

# Hi-Tech Lubricants Ltd

## Condensed Interim Financial Information

For the Half Year Ended 31 December 2024  
(Un - Audited)



**FUELING GROWTH**  
**DRIVING PROGRESS WITH SUSTAINABILITY**

# COMPANY INFORMATION

## BOARD OF DIRECTORS

Mr. Shaukat Hassan

Chairman of the Board / Non Executive Director

Mr. Hassan Tahir

Chief Executive Officer / Executive Director

Mr. Muhammad Ali Hassan

Executive Director

Ms. Mehvish Khan

Non Executive Director

Ms. Mavira Tahir

Non Executive Director

Mr. Faraz Akhtar Zaidi

Non Executive Director

Mr. Muntizer Abbas Hussain

Non Executive Independent Director

Mr. Mahmood Akhtar

Non Executive Independent Director

Mr. Shafiq Ur Rehman

Non Executive Independent Director

Mr. DongHyun Kim (Nominee of SK Enmove Co. Ltd.).

Non Executive Director

## CHIEF FINANCIAL OFFICER

Mr. Muhammad Imran

Phone: +92-42-111-645-645

Fax: +92- 42-3631-18-14

## COMPANY SECRETARY & CHIEF COMPLIANCE OFFICER

Mr. Fraz Amjad Khawaja

Phone: +92-42-111-645-645

Fax: +92- 42-3631-18-14

## EXTERNAL AUDITORS

M/S Riaz Ahmed & Company, Chartered Accountants

10-B, Saint Marry Park,

Main Boulevard Gulberg, Lahore

Phone: +92-42-35718137

Fax: +92-42-35714340

## SHARE REGISTRAR

M/S CDC Share Registrar Services Limited, CDC House,  
99-B, Block 'B', S.M.C.H.S. Main Shahra-e-Faisal, Karachi-74400

Phone: +92-21-111-111-500, Fax: +92-21-34326053

Toll Free: 0800 23275 (CDCPL)

Email Address: info@cdcsrsl.com

Website: www.cdcsrsl.com

## LEGAL ADVISOR

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Lashari Law Associates, 22-Munawar Chamber,

1-Mozang Road, Lahore

Phone: +92-42-37359287

Fax: 92-42-37321471

## STOCK SYMBOL

HTL

## REGISTERED / HEAD OFFICE

1-A , Danepur Road, GOR - 1, Lahore

Phone: +92-42-111-645-645

Fax: +92- 42-3631-18-14

Email Address: info@masgroup.org

## REGIONAL OFFICES

### KARACHI OFFICE:

C-6/1, Street No.3, Bath Island, Clifton Karachi

Phone: +92-21-35290674-5

### ISLAMABAD OFFICE:

Suite No. 1402, 14th Floor, Green Trust Tower,

Jinnah Avenue, Blue Area Islamabad.

Phone: +92-51-2813054-6

### MULTAN OFFICE:

House No. 95, Block C, Phase III, Model Town, Multan.

Phone: +92-61-6521101-3

### PESHAWAR OFFICE:

Office No.280, 3rd Floor, Deans Trade Centre,

Islamia Road, Peshawar Cantt.

Phone: +92-91-5253186-7

### OMC OFFICE:

House No. 57-C 1, Gulberg III, Lahore.

Phone: +92-42-35199391

## HTBL LOCATION

7-Km, Sundar Raiwind Road, Bhaikot, Lahore.

Phone: +92-42-38102781-5

Fax: +92-42-36311884

## COMPANY WEBSITE:

[www.hitechlubricants.com](http://www.hitechlubricants.com)

[www.zicoil.pk](http://www.zicoil.pk)

## BANKERS

### ISLAMIC BANKS

Meezan Bank Limited

AL-Baraka Bank Limited

Dubai Islamic Bank Limited

### CONVENTIONAL BANKS

MCB Bank Limited

Standard Chartered Bank Limited

Habib Metropolitan Bank Limited

The Bank of Punjab

Bank AL-Habib Limited

National Bank of Pakistan

Askari Bank Limited

JS Bank Limited

Habib Bank Limited

Summit Bank Limited

Samba Bank

Faysal Bank

Bank Alfalah Limited

Soneri Bank Limited

Mobilink Microfinance Bank Limited



## DIRECTOR'S REVIEW

Dear Shareholders,

Directors of the Company are pleased to submit half-year report along with condensed interim financial information of the Company for six months' period from 1st July to December 31, 2024.

