussion the team presents a report that explains the reason for the fair value movements.

48. FINANCIAL RISK MANAGEMENT

48.1 Financial risk factors

The Company's activities exposes it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors (the Board). The Company's finance department evaluates and hedges financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk and investment of excess liquidity. All treasury related transactions are carried out within the parameters of these policies.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to currency risk arising primarily from the United States Dollar (USD). As on reporting date, the Company's foreign exchange risk exposure is restricted to the amounts payable to a foreign entity. The Company's exposure to currency risk is as follows:

	2024 USD	2023 USD
Trade and other payables	(393,515)	(188,771)
Other receivables	250,000	-
Net exposure	(143,515)	(188,771)

The following significant exchange rates were applied during the year:

	2024	2023
	Rupees per US Dollar	
Average rate	283.70	253.08
Reporting date rate	278.80	287.10

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD with all other variables held constant, the impact on profit after taxation for the year would have been Rupees 2.001 million lower / higher (2023: loss after taxation for the year would have been Rupees 2.710 million higher / lower), mainly as a result of exchange losses / gains on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. The sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Company is not exposed to commodity price risk since it does not hold any financial instrument based on commodity prices.

Sensitivity analysis

The table below summarizes the impact of increase / decrease in the Pakistan Stock Exchange (PSX) Index on the Company's profit after taxation (2023: loss after taxation) for the year. The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Company's equity instruments moved according to the historical correlation with the index:

	Impact on (loss) / profit after taxation	
Index	**2024 Rupees**	2023 Rupees
PSX 100 (5% increase)	411,395	(204,262)
PSX 100 (5% decrease)	(411,395)	204,262

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has no long term interest bearing asset. The Company's interest rate risk arises from bank balances on saving accounts, short term borrowings and lease liabilities. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments, if any, at fixed rate expose the Company to fair value interest rate risk.

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments was as follows:

	2024 Rupees	2023 Rupees
Fixed rate instruments		
Financial assets		
Term deposit receipt	-	175,000,000
Financial liabilities		
Lease liabilities	566,860,780	487,010,986
Floating rate instruments		
Financial assets		
Bank balances - saving accounts	48,549,022	7,873,895
Financial liabilities		
Lease liabilities	80,456,937	155,870,335
Short term borrowings	1,777,187,767	1,851,556,185
	1,857,644,704	2,007,426,520

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the reporting date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees 18.091 million lower / higher (2023: loss after taxation for the year would have been Rupees 19.996 million higher / lower), mainly as a result of higher / lower interest expense on lease liabilities and short term borrowings. This analysis is prepared assuming the amounts of assets and liabilities outstanding at reporting dates were outstanding for the whole year.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2024 Rupees	2023 Rupees
Long term security deposits	13,966,150	13,939,150
Long term loans to employees	2,985,102	3,919,266
Short term deposits	2,437,595	2,197,595
Trade debts	1,019,801,916	159,239,694
Loans and advances	35,927,677	514,432,964
Other receivables	100,674,993	20,865,707
Accrued interest	3,486,137	52,987,973
Short term investments	222,717,061	222,582,946
Bank balances	351,809,245	237,640,712
	1,753,805,876	1,227,806,007

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (If available) or to historical information about counterparty default rate:

	Rating			2024	2023
	Short term	Long term	Agency	Rupees	Rupees
Short term investments					
Engro Fertilizer Limited	A1+	AA	PACRA	8,227,890	4,085,235
First Habib Cash Fund	AA +(f)		VIS	210,578,977	215,290,591
NBP Islamic Daily Dividend Fund	AA+(f)		PACRA	558,023	379,557
UBL Liquidity Plus Fund - Class 'C'	AA+(f)		VIS	2,422,647	2,042,658
MCB Cash Management Optimizer	AA+(f)		PACRA	527,269	444,282
Meezan Rozana Amdani Fund	AA+(f)		VIS	402,255	340,625
				222,717,061	222,582,948
Banks					
Bank Alfalah Limited	A1+	AAA	PACRA	215,539,881	8,411,749
Bank AL-Habib Limited	A1+	AAA	PACRA	1,483,688	1,542,468
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	2,501,704	175,559,977
MCB Bank Limited	A1+	AAA	PACRA	5,088,711	12,753,161
National Bank of Pakistan	A1+	AAA	PACRA	1,281,553	1,195,805
The Bank of Punjab	A1+	AA+	PACRA	-	115,450
Habib Bank Limited	A-1+	AAA	VIS	46,360,750	42,302
Askari Bank Limited	A1+	AA+	PACRA	110,548	848,155
United Bank Limited	A-1+	AAA	VIS	18,318,856	4,928,558
JS Bank Limited	A1+	AA	PACRA	287,137	287,110
Al-Baraka Bank (Pakistan) Limited	A-1	A+	VIS	238,399	238,399
Meezan Bank Limited	A-1+	AAA	VIS	49,936,729	26,280,201
Dubai Islamic Bank Pakistan Limited	A-1+	AA	VIS	108,520	108,520
Faysal Bank Limited	A1+	AA	PACRA	6,061,666	4,671,404
Bank Makramah Limited (Formerly Summit Bank Limited)	A-3	BBB-	VIS	7,246	7,246
Samba Bank Limited	A1	AA	PACRA	647,432	650,207
Mobilink Microfinance Bank Limited	A1	A	PACRA	3,836,425	-
				351,809,245	237,640,712
				574,526,306	460,223,660

Due to the Company's business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly the credit risk is minimal.

The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade debts.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. These trade receivables are netted off with the collateral obtained from these customers to calculate the net exposure towards these customers.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2024 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the Gross Domestic Product, unemployment, interest, and the inflation Index of the country in which it majorly sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at 30 June 2024 and 30 June 2023 was determined as follows:

	Sales		
	Expected loss rate	Trade debts	Loss allowance
	%	Rupees	
At 30 June 2024			
Up to 30 days	0.00%	328,115,571	-
30 to 180 days	19.41%	54,381,546	10,554,042
181 to 360 days	58.56%	8,124,200	4,757,911
Above 360 days	100.00%	2,279,640	2,279,640
		392,900,957	17,591,593
Trade debts against which collateral is held		644,492,552	-
		1,037,393,509	17,591,593

	Sales		
	Expected loss rate	Trade debts	Loss allowance
	%	Rupees	
At 30 June 2023			
Up to 30 days	7.11%	11,358,580	807,735
30 to 180 days	68.50%	778,230	533,084
181 to 360 days	96.75%	5,154,272	4,986,669
Above 360 days	100.00%	29,255,603	29,255,603
		46,546,685	35,583,091
Trade debts against which collateral is held		148,276,200	-
		194,822,885	35,583,091

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by maintaining sufficient cash and bank balances and the availability of funding through an adequate amount of committed credit facilities. As 30 June 2024, the Company had Rupees 362.494 million (2023: Rupees 362.328 million) available borrowing limits from financial institutions and Rupees 352.417 million (2023: Rupees 239.412 million) cash and bank balances. Management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amounts disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2024:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 years
	Rupees					
Non-derivative financial liabilities:						
Lease liabilities	647,317,717	1,103,759,110	126,409,995	88,707,146	167,213,004	721,428,965
Long term deposits	15,000,000	15,000,000	-	-	-	15,000,000
Trade and other payables	2,031,891,360	2,031,891,360	2,031,891,360	-	-	-
Unclaimed dividend	5,689,417	5,689,417	5,689,417	-	-	-
Accrued mark-up	67,682,083	67,682,083	67,682,083	-	-	-
Short term borrowings	1,777,187,767	2,087,523,071	794,195,096	1,293,327,975	-	-
	4,544,768,344	5,311,545,041	3,025,867,951	1,382,035,121	167,213,004	736,428,965

Contractual maturities of financial liabilities as at 30 June 2023:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 years
	Rupees					
Non-derivative financial liabilities:						
Lease liabilities	642,881,321	708,959,436	98,083,366	87,543,123	164,131,787	359,201,160
Long term deposits	16,500,000	16,500,000	-	-	-	16,500,000
Trade and other payables	743,479,878	743,479,878	743,479,878	-	-	-
Unclaimed dividend	5,830,744	5,830,744	5,830,744	-	-	-
Accrued mark-up	81,019,923	81,019,923	81,019,923	-	-	-
Short term borrowings	1,851,556,185	2,084,302,514	648,458,922	1,435,843,592	-	-
	3,341,268,051	3,640,092,495	1,576,872,833	1,523,386,715	164,131,787	375,701,160

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark-up rates effective as at 30 June. The rates of interest / mark up have been disclosed in note 6 and note 10 to these financial statements.

48.2 Financial instruments by categories

	2024		
	At amortized cost	At fair value through profit or loss	Total
	Rupees		
Financial assets			
Long term security deposits	13,966,150	-	13,966,150
Long term loans to employees	2,985,102	-	2,985,102
Short term deposits	2,437,595	-	2,437,595
Trade debts	1,019,801,916	-	1,019,801,916
Loans and advances	36,861,843	-	36,861,843
Other receivables	100,674,993	-	100,674,993
Accrued interest	3,486,137	-	3,486,137
Short term investments	-	222,717,061	222,717,061
Cash and bank balances	352,417,143	-	352,417,143
	1,532,630,879	222,717,061	1,755,347,940

	2023		
	At amortized cost	At fair value through profit or loss	Total
	Rupees		
Financial assets			
Long term security deposits	13,939,150	-	13,939,150
Long term loan to an employee	3,919,266	-	3,919,266
Short term security deposits	2,197,595	-	2,197,595
Trade debts	159,239,694	-	159,239,694
Loans and advances	514,432,964	-	514,432,964
Other receivables	20,865,707	-	20,865,707
Accrued interest	52,987,973	-	52,987,973
Short term investments	-	222,582,946	222,582,946
Cash and bank balances	239,411,720	-	239,411,720
	1,006,994,069	222,582,946	1,229,577,015

	At Amortized Cost	
	2024 Rupees	2023 Rupees
Financial liabilities		
Lease liabilities	647,317,717	642,881,321
Long term deposits	15,000,000	16,500,000
Trade and other payables	2,031,891,360	743,479,878
Short term borrowings	1,777,187,767	1,851,556,185
Accrued mark-up	67,682,083	81,019,923
Unclaimed dividend	5,689,417	5,830,744
	4,544,768,344	3,341,268,051

48.2.1 Reconciliation to the line items presented in the statement of financial position is as follows:

	2024		
	Financial assets	Non-financial assets	Assets as per statement of financial position
		Rupees	
Assets			
Long term security deposits	13,966,150	23,752,619	37,718,769
Long term loans to employees	2,050,936	-	2,050,936
Short term deposits and prepayments	2,437,595	25,319,386	27,756,981
Trade debts	1,019,801,916	-	1,019,801,916
Loans and advances	36,861,843	208,836,844	245,698,687
Other receivables	100,674,993	265,201,125	365,876,118
Accrued interest	3,486,137	-	3,486,137
Short term investments	222,717,061	-	222,717,061
Cash and bank balances	352,417,143	-	352,417,143
	1,754,413,774	523,109,974	2,277,523,748

	2024		
	Financial liabilities	Non-financial liabilities	Liabilities as per statement of financial position
		Rupees	
Liabilities			
Lease liabilities	647,317,717	-	647,317,717
Long term deposits	15,000,000	-	15,000,000
Trade and other payables	2,031,891,360	527,290,532	2,559,181,892
Short term borrowings	1,777,187,767	-	1,777,187,767
Accrued mark-up	67,682,083	-	67,682,083
Unclaimed dividend	5,689,417	-	5,689,417
	4,544,768,344	527,290,532	5,072,058,876

	2023		
	Financial assets	**Non-financial assets**	**Assets as per statement of financial position**
		Rupees	
Assets			
Long term security deposits	13,939,150	38,003,978	51,943,128
Long term loans to employees	2,985,100	-	2,985,100
Short term deposits and prepayments	2,197,595	30,139,893	32,337,488
Trade debts	159,239,694	-	159,239,694
Loans and advances	514,432,964	110,577,669	625,010,633
Other receivables	20,865,707	167,526,359	188,392,066
Accrued interest	52,987,973	-	52,987,973
Short term investments	222,582,946	-	222,582,946
Cash and bank balances	239,411,720	-	239,411,720
	1,228,642,849	346,247,899	1,574,890,748

	2023		
	Financial liabilities	**Non-financial liabilities**	**Liabilities as per statement of financial position**
		Rupees	
Liabilities			
Lease liabilities	642,881,321	-	642,881,321
Long term deposits	16,500,000	-	16,500,000
Trade and other payables	743,479,878	230,804,405	974,284,283
Short term borrowings	1,851,556,185	-	1,851,556,185
Accrued mark-up	81,019,923	-	81,019,923
Unclaimed dividend	5,830,744	-	5,830,744
	3,341,268,051	230,804,405	3,572,072,456

48.3 Offsetting financial assets and financial liabilities

As on reporting date, recognized financial instruments are not subject to off setting as there are no enforceable master netting arrangements and similar agreements.

49. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

	Description	Note	2024 Rupees	2023 Rupees
i)	**Loans / advances obtained as per Islamic mode:**			
	Advances	8	56,960,090	56,684,948
ii)	**Shariah complaint bank deposits / bank balances:**			
	Bank balances		56,345,314	31,298,524
iii)	**Profit earned from shariah complaint bank deposits / bank balances**		-	-
iv)	**Revenue earned from a shariah complaint business segment**		24,016,482,330	15,531,692,055
v)	**Gain / (loss) or dividend earned from shariah complaint investments:**			
	Dividend income		165,202	88,805
vi)	**Exchange Gain / (loss)**	35 and 34	8,463,255	(150,553)
vii)	**Mark up paid on Islamic mode of financing**		-	-
viii)	**Profits earned or interest paid on any conventional loan or advance:**			
	Profit earned		73,175,044	90,341,241
	Interest paid on loans		437,947,034	351,357,848

ix) Relationship with shariah compliant banks:

Name	Relationship as at reporting date
Al-Baraka Bank (Pakistan) Limited	Bank balance
Meezan Bank Limited	Bank balance
Dubai Islamic Bank Pakistan Limited	Bank balance
Faysal Bank Limited	Bank balance

50. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. Consistent with others in the industry, and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent lease liabilities and short term borrowings obtained by the Company as referred to in note 6 and note 10 to the financial statements. Total capital employed includes 'total equity' as shown in the statement of financial position plus 'borrowings'.

		2024	2023
Borrowings	Rupees	1,857,644,704	2,007,426,520
Total equity	Rupees	3,938,360,681	3,822,945,384
Total capital employed	Rupees	5,796,005,385	5,830,371,904
Gearing ratio	Percentage	32.05%	34.43%

51. UNUTILIZED CREDIT FACILITIES

	Non-funded		**Funded**	
	2024	2023	**2024**	2023
	Rupees	Rupees	**Rupees**	Rupees
Total facilities	1,304,915,000	1,576,500,000	2,292,217,000	2,213,500,000
Utilized at the end of the year	677,396,148	558,710,663	1,929,723,343	1,851,171,790
Unutilized at the end of the year	627,518,852	1,017,789,337	362,493,657	362,328,210

52. UTILIZATION OF THE PROCEEDS OF THE INITIAL PUBLIC OFFER (IPO)

During the year ended 30 June 2016, the Company made an Initial Public Offer (IPO) through issue of 29,001,000 ordinary shares of Rupees 10 each at a price of Rupees 62.50 per share determined through book building process. Out of the total issue of 29,001,000 ordinary shares, 21,750,500 shares were subscribed through book building by High Net Worth Individuals and Institutional Investors, while the remaining 7,250,500 ordinary shares were subscribed by the General Public and the shares were duly allotted on 18 February 2016. On 01 March 2016, Pakistan Stock Exchange Limited approved the Company's application for formal listing of ordinary shares and trading of shares started on 03 March 2016.

Till 30 June 2017, the Company utilized the proceeds of the initial public offer of 29,001,000 ordinary shares for the purposes mentioned under heading 5.5 'Expansion Plan' in prospectus dated 28 December 2015, as per the following detail:

Purposes Mentioned Under Heading 5.5 'Expansion Plan' In Prospectus Dated 28 December 2015	Total amount		Total amount utilized till 30 June 2017
	Rupees		Rupees
Investment in HTLL			
Land	470,000,000		60,618,100
Building	128,000,000		12,486,445
Plant, machinery and equipment	139,000,000		2,719,201
Pre-operating costs	33,000,000		249,630
Working capital	842,562,500		739,126,208
	1,612,562,500		815,199,584
Investment in 100% owned subsidiary			
Additional filling lines for blending plant, Hi-Tech Blending (Private) Limited	200,000,000		-
Total	1,812,562,500	**B**	815,199,584
IPO proceeds (A)	1,812,562,500		
Amount un-utilized (A – B)	997,362,916		

As stated in the prospectus dated 28 December 2015, the Company planned to offer state of the art retail outlets across Pakistan with multitude of unique services and also planned to install additional filling lines at the blending plant of its subsidiary. The plan of the year 2015-16 covered 37 grand outlets openings in 11 major cities of Pakistan including Lahore, Gujranwala, Sialkot, Faisalabad, Multan, Islamabad, Rawalpindi, Karachi and Hyderabad. Over a period of 5 years, the Company planned to open 75 retail outlets (including 67 rented) across 16 major cities of Pakistan. As per quarterly progress report number 06 dated 14 July 2017, the Company informed all stakeholders the progress on implementation of project: Expansion through retail outlet: 1 owned service center under regulatory approval and out of the 10 rented service centers, 1 is operational, 3 are approved and under construction, 3 are under regulatory approvals and 3 are under negotiations. Accurate, effective and timely implementation of the above plans of the Company became a big challenge for the Company due to expensive lands and properties at key locations in almost all the cities for express service centers. Hence, the Company planned for incorporation of express centers into its fuel stations to be established under the umbrella of Oil Marketing Company (OMC) Project of the Company. In this regard, the Company obtained a financial feasibility report from KPMG Taseer Hadi & Co., Chartered Accountants regarding investment in OMC Project. In view of successful fulfilment of initial mandatory requirements of Oil and Gas Regulatory Authority (OGRA) for setting up of an OMC and future prospects of OMC in current international scenario as prospected under financial feasibility report, the shareholders of the Company in their 9th Annual General Meeting held on 29 September 2017 approved diversion and utilization of un-utilized IPO funds from HTL Express Centers and wholly owned subsidiary company to OMC Project of the Company keeping in view overall growth of the Company and ultimate benefit to all shareholders and stakeholders of the Company.

The Project envisages setting up 360 retail outlets across Punjab, Sindh and Khyber Pakhtunkhwa Provinces of Pakistan. The fuel stations will offer full range of services such as general store, tyre shop and a car shop amongst others. To support sales, the Company plans to invest in building storage capacities of 25,735 metric tons (Mogas and HSD) across the country over a period of 7 years.

During the year ended 30 June 2017, OGRA granted license to the Company to establish an Oil Marketing Company (OMC), subject to some conditions. During the year ended 30 June 2018, with reference to OMC Project of the Company, Oil and Gas Regulatory Authority (OGRA) has granted permission to proceed to apply/acquire No Objection Certificates (NOCs) from concerned departments including District Coordination Officer (DCO) for setting up of upto 26 retail outlets in Punjab Province with instructions that retail sales through petrol pumps can only be started after completion of necessary Storage Infrastructure, 3rd Party Inspector Report confirming that storage/depot meets OGRA's notified Technical Standards and OGRA's approval.

During the year ended 30 June 2018, the Company completed its oil storage site at Sahiwal. The Company also purchased land in Nowshera for oil storage site under OMC Project.

On 31 May 2019, Oil and Gas Regulatory Authority (OGRA) granted permission to the Company to operate new oil storage facility at Sahiwal and marketing of petroleum products in the Province of Punjab. The Company signed agreements with various dealers for setting up petrol pumps under the OMC Project and also started construction of another storage site at Nowshera, Khyber Pakhtunkhwa.

During the year ended on 30 June 2020, the Company started its OMC operations and expediently worked on completion of its Nowshera oil storage. During the year ended 30 June 2021, Company has completed its oil storage at Nowshera. On 09 August 2021, OGRA acknowledged the satisfactory completion of Nowshera oil storage based on third party inspection report. During the year ended 30 June 2022, the Company has started work on new oil storage facility at Shikarpur. On 16 March 2023, OGRA has granted permission to the Company to operate new storage facility at Nowshehra and marketing of petroleum products in the province of Khyber Pakhtunkhwa. Currently, the Company has seven operational HTL Express Centers, four in Lahore, two in Karachi and one in Rawalpindi. Further, the Company has fifty five retail outlets operational for sale of petroleum products as on 30 June 2024. Detail of payments out of IPO proceeds during the year ended 30 June 2024 is as follows:

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

53. SEGMENT INFORMATION

The Company has two reportable segments. The following summary describes the operation in each of the Company's reportable segments:

Lubricants	Purchase and sale of lubricants, parts and rendering of services.
Petroleum products	Marketing and sale of petroleum products.

	LUBRICANTS		PETROLEUM PRODUCTS		UNALLOCATED		TOTAL - COMPANY	
	2024	2023	**2024**	2023	**2024**	2024	**2024**	2023
	Rupees							
Revenue from contracts with customers - net	8,055,521,978	7,381,321,745	15,960,960,352	8,150,370,310	-	-	24,016,482,330	15,531,692,055
Cost of sales	(7,002,008,113)	(6,027,947,711)	(15,569,807,897)	(7,917,035,699)	-	-	(22,571,816,010)	(13,944,983,410)
Gross profit	1,053,513,865	1,353,374,034	391,152,455	233,334,611	-	-	1,444,666,320	1,586,708,645
Distribution cost	(618,582,780)	(733,880,046)	(400,050,792)	(309,628,013)	-	-	(1,018,633,572)	(1,043,508,059)
Administrative expenses	(704,210,846)	(699,188,326)	(19,336,043)	(19,542,729)	-	-	(723,546,889)	(718,731,055)
Other expenses	(18,291,462)	(24,886,258)	(36,267,439)	(11,256,265)	-	-	(54,558,901)	(36,142,523)
	(1,341,085,088)	(1,457,954,630)	(455,654,274)	(340,427,007)	-	-	(1,796,739,362)	(1,798,381,637)
Other income	967,814,956	403,195,451	90,705,347	101,910,267	-	-	1,058,520,303	505,105,718
Profit / (loss) from operations	680,243,733	298,614,855	26,203,528	(5,182,129)	-	-	706,447,261	293,432,726
Finance cost	(432,102,926)	(376,034,509)	(111,943,694)	(98,582,345)	-	-	(544,046,620)	(474,616,854)
Profit / (loss) before taxation	248,140,807	(77,419,654)	(85,740,166)	(103,764,474)	-	-	162,400,641	(181,184,128)
Levy	-	-	-	-	(111,560,224)	(65,705,846)	(111,560,224)	(65,705,846)
Profit / (loss) before taxation	248,140,807	(77,419,654)	(85,740,166)	(103,764,474)	(111,560,224)	(65,705,846)	50,840,417	(246,889,974)
Taxation	-	-	-	-	60,563,380	153,477,452	60,563,380	153,477,452
Profit / (loss) after taxation	248,140,807	(77,419,654)	(85,740,166)	(103,764,474)	(50,996,844)	87,771,606	111,403,797	(93,412,522)

		LUBRICANTS		PETROLEUM PRODUCTS		TOTAL - COMPANY	
		2024	2023	**2024**	2023	**2024**	2023
				Rupees			
53.1	**Reconciliation of reportable segment assets and liabilities:**						
	Total assets for reportable segments	3,762,378,934	2,770,492,791	4,925,271,282	3,947,956,772	8,687,650,216	6,718,449,563
	Unallocated assets					322,769,341	676,568,277
	Total assets as per statement of financial position					9,010,419,557	7,395,017,840
	Total liabilities for reportable segments	1,622,410,722	456,486,909	1,905,651,627	233,897,003	3,528,062,349	690,383,912
	Unallocated liabilities					1,543,996,527	2,881,688,544
	Total liabilities as per statement of financial position					5,072,058,876	3,572,072,456

53.2 All of the sales of the Company relates to customers in Pakistan.

53.3 All non-current assets of the Company as at the reporting dates are located in Pakistan.

54. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors has proposed a cash dividend for the year ended 30 June 2024 of Rupees Nil per share (2023: Nil) at their meeting held on 20 Sep, 2024. However, this event has been considered as non-adjusting event under IAS 10 'Events after the Reporting Period' and has not been recognized in these financial statements.

55. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 20 Sep, 2024 by the Board of Directors of the Company.

56. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, except for reclassification as disclosed in note 2.16 to these financial statements, no significant rearrangements / reclassification have been made.

57. GENERAL

Figures have been rounded off to the nearest Rupee, unless otherwise stated.

Chief Executive	Director	Chief Financial Officer

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

INDEPENDENT **AUDITOR'S REPORT**

To the members of Hi-Tech Lubricants Limited

Opinion

We have audited the annexed consolidated financial statements of Hi-Tech Lubricants Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 30 June 2024, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of the Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

Sr. No.	Key audit matters	How the matter was addressed in our audit
1	**Revenue recognition** The Group recognized net revenue of Rupees 24,317.223 million for the year ended 30 June 2024. We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Group and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets. For further information on revenue, refer to the following: - Material accounting policy information, Revenue recognition note 2.21 to the consolidated financial statements. - Net revenue from contracts with customers as shown on the face of consolidated statement of profit or loss.	Our procedures included, but were not limited to: • We obtained an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue. • We compared a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents. • We compared a sample of revenue transactions recorded around the year-end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period. • We tested the effectiveness of the Group's internal controls over the calculation and recognition of discounts. • We assessed whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers'. • We also considered the appropriateness of disclosures in the consolidated financial statements.

Sr. No.	Key audit matters	How the matter was addressed in our audit
2	**Stock-in-trade existence and valuation** Stock-in-trade as at 30 June 2024 amounted to Rupees 3,239.996 million and represented a material position in the consolidated statement of financial position. The business is characterized by high volume and the valuation and existence of stock-in-trade are significant to the business. Therefore, considered as one of the key audit matters. Stock-in-trade is stated at lower of cost and net realizable value. Cost is determined as per material accounting policy disclosed in note 2.8.2 to the consolidated financial statements. At year end, the valuation of stock-in-trade is reviewed by management and the cost of stock-in-trade is reduced where stock-in-trade is forecast to be sold below cost. For further information on stock-in-trade, refer to the following: - Material accounting policy information, Stock-in-trade note 2.8.2 to the consolidated financial statements. - Stock-in-trade note 22 to the consolidated financial statements.	Our procedures over existence and valuation of stock-in-trade included, but were not limited to: • To test the quantity of stock-in-trade at all locations, we assessed the corresponding stock-in-trade observation instructions and participated in stock-in-trade counts on sites. Based on samples, we performed test counts and compared the quantities counted by us with the results of the counts of the management. • For a sample of stock-in-trade items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets. • We tested that the ageing report used by management correctly aged stock-in-trade items by agreeing a sample of aged stock-in-trade items to the last recorded invoice. • On a sample basis, we tested the net realizable value of stock-in-trade items to recent selling prices and re-performed the calculation of the stock-in-trade write down, if any. • We assessed the percentage write down applied to older stock-in-trade with reference to historic stock-in-trade write downs and recoveries on slow moving stock-in-trade. • In the context of our testing of the calculation, we analysed individual cost components and traced them back to the corresponding underlying documents. We furthermore challenged changes in unit costs. • We also made inquires of management, including those outside of the finance function, and considered the results of our testing above to determine whether any specific write downs were required.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

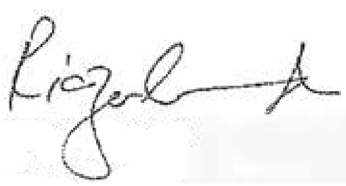
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Atif Anjum.



RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore

Date: 23 September, 2024

UDIN: AR2024101324kuqbNpJY

CONSOLIDATED STATEMENT OF
FINANCIAL POSITION
As at 30 June 2024

	Note	2024 Rupees	2023 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
150,000,000 (2023: 150,000,000)			
ordinary shares of Rupees 10 each		1,500,000,000	1,500,000,000
Issued, subscribed and paid-up share capital	4	1,392,048,000	1,392,048,000
Reserves	5	4,529,463,929	4,651,660,024
Total equity		5,921,511,929	6,043,708,024
LIABILITIES			
Non-current liabilities			
Long term financing	6	506,839,256	596,988,256
Lease liabilities	7	479,848,129	487,911,254
Long term deposits	8	15,000,000	16,500,000
Deferred liabilities	9	130,031,085	321,124,507
		1,131,718,470	1,422,524,017
Current liabilities			
Trade and other payables	10	3,922,081,945	1,926,226,196
Accrued mark-up	11	98,461,634	124,519,872
Short term borrowings	12	2,064,242,674	2,406,866,985
Current portion of non-current liabilities	13	263,618,482	233,041,322
Unclaimed dividend		5,689,417	5,830,744
		6,354,094,152	4,696,485,119
Total liabilities		7,485,812,622	6,119,009,136
Contingencies and commitments	14		
TOTAL EQUITY AND LIABILITIES		13,407,324,551	12,162,717,160
ASSETS			
Non–current assets			
Fixed assets	15	6,572,529,763	6,439,774,188
Right-of-use assets	16	596,393,130	635,782,031
Intangible assets	17	9,653,391	20,260,771
Investment property	18	-	135,000,000
Long term security deposits	19	43,313,369	63,700,448
Long term loan to an employee	20	2,050,936	2,985,100
		7,223,940,589	7,297,502,538
Current assets			
Stores	21	71,548,897	129,169,374
Stock-in-trade	22	3,239,996,513	3,210,734,081
Trade debts	23	1,101,435,544	233,969,194
Loans and advances	24	387,407,108	342,094,549
Short term deposits and prepayments	25	41,369,100	40,379,947
Other receivables	26	311,042,045	213,788,973
Advance income tax and prepaid levy - net	27	261,369,147	210,385,009
Accrued interest	28	186,102	7,032,985
Short term investments	29	222,717,061	222,582,946
Cash and bank balances	30	411,312,445	255,077,564
		6,048,383,962	4,865,214,622
Non-current asset classified as held for sale	31	135,000,000	-
		6,183,383,962	4,865,214,622
TOTAL ASSETS		13,407,324,551	12,162,717,160

The annexed notes form an integral part of these consolidated financial statements.

Chief Executive

Director

Chief Financial Officer

CONSOLIDATED STATEMENT OF
PROFIT OR LOSS
For the year ended 30 June 2024

	Note	2024 Rupees	2023 Rupees
Gross Revenue From Contracts With Customers	32	27,114,204,101	17,616,699,583
Discounts		(628,306,843)	(339,727,263)
Sales tax		(2,168,673,908)	(1,666,576,970)
Net Revenue From Contracts With Customers		24,317,223,350	15,610,395,350
Cost of sales	33	(21,952,726,092)	(13,183,693,709)
Gross profit		2,364,497,258	2,426,701,641
Distribution cost	34	(1,075,662,872)	(1,075,020,746)
Administrative expenses	35	(924,260,349)	(900,037,654)
Other expenses	36	(99,132,656)	(230,619,927)
		(2,099,055,877)	(2,205,678,327)
Other income	37	357,580,703	178,456,916
Profit from operations		623,022,084	399,480,230
Finance cost	38	(800,962,232)	(721,939,877)
LOSS BEFORE TAXATION AND LEVY		(177,940,148)	(322,459,647)
LEVY	39	(128,674,168)	(73,357,435)
LOSS BEFORE TAXATION		(306,614,316)	(395,817,082)
Taxation	40	169,237,721	148,834,722
LOSS AFTER TAXATION		(137,376,595)	(246,982,360)
LOSS PER SHARE - BASIC AND DILUTED	41	(0.99)	(1.77)

The annexed notes form an integral part of these consolidated financial statements.

Chief Executive

Director

Chief Financial Officer

CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME

For the year ended 30 June 2024

	2024 **Rupees**	2023 Rupees
(Loss) / Profit after taxation	(137,376,595)	(246,982,360)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Surplus on revaluation of freehold land	15,180,500	314,692,250
	-	-
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the year	15,180,500	314,692,250
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR	(122,196,095)	67,709,890

The annexed notes form an integral part of these consolidated financial statements.

Chief Executive

Director

Chief Financial Officer

CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY

For the year ended 30 June 2024

	Share capital	Reserves					Total 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 2022	1,392,048,000	1,441,697,946	1,783,101,998	3,224,799,944	1,637,559,790	4,862,359,734	6,254,407,734
Transactions with owners:							
Final dividend for the year ended 30 June 2023							
@ Rupees 2 per share	-	-	-	-	(278,409,600)	(278,409,600)	(278,409,600)
Loss for the year ended 30 June 2023	-	-	-	-	(246,982,360)	(246,982,360)	(246,982,360)
Other comprehensive income for the year ended 30 June 2023	-	-	314,692,250	314,692,250	-	314,692,250	314,692,250
	-	-	314,692,250	314,692,250	(246,982,360)	67,709,890	67,709,890
Balance as at 30 June 2023	1,392,048,000	1,441,697,946	2,097,794,248	3,539,492,194	1,112,167,830	4,651,660,024	6,043,708,024
Loss for the year ended 30 June 2024	-	-	-	-	(137,376,595)	(137,376,595)	(137,376,595)
Other comprehensive income for the year ended 30 June 2024	-	-	15,180,500	15,180,500	-	15,180,500	15,180,500
Total comprehensive income for the year ended 30 June 2024	-	-	15,180,500	15,180,500	(137,376,595)	(122,196,095)	(122,196,095)
Balance as at 30 June 2024	1,392,048,000	1,441,697,946	2,112,974,748	3,554,672,694	974,791,235	4,529,463,929	5,921,511,929

The annexed notes form an integral part of these consolidated financial statements.

Chief Executive

Director

Chief Financial Officer

CONSOLIDATED STATEMENT OF
CASH FLOWS
For the year ended 30 June 2024

	Note	**2024 Rupees**	2023 Rupees Restated
Cash flows from operating activities			
Cash generated from operations	42	1,988,858,341	591,261,161
Finance cost paid		(803,486,680)	(631,626,365)
Income tax paid		(179,658,306)	(125,901,296)
Net increase in long term loans to employees		934,164	(2,935,933)
Net decrease in long term security deposits		22,759,420	11,642,528
Decrease in long term deposits		(1,500,000)	(500,000)
Net cash generated from / (used in) operating activities		1,027,906,939	(158,059,905)
Cash flows from investing activities			
Capital expenditure on operating fixed assets		(371,234,321)	(487,133,452)
Capital expenditure on intangible assets		-	(8,700,000)
Proceeds from disposal of operating fixed assets		22,050,013	59,997,696
Short term investments - net		5,416,933	4,937,545
Dividends received		42,511,752	35,936,899
Profit on bank deposits and term deposit receipts received		35,120,772	22,813,380
Net cash used in investing activities		(266,134,851)	(372,147,932)
Cash flows from financing activities			
Short term borrowings - net		(342,624,311)	509,289,953
Dividend paid		(141,327)	(278,334,373)
Proceeds from long term financing		-	97,417,000
Repayment of long term financing		(70,665,676)	(63,004,463)
Repayment of lease liabilities		(192,105,893)	(140,512,316)
Net cash (used in) / from financing activities		(605,537,207)	124,855,801
Net increase / (decrease) in cash and cash equivalents		156,234,881	(405,352,036)
Cash and cash equivalents at beginning of the year		255,077,564	660,429,600
Cash and cash equivalents at end of the year	30	411,312,445	255,077,564

The annexed notes form an integral part of these consolidated financial statements.

Chief Executive | Director | Chief Financial Officer

1. THE GROUP AND ITS OPERATIONS

The Group consists of:

Holding Company

Hi-Tech Lubricants Limited

Subsidiary Company

Hi-Tech Blending (Private) Limited

1.1 Hi-Tech Lubricants Limited ("the Holding Company") was incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited. The registered office of the Holding Company is situated at 1-A, Danepur Road, GOR-1, Lahore. The principal activity of the Holding Company is to procure and distribute lubricants and petroleum products. During the year ended 30 June 2017, Oil and Gas Regulatory Authority (OGRA) granted license to the Holding Company to establish an Oil Marketing Company (OMC), subject to some conditions. On 31 May 2019, Oil and Gas Regulatory Authority (OGRA) has granted permission to the Holding Company to operate new storage facility at Sahiwal and marketing of petroleum products in the Province of Punjab. On 20 January 2020, the Holding Company has started marketing and sale of petroleum products. On 21 February 2020, OGRA has granted permission to the Holding Company to apply for No Objection Certificates (NOCs) from concerned departments to setup petrol pumps in Khyber Pakhtunkhwa Province. On 09 August 2021, OGRA has acknowledged the satisfactory completion of oil storage facility at Nowshera, Khyber Pakhtunkhwa . On 13 January 2022, OGRA has further extended / renewed the provisional license for setting up of an OMC upto 31 December 2023. On 16 March 2023, OGRA has granted permission to the Holding Company to operate new storage facility at Nowshehra and marketing of petroleum products in the province of Khyber Pakhtunkhwa. On 21 December 2023, OGRA has further extended / renewed the provisional license for setting up of an OMC upto 31 December 2025.

1.2 Hi-Tech Blending (Private) Limited

Hi-Tech Blending (Private) Limited ("the Subsidiary Company") was incorporated in Pakistan as a private company limited by shares on 13 March 2014 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The principal activity of the Subsidiary Company is to construct, own and operate lubricating oil blending plant and manufacturing and sale of plastic products. The registered office of the Subsidiary Company is situated at 1-A, Danepur Road, GOR-1, Lahore. The Subsidiary Company is a wholly owned subsidiary of Hi-Tech Lubricants Limited.

1.3 Geographical location and addresses of all business units are as follows:

Business units	Address
Registered and head office	1-A, Danepur Road, GOR-1, Lahore
Regional office – Karachi	C-6 /1, Street No. 3, Bath Island, Clifton, Karachi
Regional office – Islamabad	Suite No. 1402, 14th Floor, Green Trust Tower, Jinnah Avenue, Blue Area, Islamabad.
Regional office – Multan	House No. 95, Block C, Phase III, Model Town, Multan
Regional office – Peshawar	Office No. 280, 3rd Floor, Deans Trade Centre, Islamia Road, Peshawar
Warehouse	Property No. 35 A/M, Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore
Blending plant and warehouse	7-KM, Sundar Raiwind Road, Bhai Kot, Lahore.
Customs bonded warehouse	7-KM, Sundar Raiwind Road, Bhai Kot, Lahore
Warehouse	7-KM, Sundar Raiwind Road, Bhai Kot, Lahore
Oil Depot – OMC Project	Mouza No. 107/9L, Sahiwal
OMC Project office	House No. 57 C-1, Gulberg III, Lahore
Oil Depot – OMC Project	Mouza Aza Khel Bala, Nowshera
Oil Depot – Extension	Mouza Aza Khel Payan, Nowshera
HTL Express Centre	Dharampura, Lahore
HTL Express Centre	Garden Town, Lahore
HTL Express Centre	Block F, Gulshan-e-Ravi, Lahore
HTL Express Centre	Johar Town, Lahore
HTL Express Centre	Gulistan-e-Johar, Karachi
HTL Express Centre	Pakistan Employees Cooperative Housing Society, Karachi
HTL Express Centre	Askari XIV Sector – A, Rawalpindi

Business units	Address
Oil Boy Filling Station	Mouza Neel Kot, Head Muhammad Wala Road, Multan
Punjab Filling Station	Main Satyana Road, Faisalabad
Green Fuel CNG	1-KM, G.T. Road, Lalamusa
A.B. Petroleum Filling Station	Tehsil Liaqatpur, Rahim Yar Khan
Jillani CNG	Lehtrar Road, Islamabad
Dasti Filling Station	Jampur Road, Dera Ghazi Khan
Rehman Filling Station	Chistian Road, Hasilpur
Al-Fazal Filling Station	Sargodha Road, Jhang
Ibrahim Petroleum	Sialkot Road, Gujranwala
Karma Wala-1 Filling Station	Shahkot Road, Jaranwala
Raja Adeel Filling Station	Arifwala Road, Arifwala
Gondal Filling Station	Daska Road, Wazirabad
City Filling Station	Hujra Shah Muqeem, Okara
Al Karam Filling Station	Shamkey Bhattian, Lahore
Green City Fuel Station	Hasilpur Road, Bahalwalpur
Khokhar Fuel Station	Small Industrial Estate, Jinnah Road, Gujranwala
Minhas CNG	Multan Road, Lahore
One Stop	Main Ferozepur Road, Lahore
S&S	Toba Road, Jhang
Al Yousaf CNG	Khanewal Road, Multan
Rana Petroleum	Faisalabad Road, Okara
Mudassir Zulfiqar Filling Station	Vehari Road, Multan
Shahid & Company	Daska Road, Gujranwala
Benzina II Filling Station	Benazir Road, Okara
Nambardar Filling Station	Rawalpindi Road, Chakwal
Iftikhar Nadeem & Company	Mouza Jhawary, Dhamial Road, Rawalpindi Cantt.
Suntrust CNG	Millat Road, Faisalabad
Meezan Filling Station	Jhang Road, Toba Tek Singh
Bahadur Filling Station	Mouza Ismail Khani, Bannu
M Nawaz Filling Station	Main Daraban Road, Mouza Kotla Syedan, Dera Ismail khan
Imdad Mir Filling Station	Mouza Ghanda, Nawab Road, Mansehra
Rahat Filling Station	Saidu Shareef Road, Tehsil Babuzai, Swat
Arab Emirate Filling Station	Mouza Bandi, Tehsil Khawaja Khela, Swat
Rashid Filling Station	Mouza Qambar-192, Tehsil Babuzai, Swat
Al Rehman Filling Station	Mouza Ismail Khani, Bannu
Naik Muhammad Filling Station	Near Bybass Thana, District Malakand
Big Khan Filling Station	Hajiabad Malakand University Road, Chakdara
Ghuman Brothers Filling Station	Plot 105, Block K, Gulberg 3, Lahore
Khalifa Filling Station	Jhang Road, Gojra
Al Sheikh Filling Station	Main GT Road, Gujrat

Moon CNG Filling Station	Mouza Humak, Islamabad
Aabroo Petroleum & CNG	Jaranwala-Khurianwala Road, Jaranwala
Abbasi & Khan Traders	Gujjar Kohala, Dhirkot
AL Mustafa Filling Station	Qaziwala Road, Chishtian
Shah Sardar Petroleum	Mouza Dham Thor, Muree Road, Abbotabad
Shams Petroleum Service	E-35, Hazara Expressway
Roshan Filling Station	Sheikhupura-Sargodha Road
Chawinda Filling Station	Khawaja Sardar Road, Sialkot
Jan Muhammad Filling Station	Ekka Ghund, Mohammand
Phandu Filling Station/CNG	Phandu Chowk, Umar Road, Peshawar
Four Star CNG Filling Station	Mardan Swabi Road, Bughdada
Hussain Filling Station	Near Shah Alam Pull, Charsada Road, Peshawar
Attock CNG & Filling Station	Iqbal Chowk, Choi East Attock City, Attock
Masha Allah CNG	M.CC Kamra Road, Attock City, Attock

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The material accounting policy information applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated:

2.1 Basis of preparation

a) Statement of compliance

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

– International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
– Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

b) Accounting convention

These consolidated financial statements have been prepared under the historical cost convention except as otherwise stated in the respective accounting policies.

c) Critical accounting estimates and judgments

The preparation of consolidated financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the consolidated financial statements or where judgments were exercised in application of accounting policies are as follows:

Income Tax

In making the estimates for income tax and levy currently payable by the Group, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past. Instances where the Group's view differs from the view taken by the income tax department at the assessment stage and where the Group considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

Useful lives, pattern of economic benefits and impairment

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Group. Further, the Group reviews the value of the assets for possible impairments on an annual basis. If such indication exist assets recoverable amount is estimated in order to determine the extent of impairment loss, if any. Any change in the estimates in the future might affect the carrying amount of respective item of operating fixed assets, with a corresponding effect on the depreciation charge and impairment.

Inventories

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made on each reporting date on inventories for excess inventories, obsolescence and declines in net realisable value and an allowance is recorded against the inventory balances for any such declines.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Revenue from contracts with customers involving sale of goods

When recognizing revenue in relation to the sale of goods to customers, the key performance obligation of the Group is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Provisions

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the consolidated statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

Classification of investments

The management of the Group determines the appropriate classification of its investments at the time of purchase or increase in holding and classifies its investments in accordance with IFRS 9 "Financial Instruments".

Contingencies

The Group reviews the status of all pending litigations and claims against the Group. Based on the judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the consolidated statement of financial position date.

Revaluation of freehold land and investment property

Fair values of freehold land and investment property are determined by independent valuer engaged by the Group. The key assumptions used to determine the fair values of freehold land and investment property are complex in nature. Further, determining adjustments for any differences in nature, location and condition of freehold land and investment property involves significant judgment. The effect of any changes in fair values are considered as estimate and are accounted for on a prospective basis.

d) Amendments to published approved accounting standards that are effective in current year and are relevant to the Group

Following amendments to published approved accounting standards are mandatory for the Group's accounting periods beginning on or after 01 July 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgement').
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 'Income Taxes').
- Change in definition of Accounting Estimate (Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors').
- Amendments to IAS 12 'Income Taxes' - International Tax Reform — Pillar Two Model Rules.

The above-mentioned amendments to approved accounting standards did not have any impact on the amounts recognised in prior period and are not expected to significantly affect the current or future periods.

e) Amendments to published approved accounting standards that are effective in current year but not relevant to the Group

There are amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2023 but are considered not to be relevant or do not have any significant impact on the Group's financial statements and are therefore not detailed in these financial statements.

f) Amendments to published approved accounting standards that are not yet effective but relevant to the Group

Following amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 01 July 2024 or later periods:

Classification of liabilities as current or non-current (Amendments to IAS 1 'Presentation of Financial Statements') effective for the annual period beginning on or after 01 January 2024. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

On 31 October 2022, the IASB issued 'Non-current Liabilities with Covenants (Amendments to IAS 1)' to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments are effective for reporting periods beginning on or after 01 January 2024.

On 22 September 2022, the IASB issued 'Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)' with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments are effective for annual periods beginning on or after 01 January 2024.

On 25 May 2023, the IASB issued 'Suppliers Finance Arrangements (Amendments to IAS 7 and IFRS 7)' to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangement. The amendments are effective for reporting period beginning on or after 01 January 2024.

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' (deferred indefinitely) to clarify the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 'Business Combinations'); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

Lack of Exchangeability (Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates'). The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments are effective for annual reporting periods beginning on or after 01 January 2025.

IFRS 18 'Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after 01 January 2027) with a focus on updates to the statement of profit or loss. The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The key new concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

The above amendments and improvements are likely to have no significant impact on the financial statements.

g) Standards and amendments to approved published standards that are not yet effective and not considered relevant to the Group

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2024 but are considered not to be relevant or do not have any significant impact on the consolidated financial statements and are therefore not detailed in these consolidated financial statements.