During the period under review, sales increased by 55.2% as compared to the same period of prior fiscal year, from PKR 11,347 million to PKR 17,615 million on consolidated basis. This increase in revenue is due to growth in the company's products portfolios i.e. lubricant and fuel. Operating profit also improved as a result of the localization of blending of basic raw materials under approval from SK Enmove Co. Ltd. Korea. In addition, the company increased range of its locally blended products covering three additional products.

Macro-economic challenges dominated first half of current financial year with pressures on the economy on account of uncertainty on political front, imposition of higher taxes, increased energy prices, decrease in income of agriculture sector, and overall reduction in disposal income of lower and middle income class, contributed to a negative bottom line of PKR 39.99 million on a consolidated basis. Included in this figure is a depreciation charge of PKR 223 million. However, this loss is 88.6% lower as compared to PKR 349.88 million loss of same period of prior fiscal year.

Local blending of the lubricant products provided substantial savings in imported raw material. The company was in a position to spend more funds on brand promotion. This was necessary for greater penetration in the market segments that are in high numbers such as two wheelers and diesel fuel-based vehicles. The management is confident that the company's market positioning in new and in existing premium quality demand products will be more strengthened in future, thus paving way for better financial results for the company.

Despite broader macro-economic challenges and higher inflationary environment, the management remains focused on meeting the consumer expectations by offering quality and value-added products and managing cost pressures through value chain optimization initiatives and tighter controls on overheads.

### **Initial Public Offer (IPO) Funds**

Total payments made out of IPO Funds for Oil Marketing Company (OMC) project during the quarter under review were PKR 7.9 million. As of December 31, 2024, un-utilized proceeds of IPO Funds were PKR 228.4 million. The Company has kept these funds as bank balances, term deposit receipts and investment in mutual funds. These funds can only be utilized for the purposes of expansions of new/expansion of OMC project.

Delays in obtaining No Objection Certificates (NOCs) from various concerned departments including District Coordination Officer (DCO) and OGRA's approval for setting up fuel stations, has delayed in setting up of more fuel stations. Company has sufficient interest for new fuel stations. We expect that the more fuel stations shall be operative by June 30, 2025 and beyond, in KPK and in Punjab, and more IPO funds will be utilized. Returns for IPO funds are also utilized for fuel segments related operations. The company operates 60 fuel stations at present, 42 in Punjab and 18 in KPK provinces. More fuel stations are expected to be operational by June 30, 2025, and we have received good response from new customers wishing to setup Franchised fuel outlets in the KPK Province.

The Company has eight operational HTL Express Centers, four in Lahore, three in Karachi and one in Rawalpindi.

## Future Outlook

Growth of lubricant and oil marketing companies in Pakistan is impacted by local and global economic and political developments. While considering past and current economic situation, and political challenges posed significant slowdown for the sector, the situation is now improving. In the first seven months of fiscal year 2024-25, Pakistan's petroleum product sales increased by 4% on year-on-year basis.

Pakistan's engagement in global initiatives, such as joining the coalition for a global pact to phase out fossil fuels in December 2024, reflects commitment to transitioning towards renewable energy sources. This policy direction may influence demand for traditional petroleum products and lubricants in the long run.

Demand for lubricants is closely linked to automotive industry. This sector has recently shown signs of growth, this is encouraging for lubricant and oil marketing business. International Monetary Fund (IMF) has projected Pakistan's Gross Domestic Product (GDP) to grow by 3% in the fiscal year 2024-25 (FY25), a slight revision from earlier forecasts. Similarly, the World Bank estimates a 2.8% GDP growth for FY25, indicating cautious optimism about the country's economic trajectory.

Monetary policy adjustments by reducing discount rate is expected to stimulate economic activity and saving in financial cost to business sector. This reflects economic recovery, control over smuggling and stable retail prices due to currency's stability. Moreover, reduced interest rates will help increase our bottom line.