2.2 Consolidation

Subsidiary

Subsidiary is an entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiary is fully consolidated from the date on which control is transferred to the Group. It is deconsolidated from the date that control ceases.

The assets and liabilities of Subsidiary Company have been consolidated on a line by line basis and carrying value of investment held by the Holding Company is eliminated against Holding Company's share in paid up capital of the Subsidiary Company.

Intragroup balances, transactions and unrealized gains on transactions between Group companies have been eliminated.

2.3 Fixed assets

Operating fixed assets except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Cost of operating fixed assets consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable costs of bringing the asset to working condition. Freehold land is stated at revalued amount less any identified impairment loss. Capital work-in-progress are stated at cost less any recognized impairment loss. All expenditure connected with specific assets incurred during installation and construction periods are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to profit and loss account during the period in which they are incurred.

Increases in the carrying amounts arising on revaluation of freehold land are recognized, in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognized in the statement of profit or loss, the increase is first recognized in the statement of profit or loss. Decreases that reverse previous increase of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss.

Depreciation

Depreciation is charged to consolidated statement of profit or loss by applying the reducing balance method whereby cost of an asset is written off over its estimated useful life at the rates given in Note 15.1. Depreciation on additions is charged for the full month in which the asset is available for use and on deletion up to the month immediately preceding the deletion.

Useful life of assets is reviewed at each financial year end and if expectations differ from previous estimates the change is accounted for as change in accounting estimate in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

De-recognition

An item of operating fixed asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

2.4 Intangible assets

Intangible assets, which are non-monetary assets without physical substance, are recognized at cost, which comprise purchase price, non-refundable purchase taxes and other directly attributable expenditures relating to their implementation and customization. After initial recognition, an intangible asset is carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized from the month when these assets are available for use, using the straight line method, whereby the cost of the intangible asset is amortized over its estimated useful life over which economic benefits are expected to flow to the Group. The useful life and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

2.5 Right-of-use assets

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses (if any). Cost comprises of the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.
The Group has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are charged to income as incurred.

2.6 Lease liabilities

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of-use asset, or to consolidated statement of profit or loss if the carrying amount of the right-of-use asset is fully written down.

2.7 Foreign currency transactions and translation

All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are charged or credited to consolidated statement of profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Pak Rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into Pak Rupees at exchange rates prevailing at the date when fair values are determined.

2.8 Inventories

2.8.1 Stores

Useable stores are valued principally at moving average cost, while items considered obsolete are carried at Nil value. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

2.8.2 Stock-in-trade

Stock-in-trade, except for stock-in-transit, is stated at lower of weighted average cost and estimated net realizable value. Cost comprises of invoice value, charges like custom duties and similar levies and other direct costs.

Cost of raw material, work-in-process and finished goods are determined as follows:

(i) For raw material: Weighted average basis
(ii) For work-in-process and finished goods: Average manufacturing cost including a portion of production overheads.

Finished goods purchased for resale are stated at the lower of cost, determined using weighted average cost method, and net realizable value. Cost of finished goods purchased for resale comprises of invoice value, charges like custom duties and similar levies and other direct costs.

Stock in transit is valued at cost comprising invoice value plus other charges incurred thereon.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

2.9 Investments and other financial assets

a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

b) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of profit or loss.

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income / (other expenses) and impairment losses are presented as separate line item in the consolidated statement of profit or loss.

Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)
Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss

Changes in the fair value of equity investments at fair value through profit or loss are recognised in other income / (other expenses) in the consolidated statement of profit or loss as applicable.

Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

2.10 Financial Liabilities - classification and measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in consolidated statement of profit or loss. Any gain or loss on de-recognition is also included in profit or loss.

2.11 Impairment of financial assets

The Group recognizes loss allowances for Expected Credit Losses (ECLs) on:

- Financial assets measured at amortized cost;
- Debt investments measured at FVTOCI; and
- Contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and

- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The Group has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment including forward-looking information.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVTOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

2.12 De-recognition of financial assets and financial liabilities

a) Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Group is recognized as a separate asset or liability.

b) Financial liabilities

The Group derecognizes a financial liability (or a part of financial liability) from its consolidated statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

2.13 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each consolidated statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which assets carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Reversals of the impairment losses are restricted to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if impairment losses had not been recognized. An impairment loss or reversal of impairment loss is recognized in the consolidated statement of profit or loss.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

2.15 Provisions

A provision is recognized when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

2.16 Taxation

2.16.1 Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. Final taxes levied under the Income Tax Ordinance, 2001 and any excess over the amount designated as provision for current tax are charged as levy in consolidated statement of profit or loss. The charge for current tax and levy also includes adjustments, where considered necessary, to provision for tax and levy made in previous years arising from assessments framed during the year for such years. Previously, component representing levy was included in the provision for current tax and was not separately charged in consolidated statement of profit or loss. This change in accounting policy has been applied retrospectively in accordance with the provisions of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and resulted in following reclassification of corresponding figures:

Reclassified from	**Reclassified to**	**30 June 2023**
		Rupees
Consolidated statement of profit or loss:		
Taxation	Levy	73,357,435
Consolidated statement of financial position:		
Provision for taxation	Levy payable	83,537,154
Advance income tax	Prepaid levy	5,390,534

Had there been no change in the above referred accounting policy, amount of levy Rupees 128.674 million, prepaid levy 6.376 million and levy payable Rupees 128.674 million would have been presented as taxation expense, advance income tax and provision for taxation respectively in these consolidated financial statements for the year ended 30 June 2024. This change in accounting policy has no impact on earnings per share of the Group. Furthermore, the third consolidated statement of financial position has not been presented as at the beginning of the preceding period as the retrospective application does not have an effect on the information in the consolidated statement of financial position at the beginning of the preceding period.

Deferred

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the consolidated statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

Group taxation adjustments

Current and deferred taxes based on the consolidated results of the Group (under Section 59AA of the Income Tax Ordinance, 2001) are allocated within the Group on the basis of separate return method, modified for determining realizability of tax credits and tax losses which are assessed at Group level. Any adjustments in the current and deferred taxes of the Company on account of group taxation are credited or charged to consolidated statement of profit or loss in the year in which they arise.

2.17 Borrowings

Financing and borrowings are initially recognized at fair value of the consideration received, net of transaction costs. They are subsequently measured at amortized cost using the effective interest method.

2.18 Borrowing costs

Borrowing costs are recognized as expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of cost of that asset.

2.19 Trade and other receivables

Trade debts are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

2.20 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost and subsequently measured at amortized cost using the effective interest method.

2.21 Revenue recognition

(a) Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

(b) Interest

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(c) Dividend

Dividend on equity investments is recognized when right to receive the dividend is established.

(d) Rental income

The Group earns rental income on some of its property leased out. Rental income is recognized on accrual basis over the period of lease agreement as per the requirements of IFRS 16.

2.22 Contract assets

Contract assets arise when the Group performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due. Contract assets are treated as financial assets for impairment purposes.

2.23 Customer acquisition costs

Customer acquisition costs are capitalised as an asset where such costs are incremental to obtaining a contract with a customer and are expected to be recovered. Customer acquisition costs are amortised on a straight-line basis over the term of the contract.

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained or which are not otherwise recoverable from a customer are expensed as incurred to profit or loss. Incremental costs of obtaining a contract where the contract term is less than one year is immediately expensed to profit or loss.

2.24 Customer fulfilment costs

Customer fulfilment costs are capitalised as an asset when all the following are met: (i) the costs relate directly to the contract or specifically identifiable proposed contract; (ii) the costs generate or enhance resources of the Group that will be used to satisfy future performance obligations; and (iii) the costs are expected to be recovered. Customer fulfilment costs are amortised on a straight-line basis over the term of the contract.

2.25 Right of return assets

Right of return assets represents the right to recover inventory sold to customers and is based on an estimate of customers who may exercise their right to return the goods and claim a refund. Such rights are measured at the value at which the inventory was previously carried prior to sale, less expected recovery costs and any impairment.

2.26 Contract liabilities

Contract liability is the obligation of the Group to transfer goods to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group transfers goods, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Group performs its performance obligations under the contract.

2.27 Refund liabilities

Refund liabilities are recognised where the Group receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the Group does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

2.28 Contingent assets

Contingent liability is disclosed when the Group has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the consolidated financial statements.

2.29 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of fixed assets are included in non-current liabilities as deferred income and are credited to profit or loss over the expected lives of the related assets.

2.30 Segment reporting

Segment reporting is based on the operating (business) segments of the Group. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief executive officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the chief executive officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those incomes, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

The Group has following reportable business segments:

- Lubricants (Purchase, blend, package and sale of lubricants, parts and rendering of services).
- Petroleum products (Marketing and sale of petroleum products).
- Polymer (Manufacturing and sale of plastic bottles).

2.31 Contingent liabilities

Contingent liability is disclosed when the Company has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the financial statements.

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

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

3 SUMMARY OF OTHER ACCOUNTING POLICIES

3.1 Investment property

Land held for capital appreciation or to earn rental income is classified as investment property. Investment property is carried at fair value. Changes in fair value are presented in consolidated statement of profit or loss as part of other income.

Independent valuations are performed periodically, the carrying amounts are reviewed against there valuations and adjustments are made where there are material changes. Increases in the carrying amounts arising on revaluation of investment property are recognised, in the consolidated statement of profit or loss.

3.2 Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (the functional currency). The consolidated financial statements are presented in Pak Rupees, which is the Group's functional and presentation currency. Figures are rounded off to the nearest Pak Rupees.

3.3 Employee benefits

The Group operates contributory provident fund schemes covering all regular employees. Equal monthly contributions are made both by the employees and the employers to the funds at the rate of 10% of basic salary of employees. The Group's contributions to the funds are charged to consolidated statement of profit or loss.

3.4 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the consolidated financial statements when there is a legal enforceable right to set off and the Group intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

3.5 Ijarah contracts

Under the Ijarah contracts the Group obtains usufruct of an asset for an agreed period for an agreed consideration. The Group accounts for its Ijarah contracts in accordance with the requirements of IFAS 2 'Ijarah'. Accordingly, the Group as a Mustaj'ir (lessee) in the Ijarah contract recognises the Ujrah (lease) payments as an expense in the profit or loss on straight line basis over the Ijarah term.

3.6 Contingent assets

Contingent assets are disclosed when the Group has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are not recognized until their realization becomes certain.

3.7 Dividend and other appropriations

Dividend distribution to the shareholders is recognized as a liability in the consolidated financial statements in the period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

3.8 Earnings per share

The Group presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Holding Company by the weighted average number of ordinary shares outstanding during the year.

3.9 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax.

4. ISSUED, SUBSCRIBED AND PAID–UP SHARE CAPITAL

2024	2023		**2024**	2023
(Number of shares)			**Rupees**	Rupees
41,002,000	41,002,000	Ordinary shares of Rupees 10 each		
		fully paid-up in cash	410,020,000	410,020,000
25,000,000	25,000,000	Ordinary shares of Rupees 10 each		
		issued as fully paid for consideration		
		other than cash (Note 4.2)	250,000,000	250,000,000
73,202,800	73,202,800	Ordinary shares of Rupees 10 each		
		issued as fully paid bonus shares	732,028,000	732,028,000
139,204,800	139,204,800		1,392,048,000	1,392,048,000

4.1 993,330 (2023: 993,330) ordinary shares of the Holding Company are held by SK Enmove Co., Ltd. - principal supplier and long term partner.

4.2 On 01 July 2011, the Holding Company entered into 'Agreement for Takeover of Partnership Firm by Private Limited Company / Dissolution of Partnership' ("the Agreement") with partners of Hi-Tec Lubricants, a registered partnership firm ("the Firm") and took over all the business, assets and liabilities of the Firm, as per audited financial statements of Hi-Tec Lubricants for the year ended 30 June 2011, against consideration of issuance of shares of the Holding Company amounting to Rupees 250,000,000 divided into 2,500,000 ordinary shares of Rupees 100 each.

4.3 The principal shareholders of the Holding Company and SK Enmove Co., Ltd. have a shareholders agreement in place. The parties to the agreement have agreed on certain board of directors' unanimous resolution items such as direct or indirect engagement in lubricant products under the brand name of the Holding Company or any other party other than SK Enmove Co., Ltd. , engagement with other companies engaged in lubricants business, lubricants business reorganizations, etc. The principal shareholders have undertaken to hold, in aggregate, at all times 51% shares or more of the Holding Company.

	2024 Rupees	2023 Rupees
5. RESERVES		
Capital reserve		
Share premium (Note 5.1)	1,441,697,946	1,441,697,946
Surplus on revaluation of freehold land		
As at 01 July	2,097,794,248	1,783,101,998
Add: Surplus on revaluation of freehold land	15,180,500	314,692,250
As at 30 June	2,112,974,748	2,097,794,248
Revenue reserve		
Un-appropriated profit	974,791,235	1,112,167,830
	4,529,463,929	4,651,660,024

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

	2024 Rupees	2023 Rupees
6. LONG TERM FINANCING		
From banking company - secured		
Holding company		
Subsidiary company		
Bank Al-Habib Limited (Note 6.2)	585,018,170	632,150,056
Less: Current portion shown under current liabilities (Note 13)	78,178,914	35,161,800
	506,839,256	596,988,256

	LENDER	2023	2022	RATE OF INTEREST	NUMBER OF INSTALLMENTS	INTEREST REPRICING	INTEREST PAYABLE	SECURITY
6.1	**Long term loans**							
	Subsidary Company							
	Bank Al-Habib Limited (Note 6.1.1)	289,972,569	307,990,338	SBP rate for TERF + 2.00% and 3.00%	Two hundred and fourty nine unequal quarterly installments commenced from 08 May 2023 and ending on 01 November 2031.	-	Quarterly	These loans and short term borrowings are secured against first parri passu hypothecation charge for Rupees 1,067 million over current assets and Rupees 610 million over plant and machinery of the Subsidiary Company, first parri passu mortgage charge of Rupees 650 million over land and building of the Subsidiary Company, trust receipt, exclusive charge for Rupees 80 million over plant and machinery of solar power plant, exclusive charge for Rupees 163 million over imported plant and machinery of the Subsidiary Company, personal guarantees of all directors of the Subsidiary Company and corporate guarantee of Holding Company amounting to Rupees 2,000 million.
	Bank Al-Habib Limited (Note 6.1.1)	157,217,920	162,593,026	SBP rate for TERF + 4.00%	Two hundred and ten unequal qaurterly installments commenced from 13 October 2023 and ending on 16 December 2031.	-	Quarterly	
		447,190,489	470,583,364					
	Bank Al-Habib Limited (Note 6.1.2)	36,161,013	39,566,692	SBP rate for renewable energy financing scheme + 2.50%	Ninety six unequal quarterly installments commenced from 20 July 2022 and ending on 03 June 2032.	-	Quarterly	
	Bank Al-Habib Limited (Note 6.1.3)	101,666,668	122,000,000	3 months KIBOR + 1.25% per annum	Twenty equal quarterly installments commenced from 23 May 2023 and ending on 23 February 2028.	-	Quarterly	
		585,018,170	632,150,056					

6.1.1 This loan has been obtained by the Subsidiary Company under SBP Temporary Economic Refinance Facility (TERF). It is recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment is recognized at discount rates ranging from 8.85% to 13.39% per annum.

6.1.2 This loan has been obtained by the Subsidiary Company under SBP Renewable Energy Refinance Scheme. It is recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment is recognized at discount rates ranging from 11.93% to 16.52% per annum.

6.1.3 Effective rate of mark-up charged during the year ranged from 22.71% to 24.15% (2023: 16.4% to 23.33%) per annum.

		2024 Rupees	2023 Rupees
7.	**LEASE LIABILITIES**		
	Total lease liabilities	643,392,513	662,217,503
	Less: Current portion shown under current liabilities (Note 13)	(163,544,384)	(174,306,249)
		479,848,129	487,911,254
7.1	**Reconciliation of lease liabilities is as follows:**		
	Opening balance	662,217,503	624,517,326
	Add: Additions during the year	162,958,870	142,903,481
	Add: Interest accrued during the year (Note 38)	87,216,860	69,703,493
	Add: Impact of lease modifications during the year	10,367,143	66,903,337
	Less: Impact of lease reassessment during the year	(45,110)	-
	Less: Impact of lease terminations during the year	-	(30,608,025)
	Less: Payments made during the year	(279,322,753)	(211,202,109)
		643,392,513	662,217,503
	Less: Current portion shown under current liabilities (Note 12)	(163,544,384)	(174,306,249)
		479,848,129	487,911,254
7.2	**Maturity analysis of lease liabilities is as follows:**		
	Upto 6 months	132,409,361	107,389,212
	6-12 months	94,935,663	102,513,217
	1-2 years	164,213,004	176,329,452
	More than 2 years	691,428,965	329,201,160
		1,082,986,993	715,433,041
	Less: Future finance cost	439,594,480	53,215,538
	Present value of lease liabilities	643,392,513	662,217,503
7.3	**Amounts recognised in the consolidated statement of profit or loss:**		
	Interest accrued during the year (Note 38)	87,216,860	69,703,493
	Expense relating to short term and low value leases (included in administrative expenses)	1,478,759	1,144,332
	Expense relating to leases of low-value assets (included in distribution cost)	3,628,183	1,961,644
	Total amount recognised in consolidated statement of profit or loss	92,323,802	72,809,469

7.4 Implicit rates against lease liabilities range from 7.40% to 25.93% (2023: 7.40% to 23.69%) per annum.

7.5 Leases from banking companies are secured against the leased assets, personal guarantees of directors of the Holding Company and Subsidiary Company, corporate guarantee of the Holding Company and security deposits of Rupees 44.016 million (2023: Rupees 67.402 million).

8. LONG TERM DEPOSITS

These are unsecured, interest free and repayable on termination of agreements. These security deposits have been utilized for the purpose of business in accordance with under process amendments to the terms of written agreements.

		2024 Rupees	2023 Rupees
9.	**DEFFERED LIABILITIES**		
	Deferred income tax liability - net (Note 9.1)	58,379,546	227,617,267
	Deferred income - Government grant (Note 9.2)	71,651,539	93,507,240
		130,031,085	321,124,507
9.1	**Deferred income tax liability**		
	The liability for deferred taxation comprises taxable / (deductible) temporary differences relating to:		
	Deferred income tax liabilities		
	Deferred income tax assets		
	Available unused tax losses	14,714,778	102,279,334
	Unabsorbed tax depreciation	189,041,680	41,202,898
	Allowance for expected credit losses	5,295,357	10,319,125
	Provision for doubtful advances to suppliers	913,305	793,171
	Provision for slow moving and obsolete store items	200,081,733	-
	Provision for slow moving and obsolete stock-in-trade	1,963,691	873,614
	Lease liabilities	12,273,992	8,115,499
		191,938,266	197,570,108
	Net deferred income tax liability	616,222,802	361,153,749
	Taxable temporary differences		
	Accelerated tax depreciation and amortization	(419,340,621)	(399,782,874)
	Right-of-use assets	(177,210,642)	(188,988,142)
		(596,551,263)	(588,771,016)
	Net Deferred income tax asset / (liability)	19,671,539	(227,617,267)
	Deferred income tax asset not recognized in these financial statements	(78,051,085)	-
	Deferred income tax liability recognized in these financial statements	(58,379,546)	(227,617,267)

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

	2024		
	Opening balance	Recognised in statement of profit or loss	Closing balance
		Rupees	
Accelerated tax depreciation and amortization	(399,782,874)	(19,557,747)	(419,340,621)
Right-of-use assets	(188,988,142)	11,777,500	(177,210,642)
Unabsorbed tax depriciation	41,202,898	147,838,782	189,041,680
Available unused tax losses	102,279,334	(87,564,556)	14,714,778
Allowance for expected credit losses	10,319,125	(5,023,768)	5,295,357
Provision for doubtful advances to suppliers	793,171	120,134	913,305
Provision for slow moving and obsolete store items	873,614	1,090,077	1,963,691
Provision for slow moving and obsolete stock-in-trade	8,115,499	4,158,493	12,273,992
Lease liabilities	197,570,108	(5,631,842)	191,938,266
Turnover tax carry forward			
Available	-	200,081,733	200,081,733
Movement in deferred income tax not recognized	-	(78,051,085)	(78,051,085)
Deferred income tax recognized	-	122,030,648	122,030,648
	(227,617,267)	169,237,721	(58,379,546)

	2023		
	Opening Balance	Recognised in Statement of Profit or Loss	Closing Balance
		Rupees	
Accelerated tax depreciation and amortization	(407,550,413)	7,767,539	(399,782,874)
Right-of-use assets	(200,675,121)	11,686,979	(188,988,142)
Unabsorbed tax depriciation	-	41,202,898	41,202,898
Available unused tax losses	-	102,279,334	102,279,334
Allowance for expected credit losses	11,542,280	(1,223,155)	10,319,125
Provision for doubtful advances to suppliers	1,562,789	(769,618)	793,171
Provision for slow moving and obsolete store items	1,159,013	(285,399)	873,614
Provision for slow moving and obsolete stock-in-trade	4,957,037	3,158,462	8,115,499
Lease liabilities	212,552,426	(14,982,318)	197,570,108
	(376,451,989)	148,834,722	(227,617,267)

9.2 Deferred income tax asset has been recognised to the extent that the realization of related tax benefits is probable from future taxable profits. It is probable that sufficient taxable profits will be available for utilization of recognised deferred income tax asset. Detail of recognised deferred income tax asset on available unused tax losses, unabsorbed tax depreciation and turnover tax carried forward and unrecognised deferred income tax asset on turnover tax carried forward is given as follows:

	Accounting year to which the tax credit relates	Amount	Accounting year in which tax credit will expire
		Rupees	
Turnover tax carried forward	2023	78,051,085	2026
	2024	122,030,648	2027
		200,081,733	

	Accounting year to which the tax loss relates	Amount	Accounting year in which tax loss will expire
		Rupees	
Unabsorbed tax depreciation	2023	421,688,370	Unlimited
	2024	230,179,491	Unlimited
		651,867,861	

	Accounting year to which the tax loss relates	Amount	Accounting year in which tax loss will expire
		Rupees	
Available unused tax losses	2023	50,740,613	2028

	2024	2023
	Rupees	Rupees
9.3 Deferred income - Government grant		
Opening balance	117,080,513	137,763,697
Add: Recognized during the year	-	2,231,950
Less: Amortized during the year (Note 37)	23,533,790	22,915,134
Closing balance	93,546,723	117,080,513
Less: Current portion shown under current liabilities (Note 13)	21,895,184	23,573,273
	71,651,539	93,507,240

9.3.1 'The State Bank of Pakistan (SBP), through its Circular No. 01 of 2020 dated 17 March 2020 introduced a Temporary Economic Refinance Facility (TERF) for setting of new industrial units. The refinance was available through Banks / DFIs. One of the key feature of the refinance facility was that borrowers could obtain loan at mark-up rates that are below normal lending rates. As per International Accounting Standard (IAS) 20 'Accounting for Government Grants and Disclosure of Government Assistance', the benefit of a Government loan at a below-market rate of interest is treated as a Government Grant. The Subsidiary Company has obtained this loan as disclosed in note 6 to the consolidated financial statements. In accordance with IFRS 9 'Financial Instruments' loan obtained under the refinance facility was initially recognized at fair value which is the present value of loan proceeds received, discounted using prevailing market rates of interest for a similar instrument. Hence, the benefit of the below-market rate of interest has been measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received. This benefit is accounted for and presented as deferred grant in accordance with IAS 20. The grant is being amortized in the consolidated statement of profit or loss, in line with the recognition of interest expense the grant is compensating.

	2024 Rupees	2023 Rupees
10. TRADE AND OTHER PAYABLES		
Creditors (Note 10.1)	2,811,515,418	1,040,828,062
Accrued liabilities (Note 10.2)	122,730,637	107,058,662
Infrastructure development cess payable (Note 10.3)	175,002,601	175,002,601
Contract liabilities - unsecured	57,048,672	57,014,208
Retention money payable	18,251,825	22,861,709
Customs duty and other charges payable	453,221,994	278,828,890
Income tax deducted at source	31,744,298	28,663,904
Payable to employees' provident fund trust	1,310,177	4,979,216
Workers' profit participation fund payable (Note 10.4)	204,019,336	170,106,672
Workers' welfare fund payable (Note 10.5)	47,236,987	40,882,272
	3,922,081,945	1,926,226,196

10.1 These include Rupees 1,168.518 million (2023: Rupees 617.034 million) payable to SK Enmove Co., Ltd. - principal supplier and long term partner.

10.2 This includes Rupees 56.143 million (2023: Rupees 28.239 million) payable against royalty to SK Enmove Co., Ltd. - principal supplier and long term partner.

10.3 Movement in the provision for infrastructure development cess during the year is as follows:

	2024 Rupees	2023 Rupees
Opening balance	175,002,601	172,436,755
Add: Provision made during the year	-	2,565,846
Closing balance	175,002,601	175,002,601
10.4 Workers' profit participation fund		
Balance as on 01 July	170,106,672	140,754,939
Add: Provision for the year (Note 36)	18,604,049	-
Add: Interest for the year (Note 38)	43,243,950	29,351,733
	231,954,671	170,106,672
Less: Payments made during the year	(27,935,335)	-
Balance as on 30 June	204,019,336	170,106,672

10.4.1 The Group retains workers' profit participation fund for its business operations till the date of allocation to workers. Interest is paid at prescribed rate under the Companies Profit (Workers' Participation) Act, 1968 on funds utilized by the Group till the date of allocation to workers.

	2024 Rupees	2023 Rupees
10.5 Workers' welfare fund		
Opening balance	40,882,272	40,417,056
Add: Allocation for the year (Note 34)	6,354,715	465,216
Closing balance	47,236,987	40,882,272
11. ACCRUED MARK-UP		
Long term financing	9,088,735	13,897,859
Short term borrowings	89,372,899	110,622,013
	98,461,634	124,519,872

	2024 Rupees	2023 Rupees
12. SHORT TERM BORROWINGS		
From banking companies - secured		
- Holding Company		
Short term finances (Note 12.1 and Note 12.2)	1,777,187,767	1,851,556,185
- Subsidiary Company		
Short term finances (Note 12.3 and Note 12.4)	287,054,907	555,310,800
	2,064,242,674	2,406,866,985

12.1 These finances are obtained from banking companies under mark-up arrangements and are secured against trust receipts, first joint pari passu hypothecation charge over present and future current assets of the Holding Company, personal guarantees of sponsor directors of the Holding Company and hypothecation charge over land, building and plant and machinery of Subsidiary Company.

12.2 The effective rates of mark-up ranged from 21.19% to 28% (2023: 14.14% to 23.24%) per annum.

12.3 These finances are obtained from banking companies under mark-up arrangements. These short term borrowings and long term financing are secured against trust receipts, first pari passu hypothecation charge and ranking charge over current assets and plant and machinery of the Subsidiary Company, first pari passu mortgage charge over land and building of the Subsidiary Company, personal guarantees of directors of the Subsidiary Company and corporate guarantees of the Holding Company.

12.4 The effective rates of mark-up ranged from 21.75% to 24.40% (2023: 12.89% to 23.17%) per annum.

	2024 Rupees	2023 Rupees
13. CURRENT PORTION OF NON-CURRENT LIABILITIES		
Long term financing (Note 6)	78,178,914	35,161,800
Lease liabilities (Note 7)	163,544,384	174,306,249
Deferred income - Government grant (Note 9.2)	21,895,184	23,573,273
	263,618,482	233,041,322

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

14.1.1 Deputy Commissioner Inland Revenue (DCIR) passed an order under section 122(1) and 122(5A) of the Income Tax Ordinance, 2001 for tax year 2013 whereby a demand of Rupees 83.595 million has been raised against the Holding Company. On 26 October 2018, the Holding Company filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] against the order of DCIR. CIR(A) vide order dated 18 December 2018 upheld some of the additions made by DCIR and also directed the DCIR to give opportunity of hearing to the Holding Company in one of the said matters. Being aggrieved by the order of CIR(A), the Holding Company filed appeal before the Appellate Tribunal Inland Revenue (ATIR) on 19 May 2021. ATIR decided the case in favour of the Holding Company. The tax authorities have filed an income tax reference before Honourable Lahore High Court, Lahore against the order of the ATIR which is pending for adjudication. No provision against the case has been made in these consolidated financial statements, as the management, based on the advice of the legal counsel, is confident of favorable outcome of litigation.

14.1.2 During the year ended 30 June 2018, assessment under section 161 and section 205 of the Income Tax Ordinance, 2001 for the tax year 2014 was finalized by the Deputy Commissioner Inland Revenue (DCIR) creating a demand of Rupees 18.207 million against the Holding Company. Being aggrieved, the Holding Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] on 14 November 2017 who decided the case in favor of the Holding Company and reduced the total demand to Rupees 0.191 million. However, the department filed an appeal against the order of CIR(A) before the Appellate Tribunal Inland Revenue (ATIR) on 31 March 2018. On 09 April 2024, ATIR granted partial relief to the Holding Company and confirmed demand of Rupees 0.563 million. Further, ATIR remanded back the issue relating to default surcharge to assessing officer for fresh calculation. No remand back proceedings have been initiated by the department yet. No provision has been recognized in these consolidated financial statements, as the management, based on advice of the tax advisor, is confident of favorable outcome of the matter.

14.1.3 Deputy Commissioner Inland Revenue (DCIR) passed an assessment order on 28 November 2018 under section 161 and section 205 of the Income Tax Ordinance, 2001 for the tax year 2015 whereby a demand of Rupees 22.358 million has been raised against the Holding Company. On 21 December 2018, the Holding Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] against the order of DCIR. CIR(A) accepted the Holding Company's stance on certain issues assailed in appeal and reduced the aggregate demand to Rupees 10.735 million. Being aggrieved by the order of CIR(A), the Holding Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) which is pending adjudication. No provision against this demand has been recognized in these consolidated financial statements, as the management, based on advice of the tax advisor, is confident of favorable outcome of the matter.

14.1.4 On 27 June 2022, Deputy Commissioner Inland Revenue (DCIR) passed an assessment order under section 161 and section 205 of the Income Tax Ordinance, 2001 for the tax year 2016 whereby a demand of Rupees 5.467 million including default surcharge has been raised against the Holding Company on account of non / short deduction of withholding tax in respect of certain payments. The Holding Company filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] against the order of DCIR. On 17 November 2022, CIR(A) decided the appeal in favor of the Holding Company. On 12 January 2023, the tax department has filed appeal before the Appellate Tribunal Inland Revenue (ATIR) against the order passed by CIR(A) which is pending adjudication. No provision against this demand has been recognized in these consolidated financial statements, as the management, based on advice of the tax advisor, is confident of favorable outcome of the matter.

14.1.5 On 24 March 2022, the Deputy Commissioner Inland Revenue (DCIR) has issued an amended assessment order under section 122(1) of the Income Tax Ordinance, 2001 for the tax year 2018 creating a demand of Rupees 1,115.673 million on account of various issues against the Holding Company. Against the aforesaid order, the Holding Company preferred an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] on 19 April 2022. On 29 August 2022, CIR(A) vacated the entire tax demand. However, in respect of various issues, the matter has been remanded back to the department for fresh consideration. Against the order of CIR(A), the Holding Company has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR), which is pending for hearing. The management, based on the advice of the tax advisor, is confident of favourable outcome of the matter. Therefore, no provision has been recognized in these consolidated financial statements.

14.1.6 On 26 February 2022, Deputy Commissioner Inland Revenue (DCIR) passed an assessment order under section 177 and section 122(1) of the Income Tax Ordinance, 2001 for the tax year 2019 whereby a demand of Rupees 843.451 million has been raised against the Holding Company on various issues. Against the order of DCIR, the Holding Company preferred an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] on 22 March 2022. On 16 May 2022, CIR(A) vacated the tax demand. However, in respect of certain issues, the case has been remanded back to assessing officer for fresh consideration. On 13 July 2022, the tax authorities have filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the order of CIR(A) which is pending adjudication. The management, based on the advise of the tax advisor, is confident of favourable outcome of the matter. Therefore, no provision has been recognized in these consolidated financial statements.

14.1.7 During the year ended 30 June 2020, Deputy Commissioner Inland Revenue (DCIR) issued a notice to recover an amount of Rupees 21.124 million against super tax for the tax year 2019 under section 4B of the Income Tax Ordinance, 2001 against the Holding Company. The Holding Company through its tax advisor submitted its reply that liability on account of super tax did not arise for subject year. However, on 29 September 2021, DCIR confirmed the matter and re-issued an order to recover Rupees 21.124 million against super tax for the tax year 2019 under section 4B of the Income Tax Ordinance, 2001. Against the aforesaid order, the Holding Company preferred an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)]. On 25 February 2022, CIR(A) remanded back the case to department for fresh consideration. However, these remand back proceedings have not been initiated yet. The management, based on advise of the tax advisor, is confident of favourable outcome of the matter. Therefore, no provision has been recognized in these consolidated financial statements.

14.1.8 On 28 February 2022, Deputy Commissioner Inland Revenue (DCIR) issued an order for tax periods from July 2016 to June 2017 creating a demand of Rupees 1,353.135 million alongwith penalty and default surcharge on various issues under relevant provisions of the Sales Tax Act, 1990 against the Holding Company. Against the aforesaid order, the Holding Company preferred an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] on 22 March 2022. On 27 May 2022, CIR(A) provided partial relief to the Holding Company. However, sales tax default in respect of certain issues was upheld by CIR(A). Being aggrieved with the order of CIR(A), the Holding Company and tax department filed appeals before Appellate Tribunal Inland Revenue (ATIR). On 07 December 2022, ATIR accepted the Holding Company's stance in respect of all matters except for imposition of penalty and default surcharge relating to late filing of sales tax returns and late payment of due sales tax liability. However, appeal filed by the tax department is yet to be heard. The management, based on advise of the tax advisor, is confident of favourable outcome of the matter. Therefore, no provision has been recognized in these consolidated financial statements.

14.1.9 On 15 March 2022, Deputy Commissioner Inland Revenue (DCIR) issued an order for tax periods from July 2018 to June 2019 creating a demand of Rupees 901.257 million alongwith penalty and default surcharge on various issues under relevant provisions of the Sales Tax Act, 1990 against the Holding Company. Against the aforesaid order, the Holding Company preferred an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] on 11 April 2022. On 31 May 2022, CIR(A) provided partial relief to the Holding Company. However, sales tax default in respect of certain issues was upheld by CIR(A). Being aggrieved with the order of CIR(A), the Holding Company and tax deparment filed appeals before Appellate Tribunal Inland Revenue (ATIR). On 07 December 2022, ATIR accepted the Holding Company's stance in respect of all matters except for imposition of penalty and default surcharge relating to late filing of sales tax returns and late payment of due sales tax liability. However, appeal filed by the tax department is yet to be heard. The management, based on advise of the tax advisor, is confident of favourable outcome of the matter. Therefore, no provision has been recognized in these consolidated financial statements.

14.1.10 On 30 May 2023, Deputy Commissioner Inland Revenue (DCIR) passed an assessment order under section 161 and section 205 of the Income Tax Ordinance, 2001 for the tax year 2017 whereby a demand of Rupees 22.545 million including default surcharge has been raised against the Holding Company on account of non / short deduction of withholding tax in respect of certain payments. On 25 June 2023, the Holding Company filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)]. On 01 January 2024, CIR(A) granted partial relief to the Holding Company and accepted the Holding Company's stance in respect of certain matters. Further, CIR(A) remanded back certain matters to assessing officer for verification of Holding Company's position. However, the department has not yet initiated the remand back proceedings. The management, based on advise of tax advisor, is confident of favorable outcome of the matter. Therefore, no provision has been recognized in these consolidated financial statements.

14.1.11 On 06 February 2019, Deputy Commissioner Inland Revenue (DCIR) passed an assessment order under section 4B of the Income Tax Ordinance, 2001 for the tax year 2018 whereby a demand of Rupees 29.323 million was raised against the Holding Company. Being aggrieved with the order, the Holding Company preferred an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] on 04 March 2019. On 16 May 2019, CIR(A) upheld the order of DCIR. Being aggrieved with the order of CIR(A), the Holding Company filed an appeal before Appellate Tribunal Inland Revenue (ATIR) on 29 May 2019. On 17 April 2024, ATIR passed an order and upheld the decision of CIR(A). Being aggrieved with the order, the Holding Company is in the process of filing Income Tax Reference before Lahore High Court, Lahore. The management, based on advise of legal advisor, is confident of favorable outcome of the matter. Therefore, no provision has been recognized in these consolidated financial statements.

14.1.12 On 01 March 2024, Deputy Commissioner Inland Revenue (DCIR) passed an assessment order under section 161 and section 205 of the Income Tax Ordinance, 2001 for the tax year 2020 to recover an amount of Rupees 43.575 million in respect of withholding tax default along with default surcharge of Rupees 19.168 million against the Holding Company. The Holding Company filed an application before Commissioner Inland Revenue (CIR) on the grounds that the order was passed without considering the documents / records submitted by the Holding Company. On 07 March 2024, CIR set aside the order of DCIR and remanded back the case to assessing officer. The remand back proceedings hasve not been initiated yet. The management, based on advise of tax advisor, is confident of favorable outcome of the matter. Therefore, no provision has been recognized in these Consolidated financial statements.

14.1.13 On 18 March 2024, Deputy Commissioner Inland Revenue (DCIR) passes an order under section 11 of the Sales Tax Act, 1990 for tax periods from July 2018 to June 2019 creating a demand of Rupees 405.983 million along with default surcharge and penalty on the issue of difference between value of closing stocks as per Holding Company's financial statements and the amount adopted in sales tax declaration. Against the aforesaid order, the Holding Company preferred an appeal before Commissioner Inland Revenue (Appeal) [CIR(A)] which is pending for hearing. The management, based on advice of the tax advisor, is confident of favorable outcome of the matter. Therefore, no provision has been recognized in these consolidated financial statements.

14.1.14 During the year ended 30 June 2022, Additional Commissioner Inland Revenue (ACIR) issued amended assessment orders against the Subsidiary Company under section 122(5A) of the Income Tax Ordinance, 2001 for the tax years 2017, 2018, 2019, 2020 and 2021 raising demands aggregating to Rupees 533.277 million on various issues. Against the aforesaid orders, the Subsidiary Company preferred appeals before Commissioner Inland Revenue (Appeals) [CIR(A)] on 15 October 2021, 06 January 2022, 21 February 2022, 15 March 2022 and on 16 June 2022 respectively. On 04 November 2021, CIR(A) passed an order whereby the order of ACIR was annulled in respect of all matters relating to tax year 2017 except in the matters of Workers' Profit Participation Fund (WPPF) which was remanded back to ACIR for consideration in view of judgement passed by Honorable Lahore Court, Lahore. Remand back proceedings by ACIR have not been initiated against the Subsidiary Company. During the year ended 30 June 2023, CIR (A) decided most of the matters in favour of the Subsidiary Company, while remanded back the case on certain matters to ACIR for tax years 2018, 2019, 2020 and 2021 to the tune of Rupees 290.311 million. Further, demand in respect of donation amounting to Rupees 1 million for tax year 2021 was confirmed which was duly provided for in these consolidated financial statements for the year ended 30 June 2023. However, remand back proceedings have not been initiated against the Subsidiary Company. Against the orders of CIR(A), the department has filed appeals before Appellate Tribunal Inland Revenue (ATIR) on 20 October 2022 for the tax year 2018 and on 12 October 2022 for the tax year 2019 and 2020 which are pending adjudication. Based on the opinion of tax advisor, the management has strong grounds to believe that the cases will be decided in favor of the Subsidiary Company. Therefore, no provision has been made in these consolidated financial statements.

14.1.15 On 04 February 2022, Deputy Commissioner Inland Revenue (DCIR) passed an order under section 11 of the Sales Tax Act, 1990 for the tax periods November 2019 and March 2020 creating a demand of Rupees 2.046 million on account of disallowance of input sales tax on building materials alongwith default surcharge and penalty against the Subsidiary Company. The Subsidiary Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] on 02 March 2022 against the order of DCIR. CIR(A) through its order dated 31 May 2022 upheld the decision of DCIR. Being aggrieved with the order of CIR(A), the Subsidiary Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) 08 June 2022 who vide its order dated 17 November 2022 decided the case against the Subsidiary Company. However, the Subsidiary Company filed a rectification application against the aforesaid decision of ATIR on account of Subsidiary Company's name wrongly mentioned in the decision alongwith challenging the grounds of decision addressed by ATIR. On 15 June 2023, ATIR accepted the Subsidiary Company's stance in rectification application and also directed to re-start the proceedings afresh.However, the proceedings against the Subsidiary Company have not been started yet. The management, based on the advice of its legal counsel, has strong grounds to believe that the case will be decided in favor of the Subsidiary Company. Therefore, no provision has been made in these consolidated financial statements.

14.1.16 The Subsidiary Company has filed application to Federal Board of Revenue ("the Board") to condone the time limits for issuance of adjustment orders on account of advance payment amounting to Rupees 4.092 million in excess of sales tax liability for tax period August 2016 and excess payment amounting to Rupees 2.422 million due to rectification of sales tax liability for tax periods June 2017 and September 2017. The Subsidiary Company's stance is verifiable from the record of tax department. Based on the advice of the tax advisor, the management expects favorable outcome of the matter. Hence, no provision has been made in these consolidated financial statements.

14.1.17 The Subsidiary Company identified certain sales tax invoices relating to tax period July 2021 wherein the Subsidiary Company has duly discharged the liabilities in respect of input sales tax at the time of imports amounting to Rupees 10.086 million. However, the same input sales tax has not been adjusted against the output sales tax of the respective tax period due to the tax department's system mal-functioning. The Subsidiary Company filed application to the department to condone the time limits regarding the above explained matter as the Subsidiary Company's stance is verifiable from the department's record. On 12 July 2024, subsequent to the reporting period, the Board has condoned the time limit to adjust the aforementioned input sales tax amounting to Rupees 10.086 million.

14.1.18 On 18 September 2023, Deputy Commissioner Inland Revenue (DCIR) passed an order under section 11 of the Sales Tax Act, 1990 for the tax periods July 2017 to June 2018 creating a demand of Rupees 80.602 million on account of various issues under relevant provisions of the Act. Being aggrieved with the order, the Subsidiary Company preferred an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] on 12 October 2023. CIR(A) through its order dated 25 April 2024 granted partial relief to the Subsidiary Company whereas defualt surcharge on various issues was upheld. Being aggrieved with the order of CIR(A), the Subsidiary Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) on 15 May 2024 except for defualt surcharge in respect of short declaration of taxable supplies amounting to Rupees 0.110 million. Subsidiary Company's appeal before ATIR has not been taken up for hearing yet. The management, based on the advice of tax advisor, has strong grounds to believe that the case will be decided in favor of the Subsidiary Company. Therefore, no provision has been made in these consolidated financial statements.

14.1.19 Corporate guarantees of Rupees 2,967.5 million (2023: Rupees 2,967.5 million) have been given by the Holding Company to the banks in respect of financing to Subsidiary Company.

14.1.20 Guarantees of Rupees 123 million (2023: Rupees 123 million) are given by the bank of the Group to Director Excise and Taxation, Karachi against disputed amount of infrastructure cess.

14.1.21 Guarantees of Rupees 66.314 million (2023: Rupees 66 million) are given by the bank of the Group to Chairman, Punjab Revenue Authority, Lahore against disputed amount of infrastructure cess.

14.1.22 Guarantees of Rupees 17.700 million (2023: Rupees 17.700 million) and Rupees 2.25 million (2023: Rupees 2.25 million) are given by the banks of the Group to Total Parco Pakistan Limited and Pakistan State Oil Company Limited respectively against fuel cards obtained by the Group for its employees.