In February 2025, Pakistan and China agreed to enhance cooperation on infrastructure and energy projects, including upgrading Pakistan's railway network and developing Gwadar port. These initiatives are expected to stimulate economic activity, potentially increasing demand for lubricants and petroleum products.

The management has an optimistic outlook for Pakistan's lubricant and oil marketing companies in the next six months period up to June 2025 due to positive economic trends. With better financial, marketing and management strategies, your company's operating performance is expected to be better over coming years.

## Acknowledgement

The Directors appreciate our shareholders who have consistently demonstrated their confidence in the Company. We would also like to place on record our sincere appreciation for the commitment, dedication and innovative thinking put in by each member of the HTL family and we are confident that they will continue to do so in the future as well.



Mr. Hassan Tahir  
**(Chief Executive Officer)**  
Lahore, 25 February, 2025



Mr. Muhammad Ali Hassan  
**(Executive Director)**



# ڈائریکٹران کا جائزہ

محترم ہمداران!

کمپنی کے ڈائریکٹرز یکم جولائی سے 31 دسمبر 2024 تک کی چھ ماہ کی مدت کے لیے کمپنی کی عبوری مالیاتی معلومات کے ساتھ ششماہی رپورٹ پیش کرنے پر خوش ہیں۔

زیر جائزہ مدت کے دوران، پچھلے مالی سال کی اسی مدت کے مقابلے میں فروخت میں 55.2 فیصد اضافہ ہوا، جو کہ مجموعی بنیادوں پر 11,347 ملین روپے سے 17,615 ملین روپے ہو گئی۔ آمدنی میں یہ اضافہ کمپنی کے پراڈکٹس پورٹ فولیو یعنی لبریکینٹس اور ایندھن میں اضافے کی وجہ سے ہے۔ ایس کے انٹیمو کمپنی لمیٹید، کوریاسے منظوری کے تحت بنیادی خام مال کی بلینڈنگ کے نتیجے میں آپریٹنگ منافع میں بھی بہتری آئی ہے۔ اس کے علاوہ، کمپنی نے اپنی مقامی طور پر بلینڈڈ مصنوعات کی رینج میں اضافہ کیا جس میں تین اضافی مصنوعات شامل ہیں۔

موجودہ مالی سال کی پہلی ششماہی میں میکرو اکنامک چیلنجز کا غلبہ ہے جس کی وجہ سے سیاسی محاذ پر غیر یقینی صورتحال، زیادہ ٹیکسوں کے نفاذ، توانائی کی قیمتوں میں اضافہ، زرعی شعبے کی آمدنی میں کمی، اور ٹیبل اور متوسط آمدنی والے طبقے کی تصرف کی آمدنی میں مجموعی طور پر کمی کی وجہ سے معیشت پر دباؤ تھا، جس نے 39.99 ملین روپے کی منفی ٹیبل لائن میں حصہ لیا۔ اس اعداد و شمار میں 223 ملین روپے کا فرمودگی چارج شامل ہے۔ تاہم، یہ نقصان پچھلے مالی سال کی اسی مدت کے 349.88 ملین روپے کے نقصان کے مقابلے میں 88.6 فیصد کم ہے۔

لبریکینٹ مصنوعات کی مقامی بلینڈنگ نے درآمد شدہ خام مال میں خاطر خواہ بچت فراہم کی۔ کمپنی برانڈ پروموشن پر مزید فنڈز خرچ کرنے کی پوزیشن میں تھی۔ یہ مارکیٹ کے ان حصوں میں زیادہ دخول کے لیے ضروری تھا جو زیادہ تعداد میں ہیں جیسے کہ دو پہیہ گاڑیاں اور ڈیزل ایندھن پر مبنی گاڑیاں۔ انتظامیہ کو یقین ہے کہ نئی اور موجودہ پرییم کوالٹی ڈیماٹڈ پراڈکٹس میں کمپنی کی مارکیٹ پوزیشننگ مستقبل میں مزید مضبوط ہوگی، اس طرح کمپنی کے لیے بہتر مالیاتی نتائج کی راہ ہموار ہوگی۔ وسیع تر میکرو اکنامک چیلنجز اور ہنگامی کے بڑھتے ہوئے ماحول کے باوجود، انتظامیہ معیار اور ویلیو ایڈڈ مصنوعات کی پیشکش کر کے اور ویلیو چین آپٹیمائزیشن اقدامات اور اوور ہیڈز پر سخت کنٹرول کے ذریعے لاگت کے دباؤ کا انتظام کر کے صارفین کی توقعات کو پورا کرنے پر مرکوز ہے۔