	2024 Rupees	2023 Rupees
14.2 Commitments		
14.2.1 For capital expenditures	34,265,983	46,143,062
14.2.2 Letters of credit other than capital expenditures	366,300,016	493,096,138

15. FIXED ASSETS

	2024 Rupees	2023 Rupees
Operating fixed assets (Note 14.1)	6,408,880,218	6,309,226,999
Capital work-in-progress (Note 14.2)	163,649,545	130,547,189
	6,572,529,763	6,439,774,188

15.1 Reconciliations of carrying amounts of operating fixed assets at the beginning and at the end of the year is as follows:

Description	Freehold land	Buildings on freehold land	Buildings on leasehold land	Plant and machinery	Tanks and pipelines	Dispensing pumps	Electric installation	Furniture and fittings	Moulds	Vehicles	Leasehold improvements	Office equipment	Computers	Total
	Categories													
	Rupees													
At 30 June 2022														
Cost / revalued amount	2,480,649,000	1,154,245,859	218,243,520	1,851,185,922	250,636,205	36,111,951	166,335,052	39,244,926	-	294,497,984	4,463,125	188,769,332	55,076,952	6,739,459,828
Accumulated depreciation	-	(225,718,352)	(107,492,225)	(301,176,743)	(37,525,175)	(3,894,537)	(34,063,193)	(18,805,888)	-	(206,480,226)	(1,159,122)	(56,056,783)	(30,646,002)	(1,023,018,246)
Net book value	2,480,649,000	928,527,507	110,751,295	1,550,009,179	213,111,030	32,217,414	132,271,859	20,439,038	-	88,017,758	3,304,003	132,712,549	24,430,950	5,716,441,582
Year ended 30 June 2022														
Opening net book value	2,480,649,000	928,527,507	110,751,295	1,550,009,179	213,111,030	32,217,414	132,271,859	20,439,038	-	88,017,758	3,304,003	132,712,549	24,430,950	5,716,441,582
Additions	-	120,363,492	42,056,824	286,908,016	3,409,167	20,156,420	45,183,722	1,242,535	12,667,000	51,157,053	-	3,571,830	13,099,363	599,815,422
Revaluation surplus	314,692,250	-	-	-	-	-	-	-	-	-	-	-	-	314,692,250
Transferred from right-of-use assets:														
Cost	-	-	-	-	-	-	-	-	-	3,862,420	-	-	-	3,862,420
Accumulated depreciation	-	-	-	-	-	-	-	-	-	(2,287,712)	-	-	-	(2,287,712)
	-	-	-	-	-	-	-	-	-	1,574,708	-	-	-	1,574,708
Disposals:														
Cost	-	-	-	-	-	-	-	-	-	(60,066,853)	-	-	(1,789,076)	(61,855,929)
Accumulated depreciation	-	-	-	-	-	-	-	-	-	7,515,935	-	-	1,150,395	8,666,330
	-	-	-	-	-	-	-	-	-	(52,550,918)	-	-	(638,681)	(53,189,599)
Depreciation	-	(59,395,963)	(31,875,898)	(95,197,739)	(17,162,522)	(4,922,728)	(16,467,889)	(2,143,200)	(2,271,775)	(17,495,193)	(660,801)	(13,506,673)	(9,006,985)	(270,107,366)
Closing net book value	2,795,341,250	989,495,036	120,932,221	1,741,719,456	199,357,675	47,451,106	160,987,692	19,538,373	10,395,225	70,703,408	2,643,202	122,777,706	27,884,647	6,309,226,997
At 30 June 2023														
Cost / revalued amount	2,795,341,250	1,274,609,351	260,300,344	2,138,093,938	254,045,372	56,268,371	211,518,774	40,487,461	12,667,000	289,450,604	4,463,125	192,341,162	66,387,239	7,595,973,991
Accumulated depreciation	-	(285,114,315)	(139,368,123)	(396,374,482)	(54,687,697)	(8,817,265)	(50,531,082)	(20,949,088)	(2,271,775)	(218,747,196)	(1,819,923)	(69,563,456)	(38,502,592)	(1,286,746,994)
Net book value	2,795,341,250	989,495,036	120,932,221	1,741,719,456	199,357,675	47,451,106	160,987,692	19,538,373	10,395,225	70,703,408	2,643,202	122,777,706	27,884,647	6,309,226,997
Year ended 30 June 2024														
Opening net book value	2,795,341,250	989,495,036	120,932,221	1,741,719,456	199,357,675	47,451,106	160,987,692	19,538,373	10,395,225	70,703,408	2,643,202	122,777,706	27,884,647	6,309,226,997
Additions	-	-	143,874,264	30,535,853	47,146,502	39,978,545	-	1,960,722	42,190,440	8,000,973	-	2,529,407	18,548,380	334,765,086
Revaluation surplus	15,180,500	-	-	-	-	-	-	-	-	-	-	-	-	15,180,500
Transferred from right-of-use assets:														
Cost	-	-	-	-	-	-	-	-	-	126,739,838	-	-	-	126,739,838
Accumulated depreciation	-	-	-	-	-	-	-	-	-	(60,923,491)	-	-	-	(60,923,491)
	-	-	-	-	-	-	-	-	-	65,816,347	-	-	-	65,816,347
Disposals:														
Cost	-	-	(3,834,385)	-	(1,926,050)	-	-	-	-	(17,786,026)	-	-	(7,781,194)	(31,327,655)
Accumulated depreciation	-	-	1,373,735	-	572,638	-	-	-	-	7,637,327	-	-	4,895,799	14,479,499
	-	-	(2,460,650)	-	(1,353,412)	-	-	-	-	(10,148,699)	-	-	(2,885,395)	(16,848,156)
Writen-off:														
Cost	-	(2,503,363)	(7,085,938)	-	-	-	-	-	-	-	-	-	-	(9,589,301)
Accumulated depreciation	-	695,270	2,818,435	-	-	-	-	-	-	-	-	-	-	3,513,705
	-	(1,808,093)	(4,267,503)	-	-	-	-	-	-	-	-	-	-	(6,075,596)
Depreciation	-	(57,816,601)	(37,724,783)	(104,827,427)	(17,451,912)	(6,742,444)	(16,098,769)	(2,092,593)	(9,932,023)	(17,104,095)	(528,640)	(12,394,524)	(10,471,149)	(293,184,960)
Closing net book value	2,810,521,750	929,870,342	220,353,549	1,667,427,882	227,698,853	80,687,207	144,888,923	19,406,502	42,653,642	117,267,934	2,114,562	112,912,589	33,076,483	6,408,880,218
At 30 June 2023														
Cost / revalued amount	2,810,521,750	1,272,105,988	393,254,285	2,168,629,791	299,265,824	96,246,916	211,518,774	42,448,183	54,857,440	406,405,389	4,463,125	194,870,569	77,154,425	8,031,742,459
Accumulated depreciation	-	(342,235,646)	(172,900,736)	(501,201,909)	(71,566,971)	(15,559,709)	(66,629,851)	(23,041,681)	(12,203,798)	(289,137,455)	(2,348,563)	(81,957,980)	(44,077,942)	(1,622,862,241)
Net book value	2,810,521,750	929,870,342	220,353,549	1,667,427,882	227,698,853	80,687,207	144,888,923	19,406,502	42,653,642	117,267,934	2,114,562	112,912,589	33,076,483	6,408,880,218
Annual rate of depreciation (%)		5 - 10	10	5 - 10	8	10	10	10	33	20	20	10	30	

15.1.1 Detail of operating fixed assets exceeding the book value of Rupees 500,000 disposed of during the year is as follows:

Description	Quantity Nos.	Cost	Accumulated depreciation	Net book value	Sale Proceeds	Gain / (loss)	Mode of disposal	Particulars of purchasers
		Rupees						
Vehicles								
Toyota Fortuner - ACC-614	1	9,838,240	4,647,147	5,191,093	9,500,000	4,308,907	Group's policy	Mr. Sohail Hashmi
Proton SAGA - AQU-057	1	4,187,560	69,793	4,117,767	3,600,000	(517,767)	Negotiation	Shabir Ahmad, Lahore
Tanks and Pipelines								
Storage tank	1	1,926,050	572,638	1,353,412	1,483,113	129,701	Negotiation	Lali Son's, Lalian
Building on leasehold land								
Steel Canopy	1	3,067,050	1,102,270	1,964,780	2,153,069	188,289	Negotiation	Lali Son's, Lalian
		19,018,900	6,391,848	12,627,052	16,736,182	4,109,130		
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000		12,308,755	8,087,651	4,221,104	1,895,931	(2,325,173)		
		31,327,655	14,479,499	16,848,156	18,632,113	1,783,957		
Capital work-in-progress:								
Storage tank	1	2,272,778	-	2,272,778	3,417,900	1,145,122	Negotiation	Gasoline CNG, Kasur
		33,600,433	14,479,499	19,120,934	22,050,013	2,929,079		

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

	2024 Rupees	2023 Rupees
Cost of sales (Note 33.1)	131,567,785	111,351,042
Distribution cost (Note 34)	107,868,799	104,919,540
Administrative expenses (Note 35)	53,748,376	53,836,784
	293,184,960	270,107,366

15.1.3 Land and building of the Subsidiary Company amounting to Rupees 752.57 million (2023: Rupees 752.57 million) and plant and machinery of the Subsidiary Company amounting to Rupees 610 million (2023: Rupees 610 million) have been mortgaged in favour of the lender of Holding Company.

15.1.4 Particulars of immovable properties including capital work-in-progress (i.e. land and buildings) are as follows:

Location	Usage of Immovable Property	Total area of land	Covered area of building
		Acres	Square feet
Property No. 35 A/M, Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore	Warehouse	0.69	21,965
Mouza No. 107/9L, Sahiwal	Oil depot	6.70	199,513
Mouza Aza Khel Bala, Nowshera	Oil depot	7.55	9,257
Mouza Ali Murad Kalhoro, Indus Highway, Shikarpur (under construction)	Oil depot	8.50	56,307
I&A Fuel Station - Plot No. 2, Block K, Main Boulevard, Gulberg-II, Lahore (Under Construction)	Company Finance	0.39	1,847
Mouza Aza Khel Payan, Nowshera	Oil depot extension	1.34	-
7-KM, Sundar Raiwind Road, Bhai Kot, Lahore	Warehouse - 1	-	49,658
7-KM, Sundar Raiwind Road, Bhai Kot, Lahore	Warehouse - 2	-	53,348
Oil Boy Filling Station - Mouza Neel Kot, Head Muhammad Wala Road, Multan	Dealer of retail outlet	-	2,818

Location	Usage of Immovable Property	Total area of land	Covered area of buildings
		Acres	Square feet
Punjab Filling Station - Main Satiana Road, Faisalabad	Dealer of retail outlet	-	2,821
Green Fuel CNG - 1-KM, G.T. Road, Lalamusa	Dealer of retail outlet	-	4,981
A.B. Petroleum Filling Station - Tehsil Liaqatpur, Rahim Yar Khan	Dealer of retail outlet	-	3,054
Jillani CNG - Lehtrar Road, Islamabad	Dealer of retail outlet	-	2,650
Dasti Filling Station - Jampur Road, Dera Ghazi Khan	Dealer of retail outlet	-	1,815
Rehman Filling Station - Chistian Road, Hasilpur	Dealer of retail outlet	-	2,525
Al-Fazal Filling Station - Sargodha Road, Jhang	Dealer of retail outlet	-	2,121
Ibrahim Petroleum - Sialkot Road, Gujranwala	Dealer of retail outlet	-	3,185
Karma Wala-1 Filling Station - Shahkot Road, Jaranwala	Dealer of retail outlet	-	2,059
Raja Adeel Filling Station - Arifwala Road, Arifwala	Dealer of retail outlet	-	2,892
Gondal Filling Station - Daska Road, Wazirabad	Dealer of retail outlet	-	1,493
City Filling Station - Hujra Shah Muqeem, Okara	Dealer of retail outlet	-	962
Al-Karam Filling Station - Shamkay Bhattian, Lahore	Dealer of retail outlet	-	6,633
Green City Fuel Station - Hasilpur Road, Bahawalpur	Dealer of retail outlet	-	1,289
Khokhar Fuel Station - Small Industrial Estate, Jinnah Road, Gujranwala	Dealer of retail outlet	-	1,175
Minhas CNG - Multan Road, Lahore	Dealer of retail outlet	-	841
One Stop - Main Ferozepur Road, Lahore	Dealer of retail outlet	-	1,970
S&S - Toba Road, Jhang	Dealer of retail outlet	-	3,310
Al-Yousaf CNG - Khanewal Road, Multan	Dealer of retail outlet	-	1,793
Rana Petroleum - Faisalabad Road, Okara	Dealer of retail outlet	-	2,633
Mudassir Zulfiqar Filling Station - Vehari Road, Multan	Dealer of retail outlet	-	8,084
Shahid & Company - Daska Road, Gujranwala	Dealer of retail outlet	-	6,396
Benzina II Filling Station - Benazir Road, Okara	Dealer of retail outlet	-	4,709
Nambardar Filling Station - Rawalpindi Road, Chakwal	Dealer of retail outlet	-	5,875
Iftikhar Nadeem & Company - Mouza Jhawary, Dhamyal Road, Rawalpindi Cantt.	Dealer of retail outlet	-	5,162
Suntrust CNG - Millat Road, Faisalabad	Dealer of retail outlet	-	4,086
Meezan Filling Station - Jhang Road, Toba Tek Singh	Dealer of retail outlet	-	6,227
M Nawaz Filling Station - Main Darban Road, Kotla Syedan, Dera Ismail Khan	Dealer of retail outlet	-	8,966
Big Khan Filling Station - Hajiabad Malakand University Road, Chakdara	Dealer of retail outlet	-	4,872
Imdad Mir Filling Station - Mouza Ghanda, Nawab Road, Mansehra	Dealer of retail outlet	-	3,368
Bahadur Fuel Station - Mouza Ismail Khani, Bannu	Dealer of retail outlet	-	1,527
Arab Emirat Filling Station - Mouza Bandi, Tehsil Khawaja Khela, Swat	Dealer of retail outlet	-	4,580
Rashid Fuel Station - Mouza Qambar-192, Tehsil Babuzai,Swat	Dealer of retail outlet	-	1,369
Al - Rehman Fuel Station - Mouza Ismail Khani, Bannu	Dealer of retail outlet	-	2,022
Naik Muhammad Fuel Station - Near Bybass Thana, District Malakand	Dealer of retail outlet	-	1,620
Ghuman Brothers - Plot 105, Block K, Gulberg 3, Lahore	Dealer of retail outlet	-	1,667
Khalifa Fuel Station - Jhang Road, Gojra	Dealer of retail outlet	-	2,120
Al-Sheikh Fuel Station - Main G.T Road, Gujrat	Dealer of retail outlet	-	4,030
Moon CNG Filling Station - Mouza Humak, Islamabad	Dealer of retail outlet	-	1,893

Location	Usage of Immovable Property	Total area of land	Covered area of buildings
		Acres	Square feet
Aabroo Petroleum & CNG - Jaranwala - Khurianwala Road, Jaranwala	Dealer of retail outlet	-	4,692
Abbasi & Khan Traders - Gujjar Kohala, Dhirkot	Dealer of retail outlet	-	1,284
Al-Mustafa Fuel Station - Qaziwala Road, Chishtian	Dealer of retail outlet	-	1,981
Shah Sardar Petroleum - Mouza Dham Thor, Murree Road, Abbottabad	Dealer of retail outlet	-	3,301
Shams Petroleum Service - E-35, Hazara Expressway	Dealer of retail outlet	-	1,320
Roshan Fuel Station - Sheikhupura - Sargodha Road	Dealer of retail outlet	-	2,645
Chawinda Fuel Station - Khawaja Sardar Road, Sialkot	Dealer of retail outlet	-	6,876
Jan Muhammad Filling Station - Ekka Ghund, Mohammand	Dealer of retail outlet	-	1,038
Phandu Filling Station/CNG - Phandu Chowk, Umar Road, Peshawar	Dealer of retail outlet	-	3,941
Four Star CNG Filling Station - Mardan Swabi Road, Bughdada	Dealer of retail outlet	-	1,503
Hussain Filling Station - Near Shah Alam Pull, Charsada Road, Peshawar	Dealer of retail outlet	-	3,565
Attock CNG & Filling Station - Iqbal Chowk, Choi East Attock City, Attock	Dealer of retail outlet	-	1,318
Rahat Fuel Station - Saidu Shareef Road, Tehsil Babuzai, Swat	Dealer of retail outlet	-	252
Masha Allah CNG - M.C.S Kamra Road, Attock City, Attock	Dealer of retail outlet	-	2,125
Dharampura, Lahore	HTL Express Centre	-	1,436
Garden Town, Lahore	HTL Express Centre	-	1,789
Block F, Gulshan-e-Ravi, Lahore	HTL Express Centre	-	2,444
Johar Town, Lahore	HTL Express Centre	-	4,500
Gulistan-e-Johar, Karachi	HTL Express Centre	-	3,149
Pakistan Employees Cooperative Housing Society, Karachi	HTL Express Centre	-	2,700
Askari XIV, Sector-A, Rawalpindi	HTL Express Centre	-	881
Subsidiary Company			
7-KM, Sundar Raiwind Road, Bhai Kot, Lahore.	Blending Plant and Plastic Products Manufacturing	22.30	180,839

15.1.5 Cost of fixed assets (including capital work-in-progress) held by dealers of retail outlets and operators of HTL Express Centres of the Group are as follows:

	Catagories							
Description	**Buildings on leasehold land**	**Tanks and pipelines**	**Dispens-ing pumps**	**Machinery**	**Furniture and fittings**	**Office equipment**	**Computers**	**Total**
	Rupees							
Oil Boy Filling Station - Mouza Neel Kot, Head Muhammad Wala Road, Multan	3,180,469	1,608,000	1,911,655	-	-	-	-	6,700,124
Punjab Filling Station - Main Satiana Road, Faisalabad	2,898,584	877,100	2,490,793	-	-	-	-	6,266,477
Ittehad Filling Station - Circular Road, Daska	-	877,100	-	-	-	-	-	877,100
Green Fuel CNG - 1 - KM G.T. Road, Lalamusa	2,725,893	1,132,550	-	-	-	-	-	3,858,443
A.B. Petroleum Filling Station - Tehsil Liaqatpur, Rahim Yar Khan	4,623,288	1,480,589	1,958,750	-	-	-	-	8,062,627
Jillani CNG - Lehtrar Road, Islamabad	7,147,011	1,386,830	842,830	-	-	-	-	9,376,671
Dasti Filling Station - Jampur Road, Dera Ghazi Khan	1,919,332	808,290	2,754,484	-	-	-	-	5,482,106
Rehman Filling Station - Chistian Road, Hasilpur	2,013,421	-	-	-	-	-	-	2,013,421
Al-Fazal Filling Station - Sargodha Road, Jhang	3,163,859	-	2,227,102	-	-	-	-	5,390,961
Ibrahim Petroleum - Sialkot Road, Gujranwala	1,962,962	-	-	-	-	-	-	1,962,962
Karma Wala-1 Filling Station - Shahkot Road, Jaranwala	2,532,005	-	-	-	-	-	-	2,532,005
Raja Adeel Filling Station - Arifwala Road, Arifwala	1,853,000	-	-	-	-	-	-	1,853,000
Gondal Filling Station - Daska Road, Wazirabad	2,204,744	-	1,421,968	-	-	-	-	3,626,712
City Filling Station - Hujra Shah Muqeem, Okara	1,504,906	-	-	-	-	-	-	1,504,906
Al-Karam Filling Station - Shamkay Bhattian, Lahore	3,556,882	-	3,244,171	-	-	-	-	6,801,053
Green City Fuel Station - Hasilpur Road, Bahawalpur	9,954,398	1,377,706	1,911,655	-	-	-	-	13,243,759
Khokhar Fuel Station - Small Industrial Estate, Jinnah Road, Gujranwala	2,101,400	1,377,706	3,212,099	-	-	-	-	6,691,205
Minhas CNG - Multan Road, Lahore	4,749,486	-	1,421,968	-	-	-	-	6,171,454
One Stop - Main Ferozepur Road, Lahore	17,757,318	2,102,230	2,482,580	-	-	-	-	22,342,128
S&S - Toba Road, Jhang	2,549,650	-	-	-	-	-	-	2,549,650
Al-Yousaf CNG - Khanewal Road, Multan	1,651,843	578,690	1,558,512	-	-	-	-	3,789,045
Rana Petroleum - Faisalabad Road, Okara	2,439,500	-	-	-	-	-	-	2,439,500
Mudassir Zulfiqar Filling Station - Vehari Road, Multan	2,176,375	-	-	-	-	-	-	2,176,375
Shahid & Company - Daska Road, Gujranwala	1,828,249	-	4,722,091	-	-	-	-	6,550,340
Benzina II Filling Station - Benazir Road, Okara	2,318,142	3,037,269	8,036,682	-	-	-	-	13,392,093
Nambardar Filling Station - Rawalpindi Road, Chakwal	926,830	-	-	-	-	-	-	926,830
Iftikhar Nadeem & Company - Mouza Jhawary, Dhamyal Road, Rawalpindi Cantt.	1,571,303	2,763,529	4,477,015	-	-	-	-	8,811,847
Suntrust CNG - Millat Road, Faisalabad	40,743,349	3,409,167	4,937,988	-	-	-	-	49,090,504
Meezan Filling Station - Jhang Road, Toba Tek Singh	1,313,475	-	-	-	-	-	-	1,313,475
"M Nawaz Filling Station - Main Darban Road, Mouza Kotla Sayedan, Dera Ismail Khan"	3,274,200	1,269,700	2,452,163	-	-	-	-	6,996,063
Big Khan Filling Station - Hajiabad University Road, Chakdara	7,169,410	2,481,646	1,862,255	-	-	-	-	11,513,311
Imdad Mir Filling Station - Mouza Ghanda, Nawab Road, Mansehra	13,361,573	1,469,223	1,334,850	-	-	-	-	16,165,646
Toru Fuel Station - Mardan Road , Nowshera (under construction)	-	2,859,022	-	-	-	-	-	2,859,022
Abro Petroleun & CNG - Jaranwala-Kurdiawala Road, Jaranwala	2,989,711	3,551,259	1,172,755	-	-	-	-	7,713,725
Khalifa Filling Station - Jhang Road, Gojra	3,164,915	4,406,779	1,435,500	-	-	-	-	9,007,194
Al-Sheikh Filling Station - Main G.T Road, Gujrat	11,563,910	4,429,207	1,708,511	-	-	-	-	17,701,628
Moon CNG Filling Station - Mouza Humak, Islamabad	3,014,908	3,551,259	2,272,869	-	-	-	-	8,839,036
Abbasi & Khan Traders - Gujjar Kohala, Dhirkot	2,621,313	3,445,266	1,435,500	-	-	-	-	7,502,079
Ghuman Brothers - Plot 105, Block K, Gulberg III, Lahore	2,733,451	3,203,581	2,762,556	-	-	-	-	8,699,588
Attock CNG & Filling Station - Iqbal Chowk, Choi East Attock City, Attock	1,843,506	3,342,818	1,283,255	-	-	-	-	6,469,579
Shah Sardar Petroleum - Mouza Dham Thor, Murree Road, Abbottabad	10,388,121	6,812,887	4,212,608	-	-	-	-	21,413,616
Bahadur Filling Station - Mouza Ismail Khani, Bannu	2,887,200	-	1,222,256	-	-	-	-	4,109,456
Rahat Fuel Station - Saidu Shareef Road, Tehsil Babuzai, Swat	2,465,200	-	1,649,362	-	-	-	-	4,114,562
Arab Emirates Filling Station - Mouza Bandi, Tehsil Khawaja Khela, Swat	2,910,500	-	-	-	-	-	-	2,910,500
Rashid Filling Station - Mouza Qambar-192, Tehsil Babuzai, Swat	2,839,100	-	1,779,800	-	-	-	-	4,618,900
Al - Rehman Filling Station - Mouza Ismail Khani, Bannu	2,825,950	-	-	-	-	-	-	2,825,950
Naik Muhammad Filling Station - Near Bybass Thana, District Malakand	2,683,374	-	-	-	-	-	-	2,683,374
AL - Mustafa Filling Station - Qaziwala Road Chishtian	2,236,124	-	-	-	-	-	-	2,236,124
Shams Petroleum Service - E - 35, Hazara Expressway	2,609,871	-	1,514,000	-	-	-	-	4,123,871
Roshan Filling Station - Sheikhupura - Sargodha Road	7,617,792	-	1,330,012	-	-	-	-	8,947,804
Chawinda Filling Station - Khawaja Sardar Road, Sialkot	15,121,957	5,729,531	8,027,707	-	-	-	-	28,879,195
Jan Muhammad Filling Station - Ekka Ghund, Mohammand	2,205,230	-	-	-	-	-	-	2,205,230
Phandu Filling Station / CNG - Phandu Chowk, Umar Road, Peshawar	2,244,646	-	-	-	-	-	-	2,244,646
Four Star CNG Filling Station - Mardan Swabi Road, Bughdada	1,857,799	-	-	-	-	-	-	1,857,799

Description	Buildings on leasehold land	Tanks and pipelines	Dispens-ing pumps	Machinery	Furniture and fittings	Office equipment	Computers	Total
				Catagories				
				Rupees				
Hussain Filling Station - Near Shah Alam Pull, Charsada Road, Peshawar	3,196,519	-	-	-	-	-	-	3,196,519
Masha Allah CNG - M.C.S Kamra Road, Attock City, Attock	2,071,234	3,453,346	2,032,898	-	-	-	-	7,557,478
HTL Express Centre - Dharampura, Lahore	27,571,142	-	-	3,197,442	145,431	478,583	-	31,392,598
HTL Express Centre - Garden Town, Lahore	7,442,541	-	-	2,471,843	56,796	1,741,346	-	11,712,526
HTL Express Centre - Block F, Gulshan-e-Ravi, Lahore	16,220,083	-	-	5,308,603	56,796	2,602,702	14,040	24,202,224
HTL Express Centre - Johar Town, Lahore	16,713,760	-	-	7,727,402	153,621	-	24,000	24,618,783
HTL Express Centre - DHA, Karachi (Discontinued)	-	-	-	4,019,037	669,727	97,044	-	4,785,808
HTL Express Centre - Gulistan-E-Johar, Karachi	11,978,196	-	-	6,117,945	1,115,829	811,290	-	20,023,260
HTL Express Centre - Pakistan Employees Cooperative Housing Society, Karachi	20,357,427	-	-	1,524,751	126,500	841,438	-	22,850,116
HTL Express Centre - Askari XIV, Sector-A, Rawalpindi	9,133,147	-	-	4,419,000	854,206	2,808,753	-	17,215,106
	360,681,484	72,822,280	89,101,200	34,786,023	3,178,906	9,381,156	38,040	569,989,089

The above assets are not in possession of the Group as these have been provided to dealers of retail outlets and operators of HTL Express Centres to facilitate them to promote and sell Group's products.