## ابتدائی عوامی پیشکش (IPO) فنڈز

زیر جائزہ سہ ماہی کے دوران آئی پی او فنڈز برائے آنکس مارکیٹنگ کمپنی (OMC) پروجیکٹ سے کی گئی کل ادائیگیاں 7.9 ملین روپے تھیں۔ 31 دسمبر 2024 تک، IPO فنڈز کی غیر استعمال شدہ رقم 228.4 ملین روپے تھی۔ کمپنی نے ان فنڈز کو بینک بیننس، ٹرم ڈپازٹ کی رسیدیں اور میوچل فنڈز میں سرمایہ کاری کے طور پر رکھا ہے۔ یہ فنڈز صرف OMC پروجیکٹ کے نئے/توسیع کے مقاصد کے لیے استعمال کیے جاسکتے ہیں۔

مختلف متعلقہ محکموں بشمول ڈسٹرکٹ کوآرڈینیشن آفیسر (ڈی سی او) اور اگرا کی جانب سے فیول اسٹیشنز کے قیام کی منظوری کے حصول میں تاخیر نے مزید فیول اسٹیشن قائم کرنے میں تاخیر کی۔ کمپنی کے پاس نئے فیول اسٹیشنوں کے لیے کافی دلچسپی ہے۔ ہم توقع کرتے ہیں کہ 30 جون 2025 تک اور اس کے بعد کے پی کے اور پنجاب میں مزید فیول اسٹیشنز کام کریں گے اور مزید آئی پی او فنڈز استعمال کیے جائیں گے۔ آئی پی او فنڈز کی واپسی کو ایندھن کے حصوں سے متعلق آپریشنز کے لیے بھی استعمال کیا جاتا ہے۔ کمپنی اس وقت 60 فیول اسٹیشن چلا رہی ہے، پنجاب میں 42 اور کے پی کے صوبوں میں 18۔ 30 جون 2025 تک مزید ایندھن اسٹیشنوں کے کام کرنے کی توقع ہے۔ اور ہمیں خیبر پختونخوا صوبہ میں فرنیچر ڈیفیول آؤٹ لیٹس قائم کرنے کے خواہشمند نئے صارفین کی طرف سے اچھا جواب ملا ہے۔

کمپنی کے آٹھ آپریشنل HTL میکسپریس سینٹرز ہیں، چار لاہور میں، تین کراچی میں اور ایک راولپنڈی میں۔

## مستقبل کا نقطہ نظر

پاکستان میں لبریکیشن اور آئل مارکیٹنگ کمپنیوں کی نمو مقامی اور عالمی اقتصادی اور سیاسی پیش رفت سے متاثر ہوتی ہے۔ ماضی اور موجودہ معاشی صورتحال پر غور کرتے ہوئے، اور سیاسی چیلنجز نے اس شعبے کے لیے نمایاں سست روی کا باعث بنا، اب صورتحال بہتر ہو رہی ہے۔ مالی سال 2024-25 کے پہلے سات مہینوں میں پاکستان کی پیٹرولیم مصنوعات کی فروخت میں سال بہ سال کی بنیاد پر 4 فیصد اضافہ ہوا۔

عالمی اقدامات میں پاکستان کی شمولیت، جیسے کہ دسمبر 2024 میں فوسل فیول کو مرحلہ وار ختم کرنے کے عالمی معاہدے کے لیے اتحاد میں شامل ہونا، قابل تجدید توانائی کے ذرائع کی طرف منتقلی کے عزم کی عکاسی کرتا ہے۔ پالیسی کی یہ سمت طویل مدت میں روایتی پیٹرولیم مصنوعات اور لبریکیشن مصنوعات کی مانگ کو متاثر کر سکتی ہے۔ لبریکیشن مصنوعات کی مانگ کا آٹوموٹیو انڈسٹری سے گہرا تعلق ہے۔ اس شعبے نے حال ہی میں ترقی کے آثار دکھائے ہیں، بیہر لبریکیشن مصنوعات اور تیل کی مارکیٹنگ کے کاروبار کے لیے حوصلہ افزا ہے۔ بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) نے مالی سال 2024-25 (مالی سال 25) میں پاکستان کی مجموعی ملکی پیداوار (جی ڈی پی) میں 3 فیصد اضافے کی پیش گوئی کی ہے، جو پہلے کی پیش گوئیوں سے تھوڑی سی نظر ثانی ہے۔ اسی طرح، ورلڈ بینک نے مالی سال 25 کے لیے جی ڈی پی کی شرح نمو 2.8 فیصد کا تخمینہ لگا دیا ہے، جو ملک کی اقتصادی رفتار کے بارے میں محتاط امید کی نشاندہی کرتا ہے۔

رعایتی شرح کو کم کر کے مانیٹرنگ پالیسی کی ایڈجسٹمنٹ سے توقع کی جاتی ہے کہ اقتصادی سرگرمی کو تحریک ملے گی اور کاروباری شعبے کے لیے مالی لاگت میں بچت ہوگی۔ یہ کرنسی کے استحکام کی وجہ سے معاشی بحالی، اسمگلنگ پر کنٹرول اور مستحکم خوردہ قیمتوں کی عکاسی کرتا ہے۔ مزید برآں، شرح سود میں کمی سے ہماری نجی لائن کو بڑھانے میں مدد ملے گی۔

فروری 2025 میں، پاکستان اور چین نے پاکستان کے ریلوے نیٹ ورک کو اپ گریڈ کرنے اور گوادرن بندرگاہ کو ترقی دینے سمیت انفراسٹرکچر اور توانائی کے منصوبوں پر تعاون بڑھانے پر اتفاق کیا۔ توقع کی جاتی ہے کہ ان اقدامات سے اقتصادی سرگرمیوں کو تحریک ملے گی، ممکنہ طور پر چکنا کرنے والے مادوں اور پیٹرولیم مصنوعات کی مانگ میں اضافہ ہوگا۔

انتظامیہ مثبت معاشی رجحانات کی وجہ سے جون 2025 تک کے اگلے چھ ماہ کے عرصے میں پاکستان کی لبریکیشن اور آئل مارکیٹنگ کمپنیوں کے لیے پر امید نظر یہ رکھتی ہے۔ بہتر مالیاتی، مارکیٹنگ اور انتظامی حکمت عملیوں کے ساتھ، آپ کی کمپنی کی آپریشننگ کارکردگی آنے والے سالوں میں بہتر ہونے کی امید ہے۔

## اعتراف

ڈائریکٹرز ہمارے شیئرز ہولڈرز کی تعریف کرتے ہیں جنہوں نے مسلسل کمپنی پر اپنے اعتماد کا مظاہرہ کیا ہے۔ ہم ایچ ٹی ایل فیملی کے ہر فرد کے عزم، لگن اور اختراعی سوچ کے لیے اپنی مخلصانہ تعریف بھی ریکارڈ پر رکھنا چاہیں گے اور ہمیں یقین ہے کہ وہ مستقبل میں بھی ایسا کرتے رہیں گے۔

جناب محمد علی حسن  
(ایگزیکٹو ڈائریکٹر)

جناب حسن طاہر  
(چیف ایگزیکٹو آفیسر)

لاہور، 25 فروری 2025

# **HI-TECH LUBRICANTS LIMITED**

## **Unconsolidated Condensed Interim Financial Statements (Un-audited)**

## **INDEPENDENT AUDITOR'S REVIEW REPORT**

**To the members of Hi-Tech Lubricants Limited**

**Report on review of Unconsolidated Condensed Interim Financial Statements**

### **Introduction**

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of HI-TECH LUBRICANTS LIMITED as at 31 December 2024 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the half year then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review. The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the quarters ended 31 December 2024 and 31 December 2023 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2024.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of unconsolidated condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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