15.1.6 This includes apartment amounting to Rupees 25.976 million in Grand Hayatt (the "Project") at 1-Constitution Avenue, Islamabad. On 29 July 2016, Capital Development Authority (CDA) cancelled the leased deed of BNP (Private) Limited on the grounds of violating the terms and conditions of the said lease and sealed the Project. Against the alleged order, BNP (Private) Limited filed a writ petition before the Honorable Islamabad High Court ("IHC") challenging the cancellation of said lease. IHC dismissed the writ petition of BNP (Private) Limited. However, the honorable judge of IHC ruled that it is a duty of the Federal Government to ensure that the purchasers do not suffer due to Government's own wrongful actions and omissions, particularly when the regulatory failure of the CDA stands admitted. The Holding Company and others filed appeals against the aforesaid judgment of IHC before Honorable Supreme Court of Pakistan. On 09 January 2019, Honorable Supreme Court of Pakistan has passed order whereby the Court has ordered BNP (Private) Limited to pay Rupees 17.5 billion in eight years to CDA to revive the original lease together with all approvals and permissions already granted. The Court has further ordered that BNP (Private) Limited shall complete the entire project within a reasonable time. CDA and BNP (Private) Limited have filed review petitions against the order of the Supreme Court of Pakistan which are still pending for review. Supreme Court of Pakistan referred the matter to the Public Accounts Committee (PAC) and asked them to submit its recommendation on the subject matter. During the year ended 30 June 2021, PAC endorsed the amount of Rupees 17.5 billion to be paid to CDA in six years for the revival of lease and de-sealing of the Project in accordance with the settlement held between CDA and BNP (Private) Limited. On 06 January 2021, on the directives of PAC and payment of first installment of settlement amount by BNP (Private) Limited, CDA de-sealed the Project. Pursuant to the settlement of the matter as stated above and de-sealing of the Project, BNP (Private) Limited and the Holding Company started negotiations to finalize the terms and conditions of "Undertaking and Indemnity Agreement" to take the possession of the apartment. However, in March 2023, CDA has cancelled the lease deed of BNP (Private) Limited once again due to non-payment of due installment of settlement amount of Rupees 17.5 billion and taken the possession of the Project. BNP (Private) Limited filed petition before IHC against the cancellation of lease deed by CDA who decided the case against BNP (Private) Limited. Subsequently, BNP (Private) Limited filed petition before Supreme Court of Pakistan who also dismissed the petition and upheld the decisions of the Apex courts. On 15 April 2024, CDA handed over the possession of the apartment to the Holding Company. However, BNP (Private) Limited has again started litigation against CDA in IHC.

		2024 Rupees	2023 Rupees
15.2	**Capital work-in-progress**		
	Civil works	116,438,207	44,199,846
	Tanks and pipelines	31,224,679	50,594,702
	Dispensing pumps	15,986,659	8,681,790
	Advance for purchase of apartment	-	25,976,750
	Mobilization advance	-	1,094,101
		163,649,545	130,547,189

15.2.1 Movement in capital work in progress is as follows:

	Categories					
	Civil works	Dispensing pumps	Advance against purchase of apartment	Tanks and pipelines	Mobilization advances	Total
At 30 June 2022	83,539,912	20,799,838	20,752,020	25,976,750	5,281,323	243,229,159
Add: Additions during the year	123,080,250	33,204,031	2,770,000	-	-	407,234,852
Add: Transferred from inventory during the year	-	-	5,316,190	-	-	5,316,190
Less: Mobilization advances adjusted during the year	-	-	-	-	4,187,222	4,187,222
Less: Transferred to operating fixed assets during the year	162,420,316	3,409,167	20,156,420	-	-	521,045,790
At 30 June 2023	44,199,846	50,594,702	8,681,790	25,976,750	1,094,101	130,547,189
Add: Additions during the year	190,135,875	30,049,257	27,917,503	-	-	248,102,635
Add / (less): Adjustments made during the year	-	(2,272,778)	(4,107,256)	-	-	(6,380,034)
Add: Transferred from inventory during the year	-	-	23,473,167	-	-	23,473,167
Less: Mobilization advances written off during the year	-	-	-	-	1,094,101	1,094,101
Less: Transferred to operating fixed assets during the year	117,897,514	47,146,502	39,978,545	25,976,750	-	230,999,311
At 30 June 2024	116,438,207	31,224,679	15,986,659	-	-	163,649,545

16 . RIGHT-OF-USE ASSETS

	Land	Buildings	Vehicles	Total
		Rupees		
At 30 June 2022	353,457,871	46,625,762	190,898,405	590,982,038
Add: Additions during the year	18,557,113	45,328,092	77,658,685	141,543,890
Less: Impact of lease modification	(1,845,647)	69,122,276	-	67,276,629
Less: Impact of lease termination	25,059,314	-	-	25,059,314
Less: Book value of assets transferred to operating fixed assets - during the year	-	-	1,574,708	1,574,708
Less: Depreciation expense for the year (Note 16.2)	58,939,232	34,768,030	43,679,242	137,386,504
At 30 June 2023	286,170,791	126,308,100	223,303,140	635,782,030
Add: Additions during the year	146,309,901	16,648,969	-	162,958,870
Add: Impact of lease modifications	2,486,841	7,880,302	-	10,367,143
Less: Impact of lease termination	10,991,411	(11,036,521)	-	(45,110)
Less: Book value of assets transferred to operating fixed assets - during the year	-	-	65,816,347	65,816,347
Less: Depreciation expense for the year (Note 16.2)	57,250,181	49,091,992	40,511,283	146,853,456
At 30 June 2024	366,725,941	112,781,900	116,975,510	596,393,130

Lease of land

The Holding Company obtained land on lease for its service centers, filling stations and storage warehouses. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Lease periods range from five to twenty five years.

Lease of buildings

The Holding Company obtained buildings on lease for its offices. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Lease periods range from two to five years.

Lease of vehicles

The Group obtained vehicles on lease for employees and director of the Holding Company. The average contract duration is three years.

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

	2024 Rupees	2023 Rupees
16.2 Depreciation charge for the year has been allocated as follows:		
Distribution cost (Note 34)	138,361,618	125,856,800
Administrative expenses (Note 35)	8,491,838	11,529,704
	146,853,456	137,386,504

		2024 Rupees	2023 Rupees
17.	**INTANGIBLE ASSETS - Computer softwares**		
	Opening net book value	20,260,771	21,760,517
	Add: Cost of additions during the year	-	8,700,000
	Less: Written off during the year		
	Cost	(262,830)	-
	Accumulated amortization	236,547	-
		(26,283)	-
	Less: Amortization charged during the year (Note 33)	10,581,097	10,199,746
	Closing net book value	9,653,391	20,260,771
17.1	Cost as at 30 June	74,722,910	74,985,740
	Accumulated amortization	(65,069,519)	(54,724,969)
	Net book value as at 30 June	9,653,391	20,260,771

17.2 Intangible assets - computer softwares have been amortized at the rate of 30% (2023: 30%) per annum.

17.3 Intangible assets costing Rupees 41.26 million (2023: Rupees 31.637 million) are fully amortized and are still in use of the Group.

		2024 Rupees	2023 Rupees
18.	**INVESTEMENT PROPERTY**		
18.1	**Land - at fair value**		
	Opening book value	135,000,000	130,000,000
	Add: Fair value gain (Note 37)	-	5,000,000
	Less: Reclassified to non-current asset held for sale (Note 31)	(135,000,000)	-
	Closing book value	-	135,000,000

18.2 The fair value of investment property was determined by an independent valuer M/s Anderson Consulting (Private) Limited as at 30 June 2023. Forced sale value of investment property as at 30 June 2023 was Rupees 114.750 million.

18.3 Particulars of investment property (i.e. land) were as follows:

Description and address	Area of land
	Kanals
Land - 22 - A, Zafar Ali Road, Lahore	1.25

		2024 Rupees	2023 Rupees
19.	**LONG TERM SECURITY DEPOSITS**		
	Security deposits against leased assets	44,615,139	67,401,559
	Security deposits - other	18,960,950	18,933,950
		63,576,089	86,335,509
	Less: Current portion shown under current assets (Note 25)	20,262,720	22,635,061
		43,313,369	63,700,448

	2024 Rupees	2023 Rupees
20 LONG TERM LOANS TO EMPLOYEES		
Considered good:		-
Loans to employees - interest free and unsecured	2,985,102	3,919,266
Less: Current portion shown under current assets (Note 24)	934,166	934,166
	2,050,936	2,985,100

20.1 These represent interest free and unsecured loans given to employees of Holding Company, receivable in maximum 60 monthly instalments in accordance with the Holding Company's policy. Fair value adjustment in accordance with the requirements of IFRS 9 'Financial Instruments' arising in respect of staff loans is not considered material and hence not recognized.

	2024 Rupees	2023 Rupees
21. STORES		
Stores	78,320,245	132,181,836
Less: Provision for slow moving and obsolete store items (Note 21.1)	6,771,348	3,012,462
	71,548,897	129,169,374
21.1 Provision for slow moving and obsolete store items:		
Opening balance	3,012,462	3,512,160
Add: Provision made during the year (Note 36)	5,161,751	-
Less: Reversal of provision during the year (Note 37)	1,402,865	499,698
Closing balance	6,771,348	3,012,462
22 STOCK-IN-TRADE		
Raw materials (Note 22.1)	1,012,548,704	1,650,353,383
Work-in-process	77,857,504	94,122,182
	1,090,406,208	1,744,475,565
Lubricants and parts (Note 22.2 and Note 22.3)	795,841,776	656,437,964
Less: Provision for slow moving and damaged stock items (Note 22.4)	42,324,111	27,984,479
	753,517,665	628,453,485
Petroleum products		
- Stock in hand (Note 22.5)	316,614,901	139,978,203
- Stock in pipeline system (Note 22.6)	1,045,532,295	638,125,434
	1,362,147,196	778,103,637
Dispensing pumps and other installations (Note 22.7)	33,925,444	59,701,394
	3,239,996,513	3,210,734,081

22.1 These includes raw materials in transit amounting to Rupees 452.011 million (2023: Rupees 121.813 million) and raw materials amounting to Rupees 17.259 million (2023: Rupees 1,119.587 million) lying at customs bonded warehouse.

22.2 This includes stock amounting to Rupees 118.898 million (2023: Rupees 70.612 million) lying at customs bonded warehouse.

22.3 Finished goods amounting to Rupees 65.177 million (2023: Rupees 13.099 million) are being carried at net realizable value and the aggregate amount of write-down of inventories to net realizable value recognised as an expense during the year is Rupees 4.303 million (2023: Rupees 0.535 million).

	2024 Rupees	2023 Rupees
22.4 Provision for slow moving and damaged stock items		
Opening balance	27,984,479	15,021,325
Add: Provision recognized during the year (Note 36)	17,557,550	12,963,154
Less: Written off against provision during the year	3,217,918	-
	14,339,632	12,963,154
Closing balance	42,324,111	27,984,479

22.5 This includes stock of petroleum products in possession of third parties as follows:

	2024 Rupees	2023 Rupees
Askar Oil Services (Private) Limited	2,395,911	2,425,987
Be Energy Limited	23,153,653	36,668,049
Al-Rahim Trading Company (Private) Limited	-	459,393
Gas and Oil Pakistan Limited	4,888,641	3,410,459
Karachi Hydrocorban Terminal Limited	257,496,950	4,756,350
Z.Y. & Co. Bulk Terminals (Private) Limited	2,955,252	-
	290,890,407	47,720,238

22.6 This represents the Holding Company's share of pipeline stock of High Speed Diesel and Petroleum Motor Gasoline amounting to Rupees 355.458 million (2023: Rupees 469.131 million) and Rupees 687.248 million (2023: Rupees 168.995 million) respectively held by Pak-Arab Pipeline Company Limited.

22.7 These dispensing pumps and other installations have been purchased by the Holding Company for resale to service and filling station dealers as part of OMC operations.

	2024 Rupees	2023 Rupees
23. TRADE DEBTS		
Unsecured:		
Others - considered good	1,119,695,397	269,552,385
Less: Allowance for expected credit losses (Note 23.2)	18,259,853	35,583,191
	1,101,435,544	233,969,194

23.1 As at the reporting date, trade debts of Rupees 199.378 million (2023: Rupees 103.351 million) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The ageing analysis of trade debts is as follows:

	2024 Rupees	2023 Rupees
Neither past due nor impaired	920,316,607	166,201,439
Past due but not impaired		
1 to 6 months	178,831,728	68,941,107
6 months to 1 year	18,267,422	34,409,839
More than 1 year	2,279,640	-
	199,378,790	103,350,946
	1,119,695,397	269,552,385

		2024 Rupees	2023 Rupees
23.2	**Allowance for expected credit losses**		
	Opening balance	35,583,191	34,976,606
	Add: Recognized during the year (Note 36)	7,524,293	606,585
	Less: Written off during the year	24,847,631	-
	Closing balance	18,259,853	35,583,191

24. LOANS AND ADVANCES

		2024 Rupees	2023 Rupees
	Considered good, unsecured		
	Loans to employees - interest free against salaries		
	- Executives	13,614,340	8,623,129
	- Other employees	7,767,276	3,793,641
		21,381,616	12,416,770
	Current portion of long term loans to employees (Note 20)	934,166	934,166
	Advances to employees against expenses	2,691,708	3,363,189
	Advances to suppliers (Note 24.1)	284,920,830	197,896,120
	Advances against letter of credits	499,788	1,056,362
	Margin against letter of credits	38,229,000	87,677,942
	Margin against bank guarantees	38,750,000	38,750,000
		387,407,108	342,094,549
24.1	**Advances to suppliers**		
	Unsecured:		
	Considered good	284,920,830	197,896,120
	Considered doubtful	3,149,327	2,735,072
		288,070,157	200,631,192
	Less : Provision for doubtful advances to suppliers (Note 24.1.1)	3,149,327	2,735,072
		284,920,830	197,896,120
24.1.1	**Provision for doubtful advances to suppliers**		
	Opening balance	2,735,072	4,735,725
	Add: Provision recognized during the year (Note 36)	414,255	-
	Less: Reversal of provision during the year (Note 35)	-	1,250,720
	Less: Advances to suppliers written off against provision	-	749,933
	Closing balance	3,149,327	2,735,072

25. SHORT TERM DEPOSITS AND PREPAYMENTS

		2024 Rupees	2023 Rupees
	Current portion of long term security deposits (Note 19)	20,262,720	22,635,061
	Short term security deposits	7,637,880	2,449,880
	Prepaid expenses	827,406	827,406
	Prepaid insurance	9,199,956	8,061,250
	Prepaid rent	3,441,138	6,406,350
		41,369,100	40,379,947

26. OTHER RECEIVABLES

		2024 Rupees	2023 Rupees
	Receivable from MAS Associates (Private) Limited - associated company (Note 26.1)	347,497	444,154
	Receivable from SK Enmove Co., Ltd. - (Note 26.2)	69,585,301	-
	Sales tax receivable	210,367,052	192,923,266
	Inland freight equalization margin	27,171,584	16,760,468
	Others	3,570,611	3,661,085
		311,042,045	213,788,973

26.1 It is neither past due nor impaired. The maximum aggregate amount receivable from associated company at the end of any month during the year was Rupees 0.672 million (2023: Rupees 0.754 million).

26.2 This represents promotional incentive receivable from SK Enmove Co., Ltd. - principal supplier and long term partner. The maximum aggregate amount receivable from SK Enmove Co., Ltd. - principal supplier and long term partner at the end of any month during the year was Rupees 177.597 million (2023: Rupees 181.400 million).

	2024 Rupees	2023 Rupees
27. ADVANCE INCOME TAX - NET OF PROVISION FOR TAXATION		
Advance income tax	383,666,552	288,531,629
Provision for taxation	-	-
	383,666,552	288,531,629
Prepaid levy - net		
Prepaid levy	6,376,763	5,390,534
Less: Levy	(128,674,168)	(83,537,154)
	(122,297,405)	(78,146,620)
	261,369,147	210,385,009

27.1 The Group has opted for group taxation as one fiscal unit under section 59AA of the Income Tax Ordinance, 2001.

	2024 Rupees	2023 Rupees
28. ACCRUED INTEREST		
On bank deposits	186,102	9,013
On term deposit receipt	-	7,023,972
	186,102	7,032,985

	2024 Rupees	2023 Rupees
29. SHORT TERM INVESTMENTS		
29.1 Equity instruments		
Fair value through profit or loss		
Quoted - other than related party:		
Engro Fertilizer Limited		
49,500 (2023: 49,500) fully paid ordinary shares of Rupees 10 each	4,085,235	4,387,680
First Habib Cash Fund		
2,068,832.1513 (2023: 2,125,858.6099) units	209,515,390	214,608,551
NBP Islamic Daily Dividend Fund		
55,802.3031 (2023: 37,955.7549) units	558,023	379,557
UBL Liquidity Plus Fund - Class 'C'		
23,901.8786 (2023: 20,187.0219) units	2,418,565	2,045,041
MCB Cash Management Optimizer		
5,176.0518 (2023: 4,378.7994) units	525,355	443,593
Meezan Rozana Amdani Fund		
8,045.0943 (2023: 6,812.5239) units	402,255	340,625
	217,504,823	222,205,047
Unrealized gain on remeasurement of investments at fair value through profit or loss - net	5,212,238	377,899
	222,717,061	222,582,946

29.1.1 The fair value of listed securities is based on quoted market prices on Pakistan Stock Exchange (PSX) at reporting date. The fair values of funds are based on the Net Asset Value (NAV) being the current bid price at reporting date as quoted by the respective Asset Management Company.

	2024 Rupees	2023 Rupees
30. CASH AND BANK BALANCES		
Cash in hand	1,247,985	2,000,551
Cash at banks:		
- Saving accounts (Note 30.1)	48,549,022	7,873,895
- Current accounts	361,515,438	70,203,118
	410,064,460	78,077,013
Term deposit receipt (Note 30.3)	-	175,000,000
	411,312,445	255,077,564

30.1 Saving accounts carry profit at the rate of 20.5% (2023: 12.25% to 21.80%) per annum.

30.2 Bank balances (including term deposit receipt) of Rupees 3.627 million (2023: Rupees 177.401 million) and short term investments of Rupees 214.489 million (2023: Rupees 218.497 million) represents un-utilized proceeds of the initial public offer of Holding Company.

30.3 As at the reporting date, term deposit receipt of Rupees Nil (2023: Rupess 175 million) was having maturity of three months. Effective rate of interest on term deposit receipt during the year ranges from 19.45% to 21.15% (2023: 10.93% to 19.50%) per annum.

31. NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE

On 27 October 2023, shareholders of the Holding Company accorded approval to sell investment property (land) measuring 01 kanal and 05 marlas situated at 22-A, Zafar Ali Road, Lahore. The management of the Holding Company anticipates that disposal will be completed subsequent to the reporting period. Fair value less costs to sell is expected to be higher than the carrying amount of the related asset.

		2024 Rupees	2023 Rupees
32.	**GROSS REVENUE FROM CONTRACTS WITH CUSTOMERS**		
	Lubricants	10,345,759,999	9,153,605,779
	Petroleum products	16,259,445,090	8,212,223,924
	Polymer	462,117,790	215,636,116
	Others (Note 32.1)	46,881,222	35,233,764
		27,114,204,101	17,616,699,583
32.1	**Others**		
	Dispensing pumps	8,112,354	3,629,355
	Franchise and joining fee	38,768,868	31,604,409
		46,881,222	35,233,764

32.2 Revenue is recognised at point in time as per the terms and conditions of underlying contracts with customers.

32.3 The amount of Rupees 55.442 million included in contract liabilities (Note 10) at 30 June 2023 has been recognised as revenue during the year ended 30 June 2024.

		2024 Rupees	2023 Rupees
33.	**COST OF SALES**		
	Cost of sales - lubricants and other items (Note 33.1)	6,093,085,712	5,225,211,883
	Cost of sales - petroleum products (Note 33.2)	15,859,640,380	7,958,481,826
		21,952,726,092	13,183,693,709
33.1	**Cost of sales - lubricants and other items**		
	Raw materials consumed (Note 33.1.1)	4,824,916,404	3,616,609,767
	Packing materials consumed	155,639,323	100,154,900
	Salaries and other benefits (Note 33.1.2)	156,105,879	140,811,349
	Fuel and power	76,655,206	40,425,735
	Repair and maintenance	29,664,497	46,879,415
	Insurance	11,129,786	9,305,060
	Security charges	8,254,560	8,250,409
	Telephone	208,649	308,620
	Depreciation on operating fixed assets (Note 15.1.2)	131,567,785	111,351,042
	Miscellaneous	37,953,974	25,598,087
		5,432,096,063	4,099,694,384

	2024 Rupees	2023 Rupees
Work-in-process		
Opening stock	94,122,182	49,019,068
Closing stock	(77,857,504)	(94,122,182)
	16,264,678	(45,103,114)
Cost of goods manufactured	5,448,360,741	4,054,591,270
Finished goods		
Opening stock	716,139,358	1,417,256,776
Add: Lubricants and other items purchased for resale	758,352,833	469,503,195
Closing stock	(829,767,220)	(716,139,358)
	644,724,971	1,170,620,613
	6,093,085,712	5,225,211,883
33.1.1 Raw materials consumed		
Opening stock	1,650,353,383	1,170,447,477
Add: Purchased during the year	4,187,111,725	4,096,515,673
	5,837,465,108	5,266,963,150
Less: Closing stock	1,012,548,704	1,650,353,383
	4,824,916,404	3,616,609,767

33.1.2 Salaries, wages and other benefits include provident fund contribution of Rupees 5.001 million (2023: Rupees 3.995 million) by the Group.

	2024 Rupees	2023 Rupees
33.2 Cost of sales - petroleum products		
Opening stock of petroleum products	778,103,637	1,319,558,797
Petroleum products purchased during the year	12,482,859,347	6,127,519,591
Petroleum development levy	3,672,736,684	1,226,148,575
Inland freight equalization margin	288,087,908	63,358,500
	16,443,683,939	7,417,026,666
Closing stock of petroleum products	1,362,147,196	778,103,637
	15,859,640,380	7,958,481,826

	2024 Rupees	2023 Rupees
34. DISTRIBUTION COST		
Salaries and other benefits (Note 34.1)	422,598,281	499,141,943
Sales promotion and advertisements - net (Note 34.2)	35,695,242	13,880,511
Freight outward	51,954,235	37,689,754
Rent, rates and taxes	6,646,869	3,555,668
Travelling and conveyance	53,454,963	65,328,659
Insurance	29,251,839	23,965,207
Utilities	25,903,867	18,399,959
Repair and maintenance	30,855,357	20,400,104
Vehicles' running and maintenance	69,568,541	67,815,577
Communication	12,324,137	9,620,312
Entertainment	12,831,481	12,122,167
Depreciation on fixed assets (Note 15.1.2)	107,868,799	104,919,540
Depreciation on right-of-use assets (Note 16.2)	138,361,618	125,856,800
Hospitality charges	12,307,730	8,607,862
Printing and stationery	1,080,301	1,642,903
Miscellaneous	24,634,870	33,834,870
Royalty (Note 34.3 and 34.4)	40,324,742	28,238,910
	1,075,662,872	1,075,020,746

34.1 Salaries other benefits include provident fund contribution of Rupees 16.141 million (2023: Rupees 13.240 million) by the Group.

34.2 These are net off incentives in the shape of reimbursement against sales promotion expenses and advertisements amounting to Rupees 62.416 million (2023: Rupees 181.400 million) from SK Enmove Co., Ltd. - principal supplier and long term partner.