  
**RIAZ AHMAD & COMPANY**  
Chartered Accountants

Lahore

Date: 25 February 2025

UDIN: RR202410132w3uODt97Y





# Unconsolidated Condensed Interim Statement Of Financial Position (Un-audited)

As At 31 December 2024

	Note	Un-Audited 31 December 2024 Rupees	Audited 30 June 2024 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital 150,000,000 (30 June 2024: 150,000,000) ordinary shares of Rupees 10 each		1,500,000,000	1,500,000,000
Issued, subscribed and paid-up share capital 139,204,800 (30 June 2024: 139,204,800) ordinary shares of Rupees 10 each		1,392,048,000	1,392,048,000
Reserves		2,376,771,628	2,546,312,681
<b>Total equity</b>		<b>3,768,819,628</b>	<b>3,938,360,681</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	4	424,347,883	497,633,412
Long term deposits		22,499,999	15,000,000
		446,847,882	512,633,412
<b>CURRENT LIABILITIES</b>			
Trade and other payables		2,087,684,173	2,559,181,892
Accrued mark-up		52,147,198	67,682,083
Short term borrowings		1,759,183,183	1,777,187,767
Current portion of non-current liabilities	4	132,958,748	149,684,305
Unclaimed dividend		5,403,322	5,689,417
Provision for taxation and levy - net		-	-
		4,037,376,624	4,559,425,464
<b>Total liabilities</b>		<b>4,484,224,506</b>	<b>5,072,058,876</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	5		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8,253,044,134</b>	<b>9,010,419,557</b>

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



Chief Executive



Director



Chief Financial Officer

		<b>Un-Audited</b>	<b>Audited</b>
		<b>31 December</b>	<b>30 June</b>
		<b>2024</b>	<b>2024</b>
	<b>Note</b>	<b>Rupees</b>	<b>Rupees</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets	6	2,856,293,484	2,771,812,271
Right-of-use assets	7	514,792,929	591,486,919
Intangible assets	8	735,309	1,197,692
Investment in subsidiary company	9	1,300,000,600	1,300,000,600
Long term security deposits		33,362,769	37,718,769
Long term loans to employees		1,583,854	2,050,936
Deferred income tax asset - net		134,931,485	144,162,496
		<u>4,841,700,430</u>	<u>4,848,429,683</u>
<b>CURRENT ASSETS</b>			
Stock-in-trade	10	1,415,349,263	1,789,235,831
Trade debts		766,795,024	1,019,801,916
Loans and advances		221,190,235	245,698,687
Short term deposits and prepayments		41,070,356	27,756,981
Other receivables		467,412,481	365,876,118
Accrued interest		17,001,621	3,486,137
Short term investments		236,788,198	222,717,061
Cash and bank balances		85,736,526	352,417,143
		<u>3,251,343,704</u>	<u>4,026,989,874</u>
Non-current asset classified as held for sale	11	160,000,000	135,000,000
		<u>3,411,343,704</u>	<u>4,161,989,874</u>
<b>TOTAL ASSETS</b>		<u><u>8,253,044,134</u></u>	<u><u>9,010,419,557</u></u>

  
Chief Executive

  
Director

  
Chief Financial Officer

## Unconsolidated Condensed Interim Statement of Profit or Loss (Un-audited)

For The Half Year Ended 31 December 2024

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	Rupees	Rupees	Rupees	Rupees
GROSS REVENUE FROM CONTRACTS WITH CUSTOMERS	17,369,630,258	10,387,808,804	9,948,593,137	5,854,177,262
Discounts	(240,080,979)	(341,521,245)	(225,770,159)	(214,397,603)
Sales tax	(1,088,156,386)	(866,276,728)	(670,266,162)	(459,279,236)
NET REVENUE FROM CONTRACTS WITH CUSTOMERS	16,041,392,893	9,180,010,831	9,052,556,816	5,180,500,423
COST OF SALES	(15,099,251,055)	(8,719,936,606)	(8,708,761,795)	(5,025,889,026)
GROSS PROFIT	942,141,838	460,074,225	343,795,021	154,611,397
DISTRIBUTION COST	(592,870,689)	(319,520,982)	(331,395,379)	(111,034,636)
ADMINISTRATIVE EXPENSES	(391,759,905)	(343,676,536)	(194,640,835)	(174,629,648)
OTHER EXPENSES	(13,468,058)	(16,564,047)	(8,644,131)	(2,142,445)
	(998,098,652)	(679,761,565)	(534,680,345)	(287,806,729)
OTHER INCOME	207,005,564	409,571,909	110,849,928	269,057,898
PROFIT / (LOSS) FROM OPERATIONS	151,048,750	189,884,569	(80,035,396)	135,862,566
FINANCE COST	(239,875,376)	(286,189,841)	(103,349,185)	(147,745,110)
LOSS BEFORE TAXATION AND LEVY	(88,826,626)	(96,305,272)	(183,384,581)	(11,882,544)
LEVY	(71,483,416)	(53,465,992)	(40,143,414)	(48,060,570)
LOSS BEFORE TAXATION	(160,310,042)	(149,771,264)	(223,527,995)	(59,943,114)
TAXATION	(9,231,011)	7,230,441	(27,822,752)	(24,078,699)
LOSS AFTER TAXATION	(169,541,053)	(142,540,823)	(251,350,747)	(84,021,813)
LOSS PER SHARE - BASIC AND DILUTED	(1.22)	(1.02)	(1.81)	(0.60)

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



Chief Executive



Director



Chief Financial Officer

## Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-audited)

For The Half Year Ended 31 December 2024

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	Rupees	Rupees	Rupees	Rupees
<b>LOSS AFTER TAXATION</b>	(169,541,053)	(142,540,823)	(251,350,747)	(84,021,813)
<b>OTHER COMPREHENSIVE INCOME:</b>				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income for the period	-	-	-	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<u>(169,541,053)</u>	<u>(142,540,823)</u>	<u>(251,350,747)</u>	<u>(84,021,813)</u>

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

  
Chief Executive

  
Director

  
Chief Financial Officer



## Unconsolidated Condensed Interim Statement Of Changes In Equity (Un-audited)

For The Half Year Ended 31 December 2024

SHARE CAPITAL	RESERVES					TOTAL RESERVES	TOTAL EQUITY
	CAPITAL RESERVES			REVENUE RESERVE	TOTAL RESERVES		
	SHARE PREMIUM	SURPLUS ON REVALUATION OF FREEHOLD LAND	SUB TOTAL	UN-APPROPRIATED PROFIT			
(----- RUPEES -----)							
<b>Balance as at 30 June 2023 - audited</b>	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
Loss for the half year ended 31 December 2023	-	-	-	-	(142,540,823)	(142,540,823)	(142,540,823)
Other comprehensive income for the half year ended 31 December 2023	-	-	-	-	-	-	-
Total comprehensive loss for the half year ended 31 December 2023	-	-	-	-	(142,540,823)	(142,540,823)	(142,540,823)
<b>Balance as at 31 December 2023 - un-audited</b>	1,392,048,000	1,441,697,946	756,846,956	2,198,544,902	89,811,659	2,288,356,561	3,680,404,561
Profit for the half year ended 30 June 2024	-	-	-	-	253,944,620	253,944,620	253,944,620
Other comprehensive income for the half year ended 30 June 2024	-	-	4,011,500	4,011,500	-	4,011,500	4,011,500
Total comprehensive income for the half year ended 30 June 2024	-	-	4,011,500	4,011,500	253,944,620	257,956,120	257,956,120
<b>Balance as at 30 June 2024</b>	1,392,048,000	1,441,697,946	760,858,456	2,202,556,402	343,756,279	2,546,312,681	3,938,360,681
Loss for the half year ended 31 December 2024	-	-	-	-	(169,541,053)	(169,541,053)	(169,541,053)
Other comprehensive income for the half year ended 31 December 2024	-	-	-	-	-	-	-
Total comprehensive loss for the half year ended 31 December 2024	-	-	-	-	(169,541,053)	(169,541,053)	(169,541,053)
<b>Balance as at 31 December 2024 - un-audited</b>	1,392,048,000	1,441,697,946	760,858,456	2,202,556,402	174,215,226	2,376,771,628	3,768,819,628