34.3 Particulars of royalty are as follows:

Name	Address	Relationship with the Group or directors	2024 Rupees	2023 Rupees
SK Enmove Co., Ltd. (Formerly SK Lubricants Co., Ltd.)	26, Jong-ro, Jongno-gu, Seoul 03188, Republic of Korea	Principal supplier and long term partner	40,324,742	28,238,910

34.4 Royalty expense relates to sale of certain products of Rupees 1,317.993 million (2023: Rupees 707.160 million) manufactured during the year by the Subsidiary Company under the “Brand License Agreement” with SK Enmove Co., Ltd. - principal supplier and long term partner.

	2024 Rupees	2023 Rupees
35. ADMINISTRATIVE EXPENSES		
Salaries, wages and other benefits (Note 35.1)	570,567,724	552,250,110
Consultancy charges	10,197,886	10,680,121
Rent, rates and taxes	4,053,040	2,184,731
Travelling and conveyance	52,256,339	61,872,459
Insurance	28,810,921	21,031,550
Vehicles' running and maintenance	43,823,917	37,404,502
Utilities	13,548,780	9,768,100
Repair and maintenance	7,526,372	9,602,290
Fee and subscription	27,116,053	21,929,524
Printing and stationery	1,444,209	2,115,132
Communication	9,526,548	6,001,728
Entertainment	33,945,321	35,161,252
Legal and professional	31,322,119	38,596,440
Auditor's remuneration (Note 35.2)	7,815,862	6,660,556
Depreciation on operating fixed assets (Note 15.1.2)	53,748,376	53,836,784
Depreciation on right-of-use assets (Note 16.2)	8,491,838	11,529,704
Amortization on intangible assets (Note 17)	10,581,097	10,199,746
Miscellaneous	9,483,947	9,212,925
	924,260,349	900,037,654

35.1 Salaries and other benefits include provident fund contribution of Rupees 15.900 million (2023: Rupees 13.240 million) by the Group.

	2024 Rupees	2023 Rupees
35.2 Auditor's remuneration		
Annual audit fee	4,270,732	3,593,680
Certifications	1,507,930	1,311,032
Half year review	1,453,200	1,263,654
Reimbursable expenses	584,000	492,190
	7,815,862	6,660,556

	2024 Rupees	2023 Rupees
36. OTHER EXPENSES		
Allowance for expected credit losses (Note 23.2)	7,524,293	606,585
Exchange loss - net	-	189,224,984
Sales tax receivable written off	6,453,593	-
Charities and donations (Note 36.1)	19,038,480	22,737,093
Intangible assets written off (Note 17)	26,283	-
Long term security deposit written off	-	325,000
Advances to suppliers written off (Note 24.1)	8,814,444	-
Fixed assets written off	6,075,596	-
Mobilzation advances written off	1,094,101	-
Loan to employees written off	84,068	-
Workers' profit participation fund (Note 10.4)	18,604,049	-
Workers' welfare fund (Note 10.5)	6,354,715	465,216
Provision for doubtful advances to suppliers (Note 24.1.1)	414,255	-
Provision for slow moving and obsolete store items (Note 21.1)	5,161,751	-
Provision for slow moving and damaged stock items (Note 22.4)	17,557,550	12,963,154
Penalty	1,881,892	4,237,757
Miscellaneous	47,586	60,138
	99,132,656	230,619,927

36.1 These include amount of Rupees 18 million (2023: Rupees 18 million) paid to Sabra Hamida Trust, 1-A, Danepur Road, GOR-1, Lahore, in which Mr. Hassan Tahir - Chief Executive, Mr. Shaukat Hassan - Director, Mr. Tahir Azam - deceased Director and Mr. Ali Hassan - Director of the Holding Company are trustees.

	2024 Rupees	2023 Rupees
37. OTHER INCOME		
Income from financial assets:		
Dividend income	42,511,752	35,936,899
Profit on bank deposits and short term investments	28,273,889	29,275,783
Gain on disposal of short term investment	338,810	338,180
Unrealized gain on remeasurement of investment at fair value through profit or loss - net	5,212,238	377,899
Credit Balances Written Back	201,554	10,541,826
Income from non-financial assets:		
Gain on disposal of operating fixed assets (Note 15.1.1)	2,929,079	6,808,097
Fair value gain on investment property (Note 18.1)	-	5,000,000
Testing Fee	-	35,460
Gain on termination of leases	-	5,548,712
Reversal of provision for slow moving and obsolete store items (Note 21.1)	1,402,865	499,698
Reversal against provision for doubtful advances to supplier (Note 24.1.1)	-	1,250,720
Amortization of deferred income - Government grant (Note 9.2)	23,533,790	22,915,134
Income from handling and storage services	29,050,833	19,261,960
Common facility charges	1,881,780	521,400
Scrap sales	93,967	1,260,451
Insurance claim	-	3,421,000
Promotional incentive (Note 37.1)	184,705,857	-
Miscellaneous	494,665	5,065,947
Others:		
Exchange gain - net	5,875,648	-
Rental income from HTL Express Centres	31,073,976	30,397,750
	357,580,703	178,456,916

37.1 This is from SK Enmove Co., Ltd. - principal supplier and long term partner.

	2024 Rupees	2023 Rupees
38. FINANCE COST		
Mark-up on long term financing	76,613,349	70,004,854
Mark-up on short term borrowings	563,005,289	541,787,387
Interest expense on lease liabilities (Note 7.1)	87,216,860	69,703,493
Interest on workers' profit participation fund (Note 10.4)	43,243,950	29,351,733
Bank charges and commission	30,882,784	11,092,410
	800,962,232	721,939,877
39. LEVY		
Minimum Tax (Note 39.1)	128,535,117	83,537,154
Prior year adjustment	139,051	(10,179,719)
	128,674,168	73,357,435

39.1 Levy represents minimum tax (excess over the amount designated as provision for current tax) on local sales under section 113 of the Income Tax Ordinance, 2001.

	2024 Rupees	2023 Rupees
40. TAXATION		
Deferred tax	169,237,721	148,834,722

40.1 The Group has opted for group taxation as one fiscal unit under section 59AA of the Income Tax Ordinance, 2001 and the provision for current taxation has been made accordingly. The numerical reconciliation between the average tax rate and the applicable tax rate has been given as follows:

	2024 Rupees	2023 Rupees
Relationship between tax expense and accounting profit		
Profit before taxation and levy	(177,940,148)	(322,459,647)
Tax at the applicable rate of 29% (2023: 29%)	(51,602,643)	(93,513,298)
Effect of minimum tax on turnover taxed at lower rate	122,158,354	78,051,977
Effect of dividend income taxed at a lower rate	6,376,763	5,390,535
Effect of inadmissible income	51,602,643	93,513,298
Effect of change in prior year's tax	139,051	(10,179,719)
Effect arising as a consequence of recognition of deferred income tax	(169,237,721)	(148,834,722)
	(40,563,553)	(75,477,287)

	2024	2023
41. LOSS PER SHARE - BASIC AND DILUTED		
There is no dilutive effect on the basic earnings per share which based on:		
Loss after taxation attributable to ordinary shareholders (Rupees)	(137,376,595)	(246,982,360)
Weighted average number of shares (Number)	139,204,800	139,204,800
Loss per share - basic and diluted (Rupees)	(0.99)	(1.77)

	2024 Rupees	2023 Rupees
42. CASH GENERATED FROM OPERATIONS		
Loss before taxation and levy	(177,940,148)	(322,459,647)
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets (Note 15.1.2)	293,184,960	270,107,366
Depreciation on right-of-use assets (Note 16)	146,853,456	137,386,504
Amortization of intangible assets (Note 17)	10,581,097	10,199,746
Amortization of deferred income - Government grant (Note 9.2)	(23,533,790)	(22,915,134)
Allowance for expected credit losses (Note 36)	7,524,293	606,585
Provision for slow moving and damaged stock items (Note 22.4)	17,557,550	12,963,154
Provision for slow moving and obsolete store items (Note 21.1)	(1,402,865)	(499,698)
Reversal of provision for doubtful advances to suppliers(Note 24.1)	-	(1,250,720)
Credit balances written back (Note 37)	(201,554)	(10,541,826)
Gain on disposal of operating fixed assets (Note 37)	(2,929,079)	(6,808,097)
Dividend income (Note 37)	(42,511,752)	(35,936,899)
Profit on bank deposits and term deposit receipt (Note 37)	(28,273,889)	(29,275,783)
Unrealized gain on remeasurement of investments carried at fair value through profit or loss - net (Note 37)	(5,212,238)	(377,899)
Gain on disposal of short term investments (Note 37)	(338,810)	(338,180)
Fair value gain on investment property	-	(5,000,000)
Gain on termination of leases	-	(5,548,712)
Finance cost (Note 38)	800,962,232	721,939,877
Exchange (gain) / loss - net	(5,875,648)	189,224,984
Provision for workers' profit participation fund (Note 10.4)	18,604,049	-
Provision for workers' welfare fund (Note 10.5)	6,354,715	465,216
Fixed assets written off (Note 36)	6,075,596	-
Intangible asset written off (Note 36)	26,283	-
Mobilzation advances written off (Note 36)	1,094,101	-
Long term security deposits written off	-	325,000
Sales tax written off (Note 36)	6,453,593	-
Advances to suppliers written off (Note 36)	8,814,444	-
Loan to employees written off (Note 36)	84,068	-
Provision for doubtful advances to suppliers (Note 36)	414,255	-
Provision for slow moving and obsolete store items (Note 36)	5,161,751	-
Working capital changes (Note 42.1)	947,331,671	(311,004,676)
	1,988,858,341	591,261,161

	2024 Rupees	2023 Rupees
42.1 Working capital changes		
(Increase) / decrease in current assets:		
Stores	53,861,591	(40,362,830)
Stock-in-trade	(46,819,979)	717,563,558
Trade debts	(874,990,643)	(125,549,258)
Loans and advances	(54,625,326)	(79,092,248)
Short term deposits and prepayments	(3,361,494)	(25,751,457)
Other receivables	(103,706,665)	227,527,492
	(1,029,642,516)	674,335,257
Increase / (decrease) in trade and other payables	1,976,974,187	(985,339,933)
	947,331,671	(311,004,676)

42.2 Reconciliation of movement of liabilities to cash flows arising from financing activities:

	2024				
	Liabilities from financing activities				
	Long term financing	Lease liabilities	Short term borrowings	Unclaimed dividend	Total
	Rupees				
Balance as at 01 July 2023	632,150,056	662,217,503	2,406,866,985	5,830,744	3,707,065,288
Financing obtained	-	-	27,101,328,014	-	27,101,328,014
Repayment of financing	(70,665,676)	-	(27,443,952,325)	-	(27,514,618,001)
Acquisitions - finance leases	-	162,958,870	-	-	162,958,870
Other change - non-cash movement	23,533,790	10,322,033	-	-	33,855,823
Repayment of lease liabilities	-	(192,105,893)	-	-	(192,105,893)
Dividend paid	-	-	-	(141,327)	(141,327)
Balance as at 30 June 2024	585,018,170	643,392,513	2,064,242,674	5,689,417	3,298,342,774

	2023				
	Liabilities from financing activities				
	Long term financing	Lease liabilities	Short term borrowings	Unclaimed dividend	Total
	Rupees				
Balance as at 01 July 2022	577,054,335	624,517,326	1,897,577,032	5,755,517	3,104,904,210
Financing obtained	97,417,000	-	16,658,225,431	-	16,755,642,431
Repayment of financing	(63,004,463)	-	(16,148,935,478)	-	(16,211,939,941)
Acquisitions - finance leases	-	142,903,481	-	-	142,903,481
Other change - non-cash movement	20,683,184	35,119,062	-	-	55,802,246
Repayment of lease liabilities	-	(140,322,366)	-	-	(140,322,366)
Dividend declared	-	-	-	278,409,600	278,409,600
Dividend paid	-	-	-	(278,334,373)	(278,334,373)
Balance as at 30 June 2023	632,150,056	662,217,503	2,406,866,985	5,830,744	3,707,065,288

	2024 Rupees	2023 Rupees
42.3 Non-cash financing activities		
Acquisition of right-of-use assets	162,958,870	142,903,481

43. PROVIDENT FUND

Investments, out of provident fund, have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

44. PLANT CAPACITY AND ACTUAL PRODUCTION

Considering the nature of the Holding Company's business, the information regarding production has no relevance whereas product storage capacities at Holding Company's facility during the current year is detailed below:

	Storage Capacity		
	Metric Tons		
Description	**SKO**	**PMG**	**HSD**
Sahiwal depot	198	2,040	1,858
Nowshera depot	-	1,401	1,551

The plant capacity and actual production of Subsidiary Company is as follows:

	Unit of measurement	2024 Capacity	2024 Production	2023 Capacity	2023 Production
Blending division:					
Bottles	Numbers	14,446,080	3,351,571	16,420,800	2,867,062
Caps	Numbers	21,244,236	3,286,419	23,760,000	2,292,438
Filling	Litres	94,274,800	7,406,258	94,274,800	6,284,595
Blending	Litres	30,000,000	7,626,258	30,000,000	1,730,213
Polymer division:					
Bottles	Numbers	8,195,691	3,947,378	4,368,000	2,784,808
Caps	Numbers	5,002,105	4,777,051	5,940,000	3,015,336
Injection moulding parts	Numbers	393,300	208,234	198,000	114,514

Under utilization of available capacity is mainly due to limited sales orders.

45. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated undertakings, other related parties, key management personnel and provident fund trusts. The Group in the normal course of business carries out transactions with various related parties. Detail of significant transactions with related parties, other than those which have been disclosed elsewhere in these consolidated financial statements, are as follows:

Relationship	Nature of transaction	2024 Rupees	2023 Rupees
Associated companies			
MAS Associates (Private) Limited	Share of common expenses	1,881,780	1,452,548
Other related parties			
SK Enmove Co., Ltd. (Formerly SK Lubricants Co., Ltd.)	Purchase of lubricants	2,757,566,899	3,176,714,890
	Incentives	247,122,001	181,400,000
	Dividend paid	-	1,986,660
Hi-Tech Lubricants Limited Employees Provident Fund Trust	Contribution	30,574,917	25,429,262
Hi-Tech Blending (Private) Limited Employees Provident Fund Trust	Contribution	6,467,014	5,046,647
Sabra Hamida Trust	Donations	18,000,000	18,000,000
Directors of Holding Company			
Mr. Shaukat Hassan	Dividend paid	-	721,200
Mr. Muhammad Ali Hassan	Dividend paid	-	18,000,720
Mr. Hassan Tahir	Dividend paid	-	18,000,720
Ms. Mavira Tahir	Dividend paid	-	12,000,360
Mr. Tahir Azam (Late)*	Dividend paid	-	721,200
Mr. Faraz Akhtar Zaidi	Dividend paid	-	1,200
Dr. Safdar Ali Butt	Dividend paid	-	1,200
Mr. Shafiq Ur Rehman	Dividend paid	-	1,200
Mr. Syed Asad Abbas Hussain	Dividend paid	-	1,200

*Ceased to be the director of the Holding Company with effect from 09 June 2024

45 .1 Following are the related parties with whom the Group had entered into transactions or have arrangements / agreements in place:

Name of related party	Basis of relationship	Transactions entered or agreements and / or arrangements in place during the financial year	% age of shareholding held by the Group
MAS Associates (Private) Limited	Common directorship	Yes	None
SK Enmove Co., Ltd.	Principal supplier and long term partner	Yes	None
Sabra Hamida Trust	Common trusteeship of directors	Yes	None
Hi-Tech Energy (Private) Limited	Common directorship	No	None
MAS Infosoft (Private) Limited	Common directorship	No	None
MAS Services	Common partnership of directors	No	None
Haut Buys (Private) Limited	Common directorship	No	None
WASL Investment Finance Limited	Common directorship	No	None
Alliance Francaise De Lahore Foundation	Common trusteeship of directors	No	None
Pakistan France Business Alliance	Common trusteeship of directors	No	None
Food Check (Private) Limited	Common directorship	No	None
Pak Agro Packaging (Private) Limited	Common directorship	No	None
Ujala Education Foundation	Common trusteeship of directors	No	None
MAS Associates Employees Provident Fund Trust	Common trusteeship of directors	No	None
Hi-Tech Lubricants Limited Employees Provident Fund Trust	Common trusteeship of directors	Yes	None
Hi-Tech Blending (Private) Limited Employees Provident Fund Trust	Common trusteeship of directors	Yes	None
MAS Services Employees Provident Fund Trust	Common trusteeship of directors	No	None
Haut Notch (Private) Limited	Common directorship	No	None
Gulf Rubber Works (Private) Limited	Common directorship	No	None
ANALI	Common partnership of director	No	None
Chenab Energy (Private) Limited	Common directorship	No	None
JSSR Consulting, Pakistan	Common partnership of director	No	None
14th Gate Restructuring Company Limited	Common directorship	No	None
Mr. Shaukat Hassan	Director of the Holding Company	Yes	None
Mr. Muhammad Ali Hassan	Director of the Holding Company	Yes	None
Mr. Hassan Tahir	Director of the Holding Company	Yes	None
Ms. Mavira Tahir	Director of the Holding Company	Yes	None
Mr. Tahir Azam (Late)*	Director of the Holding Company	Yes	None
Mr. Faraz Akhtar Zaidi	Director of the Holding Company	Yes	None
Dr. Safdar Ali Butt	Director of the Holding Company	Yes	None
Mr. Shafiq Ur Rehman	Director of the Holding Company	Yes	None
Mr. Sanghyuk Seo**	Director of the Holding Company	No	None
Mr. Syed Asad Abbas Hussain	Director of the Holding Company	Yes	None
Mr. Wonjin Yoon***	Director of the Holding Company	No	None
Ms. Mehvish Khan ****	Director of the Holding Company	No	None

*Ceased to be the director of the Holding Company with effect from 09 June 2024.
**Ceased to be the director of the Holding Company with effect from 28 February 2024.
***Appointed as director of the Holding Company with effect from 28 February 2024.
****Appointed as director of the Holding Company with effect from 22 August 2024, subsequent to the reporting period, on casual vacancy arising due to sad demise of Mr. Tahir Azam.

45 .2 Detail of compensation to key management personnel comprising of chief executive officer and executives is disclosed in note 46.

46. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in these consolidated financial statements in respect of remuneration, including all benefits to the chief executive, directors and executives of the Holding Company are as follows:

	2024				2023			
		Directors				Directors		
	Chief Executive	**Executives**	**Non-Executives**	**Executives**	Chief Executive	Executives	Non-Executives	Executives
	Rupees							
Managerial remuneration	15,483,871	13,935,484	45,483,870	160,464,282	15,180,645	13,645,161	45,161,292	133,306,711
Bonus	2,000,000	1,800,000	-	19,592,012	2,765,000	2,475,000	-	17,750,265
Allowances								
House rent	6,967,742	6,270,968	20,467,741	72,208,917	6,831,290	6,140,322	20,322,581	59,988,020
Medical	1,548,384	1,393,548	4,548,378	16,046,483	1,518,065	1,364,516	4,516,129	13,330,671
Travelling	3,000,000	3,000,000	10,000,000	868,850	3,000,000	3,000,000	10,000,000	891,950
Other	-	-	-	22,106,652	6,157,513	6,137,513	2,000,000	77,884,355
Contribution to provident fund trust	-	-	-	14,367,723	-	-	-	11,336,955
Leave fare assistance	-	-	-	14,122,404	-	-	-	8,321,586
	28,999,997	26,400,000	80,499,989	319,777,323	35,452,513	32,762,512	82,000,002	322,810,513
	1	**1**	**4**	**68**	**1**	**1**	**4**	**64**

46.1 Chief executive, five directors (other than independent directors) and certain executives of the Holding Company are provided with fully maintained vehicles.

46.2 Aggregate amount charged in these consolidated financial statements for meeting fee to three directors (2023: three directors) is Rupees 5.2 million (2023: Rupees 6.1 million).

47. NUMBER OF EMPLOYEES

	2024		2023	
	Permanent	**Contractual**	Permanent	Contractual
Total number of employees as on 30 June	613	107	576	115
Average number of employees during the year	602	108	592	113

48. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table.

Recurring fair value measurements at 30 June 2024	Level 1	Level 2	Level 3	Total
		Rupees		
Financial assets				
Financial assets at fair value through profit or loss	222,717,061	-	-	222,717,061

Recurring fair value measurements at 30 June 2023	Level 1	Level 2	Level 3	Total
		Rupees		
Financial assets				
Financial assets at fair value through profit or loss	222,582,946	-	-	222,582,946

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further there was no transfer in and out of level 3 measurements.

The Group's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(ii) Valuation techniques used to determine fair values

Specific valuation technique used to value financial instruments is the use of quoted market prices on Pakistan Stock Exchange and for funds, Net Asset Value (NAV) of respective Asset Management Company.

49. SEGMENT INFORMATION

The Group has two reportable segments. The following summary describes the operation in each of the Group's reportable segments:

Lubricants	Purchase and sale of lubricants, parts and rendering of services.
Petroleum products	Marketing and sale of petroleum products.
Polymer	Manufacturing and sale of plastic bottles

	LUBRICANTS		PETROLEUM PRODUCTS		POLYMER		UNALLOCATED		TOTAL - GROUP	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
	Rupees									
Revenue from contracts with customers - net	7,964,688,205	7,276,934,978	15,960,960,352	8,150,370,310	391,574,793	183,090,062	-	-	24,317,223,350	15,610,395,350
Cost of sales	(6,078,113,375)	(5,096,241,527)	(15,569,807,897)	(7,917,035,700)	(304,804,819)	(170,416,482)	-	-	(21,952,726,092)	(13,183,693,709)
Gross profit	1,886,574,829	2,180,693,451	391,152,455	233,334,610	86,769,974	12,673,580	-	-	2,364,497,258	2,426,701,641
Distribution cost	(666,137,123)	(760,895,784)	(400,050,792)	(309,628,014)	(9,474,957)	(4,496,948)	-	-	(1,075,662,872)	(1,075,020,746)
Administrative expenses	(902,361,015)	(876,880,754)	(19,336,043)	(19,542,730)	(2,563,291)	(3,614,170)	-	-	(924,260,349)	(900,037,654)
Other expenses	(58,714,139)	(219,363,661)	(36,267,439)	(11,256,266)	(4,151,078)	-	-	-	(99,132,656)	(230,619,927)
	(1,627,212,277)	(1,857,140,199)	(455,654,274)	(340,427,010)	(16,189,326)	(8,111,118)	-	-	(2,099,055,877)	(2,205,678,327)
Other income	266,875,356	76,546,648	90,705,347	101,910,268	-	-	-	-	357,580,703	178,456,916
Profit / (loss) from operations	526,237,908	400,099,900	26,203,528	(5,182,132)	70,580,648	4,562,462	-	-	623,022,084	399,480,230
Finance cost	(559,518,247)	(536,838,907)	(111,943,694)	(98,582,346)	(129,500,291)	(86,518,624)	-	-	(800,962,232)	(721,939,877)
Loss before taxation and levy	(33,280,339)	(136,739,007)	(85,740,166)	(103,764,478)	(58,919,643)	(81,956,162)	-	-	(177,940,148)	(322,459,647)
Levy	-	-	-	-	-	-	(128,674,168)	(73,357,435)	(128,674,168)	(73,357,435)
Loss before taxation	(33,280,339)	(136,739,007)	(85,740,166)	(103,764,478)	(58,919,643)	(81,956,162)	(128,674,168)	(73,357,435)	(306,614,316)	(395,817,082)
Taxation	-	-	-	-	-	-	169,237,721	148,834,722	169,237,721	148,834,722
Loss profit after taxation	(33,280,339)	(136,739,007)	(85,740,166)	(103,764,478)	(58,919,643)	(81,956,162)	40,563,553	75,477,287	(137,376,595)	(246,982,360)

49.1 Reconciliation of reportable segment assets and liabilities:

	LUBRICANTS		PETROLEUM PRODUCTS		POLYMER		TOTAL - GROUP	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	Rupees							
Total assets for reportable segments	7,352,869,179	6,722,267,004	4,925,271,282	3,947,956,772	806,414,749	815,925,107	13,084,555,210	11,486,148,883
Unallocated assets							322,769,341	676,568,277
Total assets as per consolidated statement of financial position							13,407,324,551	12,162,717,160
Total liabilities for reportable segments	3,602,415,185	2,526,927,666	1,905,651,627	233,897,003	433,749,283	475,910,407	5,941,816,095	3,236,735,076
Unallocated liabilities							1,543,996,527	2,882,274,060
Total liabilities as per consolidated statement of financial position							7,485,812,622	6,119,009,136

49.2 All of the sales of the Group relates to customers in Pakistan.

49.3 All non-current assets of the Group as at the reporting dates are located in Pakistan.

50. FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

Judgments and estimates are made in determining the fair value of non-financial assets that are recognized and measured at fair value in these consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its non-financial assets into the following three levels.

At 30 June 2024	Level 1	Level 2	Level 3	Total
		Rupees		
Freehold land	-	2,810,521,750	-	2,810,521,750

At 30 June 2023	Level 1	Level 2	Level 3	Total
		Rupees		
Freehold land	-	2,795,341,250	-	2,795,341,250
Investment property - land	-	135,000,000	-	135,000,000
	-	2,930,341,250	-	2,930,341,250

The Group's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further, there was no transfer in and out of level 3 measurements.

(ii) Valuation techniques used to determine level 2 fair values

The Group obtains independent valuations for its freehold land (classified as fixed assets) at least annually. At the end of reporting period, the management of the Group updates the assessment of the fair value of property, taking into account the most recent independent valuations. The management determines a property's value within a range of reasonable fair value estimate. The best evidence of fair value is current prices in an active market for similar lands.

Valuation processes

The Group engages external, independent and qualified valuers to determine the fair value of the Group's freehold land at the end of every financial year. As at 30 June 2024, the fair value of the freehold land has been determined by M/s Unicorn International Surveyors , an independent valuer.

Changes in fair values are analyzed at each reporting date during the annual valuation process between the Chief Financial Officer and the valuer. As part of this discussion the team presents a report that explains the reason for the fair value movements.

51. FINANCIAL RISK MANAGEMENT

51.1 Financial risk factors

The Group's activities exposes it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Risk management is carried out by the Group's finance department. The Group's finance department has provided 'Risk Management Policy' covering specific areas such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity. All treasury related transactions are carried out within the parameters of this policy.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Group is exposed to currency risk arising from the United States Dollar (USD). As on reporting date, the Group's foreign exchange risk exposure is restricted to the amounts payable to a foreign entity. The Group's exposure to currency risk is as follows:

	2024 **USD**	2023 USD
Trade and other payables	(4,280,741)	(2,150,309)
	250,000	-
	(4,030,741)	(2,150,309)

The following significant exchange rates were applied during the year:

	Rupees per US Dollar	
Average rate	283.70	253.08
Reporting date rate	278.80	287.10

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD with all other variables held constant, the impact on Group's loss after taxation for the year would have been Rupees 52.396 million (2023: Rupees 24.884 million) higher / lower, mainly as a result of exchange losses / gains on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. The sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Group is exposed to equity securities price risk because of short term investments held by the Group and classified at fair value through profit or loss. The Group is not exposed to commodity price risk since it does not hold any financial instruments based on commodity prices.

Sensitivity analysis

The table below summarizes the impact of increase / decrease in the Pakistan Stock Exchange (PSX) Index on the Group's loss after taxation for the year. The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Group's equity instruments moved according to the historical correlation with the index:

	Impact on Group's loss after taxation	
Index	**2024** **Rupees**	2023 Rupees
PSX 100 (5% increase)	(411,395)	(204,262)
PSX 100 (5% decrease)	411,395	204,262

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group has no long term interest bearing asset. The Group's interest rate risk arises from bank balances on saving accounts, long term financing, lease liabilities and short term borrowings. Financial instruments at variable rates expose the Group to cash flow interest rate risk. Financial instruments, if any, at fixed rate expose the Group to fair value interest rate risk.

At the reporting date, the interest rate profile of the Group's interest bearing financial instruments was as follows:

	2024 Rupees	2023 Rupees
Fixed rate instruments		
Financial assets		
Term deposit receipt	-	175,000,000
Financial liabilities		
Long term financing	483,351,502	510,150,056
Lease liabilities	548,397,202	467,952,255
Floating rate instruments		
Financial assets		
Bank balances - saving accounts	48,549,022	7,873,895
Financial liabilities		
Long term financing	101,666,668	122,000,000
Lease liabilities	94,995,311	194,265,248
Short term borrowings	2,064,242,674	2,406,866,985
	2,260,904,653	2,723,132,233

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Group.

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the reporting date, fluctuates by 1% higher / lower with all other variables held constant, Group's loss after taxation for the year would have been Rupees 21.841 million (2023: Rupees 26.610 million) higher / lower mainly as a result of higher / lower interest expense on lease liabilities, short term borrowings and bank balances. This analysis is prepared assuming the amounts of assets and liabilities outstanding at reporting dates were outstanding for the whole year.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2024 Rupees	2023 Rupees
Long term security deposits	18,960,950	18,933,950
Long term loans to employees	2,985,102	3,919,266
Short term deposits	7,637,880	2,449,880
Trade debts	1,101,435,544	233,969,194
Loans and advances	99,294,782	138,844,712
Other receivables	100,674,993	20,865,707
Accrued interest	186,102	7,032,985
Short term investments	222,717,061	222,582,946
Bank balances	410,064,460	253,077,013
	1,963,956,874	901,675,653

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (If available) or to historical information about counterparty default rate:

	Rating Short term	Rating Long term	Agency	2024 Rupees	2023 Rupees
Short term investments					
Engro Fertilizer Limited	A1+	AA	PACRA	8,227,890	4,085,235
First Habib Cash Fund		AA+(f)	VIS	210,578,977	215,290,591
NBP Islamic Daily Dividend Fund		AA(f)	PACRA	558,023	379,557
UBL Liquidity Plus Fund - Class 'C'		AA+(f)	VIS	2,422,647	2,042,658
MCB Cash Management Optimizer		AA+(f)	PACRA	527,269	444,282
Meezan Rozana Amdani Fund		AA+(f)	VIS	402,255	340,625
				222,717,061	222,582,948
Banks					
Bank Alfalah Limited	A1+	AAA	PACRA	215,539,881	8,411,749
Bank AL-Habib Limited	A1+	AAA	PACRA	58,291,214	16,028,254
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	2,501,704	175,559,977
MCB Bank Limited	A1+	AAA	PACRA	5,101,165	12,765,615
National Bank of Pakistan	A1+	AAA	PACRA	1,281,553	1,195,805
The Bank of Punjab	A1+	AA+	PACRA	-	115,450
Habib Bank Limited	A-1+	AAA	VIS	46,880,754	65,132
Askari Bank Limited	A1+	AA+	PACRA	110,548	848,155
United Bank Limited	A-1+	AAA	VIS	18,318,856	4,928,558
JS Bank Limited	A1+	AA	PACRA	287,137	287,110
Albaraka Bank (Pakistan) Limited	A-1	A+	VIS	238,399	238,399
Meezan Bank Limited	A-1+	AAA	VIS	50,851,960	27,195,432
Dubai Islamic Bank Pakistan Limited	A-1+	AA	VIS	108,520	108,520
Faysal Bank Limited	A1+	AA	PACRA	6,061,666	4,671,404
Bank Makramah Limited (Formerly Summit Bank Limited)	A-3	BBB-	VIS	7,246	7,246
Summit Bank Limited	A1+	AA-	PACRA	-	-
Soneri Bank Limited	A1	AA	PACRA	647,432	650,207
Samba Bank Limited	A1	A	PACRA	3,836,425	-
				410,064,460	253,077,013
				632,781,521	475,659,961

Due to the Group's business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Group. Accordingly the credit risk is minimal.

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade debts.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. These trade receivables are netted off with the collateral obtained from these customers to calculate the net exposure towards these customers.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2024 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Gross Domestic Product, unemployment, interest, and the inflation Index of the country in which it majorly sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at 30 June 2024 and 30 June 2023 was determined as follows:

	Sales		
	Expected loss rate	**Trade debts**	**Loss allowance**
	%	Rupees	
At 30 June 2024			
Up to 30 days	0.00%	386,686,494	-
30 to 180 days	14.71%	71,969,290	10,585,420
181 to 360 days	37.81%	14,267,422	5,394,793
Above 360 days	100.00%	2,279,640	2,279,640
		475,202,846	18,259,853
Trade debts which are not subject to risk of default		644,492,551	-
		1,119,695,397	18,259,853

	Sales		
	Expected loss rate	**Trade debts**	**Loss allowance**
	%	Rupees	
At 30 June 2023			
Up to 30 days	7.11%	11,358,580	807,735
30 to 180 days	68.50%	778,230	533,084
181 to 360 days	96.75%	5,154,272	4,986,669
Above 360 days	100.00%	29,255,603	29,255,603
		46,546,685	35,583,091
Trade debts which are not subject to risk of default		223,005,700	-
		269,552,385	35,583,091

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk by maintaining sufficient cash and bank balances and the availability of funding through an adequate amount of committed credit facilities. As 30 June 2024, the Group had Rupees 549.070 million (2023: Rupees 2,421.517 million) available borrowing limits from financial institutions and Rupees 411.312 million (2023: Rupees 255.078 million) cash and bank balances. Management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amounts disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2024:

	Carrying amount	**Contractual cash flows**	**6 months or less**	**6-12 months**	**1-2 years**	**More than 2 years**
			Rupees			
Non-derivative financial liabilities:						
Long term financing	585,018,170	733,571,783	64,727,369	60,561,086	120,343,606	487,939,723
Lease liabilities	643,392,513	1,082,986,993	132,409,361	94,935,663	164,213,004	691,428,965
Long term deposits	15,000,000	15,000,000	-	-	-	15,000,000
Trade and other payables	2,952,497,880	2,952,497,880	2,952,497,880	-	-	-
Accrued mark-up	98,461,634	98,461,634	98,461,634	-	-	-
Short term borrowings	2,064,242,674	2,448,658,716	794,195,096	1,654,463,620	-	-
Unclaimed dividend	5,689,417	5,689,417	5,689,417	-	-	-
	6,364,302,288	7,336,866,423	4,047,980,757	1,809,960,369	284,556,610	1,194,368,688

Contractual maturities of financial liabilities as at 30 June 2023:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 years
			Rupees			
Non-derivative financial liabilities:						
Long term financing	632,150,056	814,547,642	39,361,329	63,666,031	123,909,463	587,610,820
Lease liabilities	662,217,503	715,433,041	107,389,212	102,513,217	176,329,452	329,201,160
Long term deposits	16,500,000	16,500,000	-	-	-	16,500,000
Trade and other payables	1,170,748,433	1,170,748,433	1,170,748,433	-	-	-
Accrued mark-up	124,519,872	124,519,872	124,519,872	-	-	-
Short term borrowings	2,406,866,985	3,128,722,055	540,195,415	2,588,526,640	-	-
Unclaimed dividend	5,830,744	5,830,744	5,830,744	-	-	-
	5,018,833,593	5,976,301,787	1,988,045,005	2,754,705,888	300,238,915	933,311,980

51.2 Financial instruments by categories

	2024		
	At amortized cost	At fair value through profit or loss	Total
		Rupees	
Financial assets			
Long term security deposits	18,960,950	-	18,960,950
Long term loans to employees	2,985,102	-	2,985,102
Short term deposits	7,637,880	-	7,637,880
Trade debts	1,101,435,544	-	1,101,435,544
Loans and advances	99,294,782	-	99,294,782
Other receivables	100,674,993	-	100,674,993
Accrued interest	186,102	-	186,102
Short term investments	-	222,717,061	222,717,061
Cash and bank balances	411,312,445	-	411,312,445
	1,742,487,798	222,717,061	1,965,204,859

	2023		
	At amortized cost	At fair value through profit or loss	Total
		Rupees	
Financial assets			
Long term security deposits	18,933,950	-	18,933,950
Long term loans to employees	3,919,266	-	3,919,266
Short term deposits	2,449,880	-	2,449,880
Trade debts	233,969,194	-	233,969,194
Loans and advances	138,844,712	-	138,844,712
Other receivables	20,865,707	-	20,865,707
Accrued interest	7,032,985	-	7,032,985
Short term investments	-	222,582,946	222,582,946
Cash and bank balances	255,077,564	-	255,077,564
	681,093,258	222,582,946	903,676,204

	At Amortized Cost	
	2024 Rupees	2023 Rupees
Financial liabilities		
Long term financing	585,018,170	632,150,056
Lease liabilities	643,392,513	662,217,503
Long term deposits	15,000,000	16,500,000
Trade and other payables	2,952,497,880	1,170,748,433
Short term borrowings	2,064,242,674	2,406,866,985
Accrued mark-up	98,461,634	124,519,872
Unclaimed dividend	5,689,417	5,830,744
	6,364,302,288	5,018,833,593

51.2.1 Reconciliation to the line items presented in the consolidated statement of financial position is as follows:

	2024		
	Financial assets	**Non-financial assets**	**Assets as per consolidated statement of financial position**
	Rupees		
Financial assets			
Long term security deposits	18,960,950	24,352,419	43,313,369
Long term loans to employees	2,985,102	-	2,985,102
Short term deposits and prepayments	7,637,880	33,731,220	41,369,100
Trade debts	1,101,435,544	-	1,101,435,544
Loans and advances	99,294,782	288,112,326	387,407,108
Other receivables	100,674,993	210,367,052	311,042,045
Accrued interest	186,102	-	186,102
Short term investments	222,717,061	-	222,717,061
Cash and bank balances	411,312,445	-	411,312,445
	1,965,204,859	556,563,017	2,521,767,876

	2024		
	Financial liabilities	**Non-financial liabilities**	**Liabilities as per consolidated statement of financial position**
	Rupees		
Liabilities			
Long term financing	585,018,170	-	585,018,170
Lease liabilities	643,392,513	-	643,392,513
Long term deposits	15,000,000	-	15,000,000
Trade and other payables	2,952,497,880	969,584,065	3,922,081,945
Short term borrowings	2,064,242,674	-	2,064,242,674
Accrued mark-up	98,461,634	-	98,461,634
Unclaimed dividend	5,689,417	-	5,689,417
	6,364,302,288	969,584,065	7,333,886,353

	2023		
	Financial assets	Non-financial assets	Assets as per consolidated statement of financial position
		Rupees	
Assets			
Long term security deposits	18,933,950	44,766,498	63,700,448
Long term loans to employees	3,919,266	-	3,919,266
Short term deposits and prepayments	2,449,880	37,930,067	40,379,947
Trade debts	233,969,194	-	233,969,194
Loans and advances	138,844,712	203,249,837	342,094,549
Other receivables	20,865,707	192,923,266	213,788,973
Accrued interest	7,032,985	-	7,032,985
Short term investments	222,582,946	-	222,582,946
Cash and bank balances	255,077,564	-	255,077,564
	903,676,204	478,869,668	1,382,545,872

	2023		
	Financial liabilities	Non-financial liabilities	Liabilities as per consolidated statement of financial position
		Rupees	
Liabilities			
Long term financing	632,150,056	-	632,150,056
Lease liabilities	662,217,503	-	662,217,503
Long term deposits	16,500,000	-	16,500,000
Trade and other payables	1,170,748,433	755,477,763	1,926,226,196
Short term borrowings	2,406,866,985	-	2,406,866,985
Accrued mark-up	124,519,872	-	124,519,872
Unclaimed dividend	5,830,744	-	5,830,744
	5,018,833,593	755,477,763	5,774,311,356

51.3 Offsetting financial assets and financial liabilities

As on reporting date, recongnized financial instruments are not subject to off setting as there are no enforceable master netting arrangements and similar agreements.

52. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares. Consistent with others in the industry, and the requirements of the lenders, the Group monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent long term financing, lease liabilities and short term borrowings as referred to in note 6, 7 and 12 to the consolidated financial statements. Total capital employed includes 'total equity' as shown in the consolidated statement of financial position plus 'borrowings'.

		2024	2023
Borrowings	Rupees	2,837,802,878	3,350,362,802
Total equity	Rupees	5,921,511,929	6,043,708,024
Total capital employed	Rupees	8,759,314,807	9,394,070,826
Gearing ratio	Percentage	32.40%	35.66%

The increase in gearing ratio is mainly due to increase in short term borrowings.

53. UNUTILIZED CREDIT FACILITIES

	Non-funded		**Funded**	
	2024	2023	**2024**	2023
	Rupees	Rupees	**Rupees**	Rupees
Total facilities	2,953,510,000	3,479,200,000	3,462,677,000	6,069,836,740
Utilized at the end of the year	1,940,473,446	1,999,741,272	2,913,606,635	3,648,319,860
Unutilized at the end of the year	1,013,036,554	1,479,458,728	549,070,365	2,421,516,880

54. UTILIZATION OF THE PROCEEDS OF THE INITIAL PUBLIC OFFER (IPO)

During the year ended 30 June 2016, the Holding Company made an Initial Public Offer (IPO) through issue of 29,001,000 ordinary shares of Rupees 10 each at a price of Rupees 62.50 per share determined through book building process. Out of the total issue of 29,001,000 ordinary shares, 21,750,500 shares were subscribed through book building by High Net Worth Individuals and Institutional Investors, while the remaining 7,250,500 ordinary shares were subscribed by the General Public and the shares were duly allotted on 18 February 2016. On 01 March 2016, Pakistan Stock Exchange Limited approved the Holding Company's application for formal listing of ordinary shares and trading of shares started on 03 March 2016.

Till 30 June 2017, the Holding Company utilized the proceeds of the initial public offer of 29,001,000 ordinary shares for the purposes mentioned under heading 5.5 'Expansion Plan' in prospectus dated 28 December 2015, as per the following detail:

Purposes Mentioned Under Heading 5.5 'Expansion Plan' In Prospectus Dated 28 December 2015	Total amount		Total amount utilized till 30 June 2017
	Rupees		Rupees
Investment in HTLL			
Land	470,000,000		60,618,100
Building	128,000,000		12,486,445
Plant, machinery and equipment	139,000,000		2,719,201
Pre-operating costs	33,000,000		249,630
Working capital	842,562,500		739,126,208
	1,612,562,500		815,199,584
Investment in 100% owned subsidiary			
Additional filling lines for blending plant, Hi-Tech Blending (Private) Limited - Subsidiary Company	200,000,000		-
Total	1,812,562,500	**B**	815,199,584
IPO proceeds (A)	1,812,562,500		
Amount un-utilized (A – B)	997,362,916		

As stated in the prospectus dated 28 December 2015, the Holding Company planned to offer state of the art retail outlets across Pakistan with multitude of unique services and also planned to install additional filling lines at the blending plant of its Subsidiary Company. The plan of the year 2015-16 covered 37 grand outlets openings in 11 major cities of Pakistan including Lahore, Gujranwala, Sialkot, Faisalabad, Multan, Islamabad, Rawalpindi, Karachi and Hyderabad. Over a period of 5 years, the Holding Company planned to open 75 retail outlets (including 67 rented) across 16 major cities of Pakistan. As per quarterly progress report number 06 dated 14 July 2017, the Holding Company informed all stakeholders the progress on implementation of project: Expansion through retail outlet: 1 owned service center under regulatory approval and out of the 10 rented service centers, 1 is operational, 3 are approved and under construction, 3 are under regulatory approvals and 3 are under negotiations. Accurate, effective and timely implementation of the above plans of the Holding Company became a big challenge for the Holding Company due to expensive lands and properties at key locations in almost all the cities for express service centers. Hence, the Holding Company planned for incorporation of express centers into its fuel stations to be established under the umbrella of Oil Marketing Company (OMC) Project of the Holding Company. In this regard, the Holding Company obtained a financial feasibility report from KPMG Taseer Hadi & Co., Chartered Accountants regarding investment in OMC Project. In view of successful fulfillment of initial mandatory requirements of Oil and Gas Regulatory Authority (OGRA) for setting up of an OMC and future prospects of OMC in current international scenario as prospected under financial feasibility report, the shareholders of the Holding Company in their 9th Annual General Meeting held on 29 September 2017 approved diversion and utilization of un-utilized IPO funds from HTL express centers and wholly owned Subsidiary Company to OMC Project of the Holding Company keeping in view overall growth of the Holding Company and ultimate benefit to all shareholders and stakeholders of the Holding Company.

The Project envisages setting up 360 retail outlets across Punjab, Sindh and Khyber Pakhtunkhwa Provinces of Pakistan. The fuel stations will offer full range of services such as general store, tyre shop and a car shop amongst others. To support sales, the Holding Company plans to invest in building storage capacities of 25,735 metric tons (Mogas and HSD) across the country over a period of 7 years.

During the year ended 30 June 2017, OGRA granted license to the Holding Company to establish an Oil Marketing Company (OMC), subject to some conditions. During the year ended 30 June 2018, with reference to OMC Project of the Holding Company, Oil and Gas Regulatory Authority (OGRA) has granted permission to proceed to apply/acquire No Objection Certificates (NOCs) from concerned departments including District Coordination Officer (DCO) for setting up of upto 26 retail outlets in Punjab Province with instructions that retail sales through petrol pumps can only be started after completion of necessary Storage Infrastructure, 3rd Party Inspector Report confirming that storage/ depot meets OGRA's notified Technical Standards and OGRA's approval.

During the year ended 30 June 2018, the Holding Company completed its oil storage site at Sahiwal. The Holding Company also purchased land in Nowshera for oil storage site under OMC project.

On 31 May 2019, Oil and Gas Regulatory Authority (OGRA) has granted permission to the Holding Company to operate new oil storage facility at Sahiwal and marketing of petroleum products in the Province of Punjab. The Holding Company has signed agreements with various dealers for setting up petrol pumps under the OMC project and also started construction of another storage site at Nowshera, Khyber Pakhtunkhwa.

During the year ended on 30 June 2020, the Holding Company started its OMC operations and expediently worked on completion of its Nowshera oil storage. During the year ended 30 June 2021, Holding Company has completed its oil storage at Nowshera. On 09 August 2021, OGRA acknowledged the satisfactory completion of Nowshera oil storage based on third party inspection report. During the year ended 30 June 2022, the Holding Company has started work on new oil storage facility at Shikarpur. On 16 March 2023, OGRA has granted permission to the Holding Company to operate new storage facility at Nowshehra and marketing of petroleum products in the province of Khyber Pakhtunkhwa. Currently, the Holding Company has seven operational HTL Express Centers, four in Lahore, two in Karachi and one in Rawalpindi. Further, the Holding Company has fifty five retail outlets operational for sale of petroleum products as on 30 June 2024. Detail of payments out of IPO proceeds during the year ended 30 June 2024 is as follows:

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

The un-utilized proceeds of the public offer have been kept by the Holding Company in the shape of bank balances and mutual funds.

55. DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue on 20 September 2024 by the Board of Directors of the Holding Company.

56. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, except for reclassification as disclosed in note 2.16 to these consolidated financial statements, no significant rearrangements / reclassification have been made.

57. GENERAL

Figures have been rounded off to the nearest Rupee, unless otherwise stated.

Chief Executive	Director	Chief Financial Officer