Chief Executive



Director



Chief Financial Officer

# Unconsolidated Condensed Interim Statement Of Cash Flows (Un-audited)

For The Half Year Ended 31 December 2024

	HALF YEAR ENDED		
	31 December 2024	31 December 2023	
Note	Rupees	Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash generated from operations</b>	12	331,664,737	148,287,434
Finance cost paid		(255,410,261)	(284,409,293)
Income tax paid		(141,601,765)	(209,844,557)
Net decrease in long term loans to employees		1,401,248	1,401,248
Net decrease in long term security deposits		6,809,400	11,856,518
Net increase in long term deposits		7,499,999	3,500,000
<b>Net cash used in operating activities</b>		<u>(49,636,642)</u>	<u>(329,208,650)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on operating fixed assets		(139,060,290)	(91,110,532)
Short term loan given to subsidiary company		(512,800,000)	(112,800,000)
Short term loan repaid by subsidiary company		512,800,000	194,500,000
Proceeds from disposal of operating fixed assets		3,080,000	120,000
Interest received on short term loan to subsidiary company		19,659,308	75,578,321
Short term investments - net		5,936,815	11,454,934
Dividend received		341,933	279,612,308
Profit on bank deposits and term deposit receipts received		636,739	24,571,171
<b>Net cash (used in) / from investing activities</b>		<u>(109,405,495)</u>	<u>381,926,202</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of lease liabilities		(89,347,801)	(92,211,587)
Dividend paid		(286,095)	(141,327)
Short term borrowings - net		(18,004,584)	135,973,867
<b>Net cash (used in) / from financing activities</b>		<u>(107,638,480)</u>	<u>43,620,953</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<u>(266,680,617)</u>	<u>96,338,505</u>
<b>Cash and cash equivalents at the beginning of the period</b>		<u>352,417,143</u>	<u>239,411,720</u>
<b>Cash and cash equivalents at the end of the period</b>		<u><u>85,736,526</u></u>	<u><u>335,750,225</u></u>

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

  
Chief Executive

  
Director

  
Chief Financial Officer

## Selected Notes To The Unconsolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended 31 December 2024

### 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, Danapur 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 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 Nowshera 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.

### 2. BASIS OF PREPARATION

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting' 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 the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2024. These unconsolidated condensed interim financial statements are un-audited, however, have been subjected to limited scope review by the auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017.

### 3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information and methods of computations adopted for the preparation of these unconsolidated condensed interim financial statements are same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2024.

## Selected Notes To The Unconsolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended 31 December 2024

### 3.1 Critical accounting estimates and judgments

The preparation of these unconsolidated condensed interim 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.

During preparation of these unconsolidated condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2024.

	Un-Audited 31 December 2024 Rupees	Audited 30 June 2024 Rupees
<b>4. LEASE LIABILITIES</b>		
Total lease liabilities	557,306,631	647,317,717
Less: Current portion shown under current liabilities	132,958,748	149,684,305
	<u>424,347,883</u>	<u>497,633,412</u>

### 5. CONTINGENCIES AND COMMITMENTS

#### 5.1 Contingencies

There is no significant change in the status of contingencies as disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2024 except for the following:

**5.1.1** On 28 February 2022, Deputy Commissioner Inland Revenue (DCIR) issued an order for tax periods from July 2016 to June 2017 creating a demand of Rupees 1,353.135 million along with penalty and default surcharge on various issues under relevant provisions of the Sales Tax Act, 1990. Against the aforesaid order, the Company preferred an appeal before 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. On 12 December 2024, ATIR disposed of the appeal filed by tax department and remanded back the case to assessing officer for fresh consideration. Being aggrieved with the order of ATIR, the Company has filed a sales tax reference before the Honourable Lahore High Court, Lahore on 17 January 2025, subsequent to the reporting period, which is pending adjudication. On 02 February 2025, subsequent to the reporting period, the tax department has initiated remand back proceedings in accordance with the directives of ATIR. The management, based on advise of the legal advisor, is confident of favourable outcome of the matter. Therefore, no provision has been recognized in these unconsolidated condensed interim financial statements.

**5.1.2** 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 filed income tax reference before Honourable Lahore High Court, Lahore on 02 September 2024, which is pending for hearing. The management, based on advise of legal advisor, is confident of favorable outcome of the matter. Therefore, no provision has been recognized in these unconsolidated condensed interim financial statements.

	Un-Audited 31 December 2024 Rupees	Audited 30 June 2024 Rupees
<b>5.2 Commitments</b>		
<b>5.2.1</b> For capital expenditures	39,705,429	30,816,991
<b>5.2.2</b> Letters of credit for other than capital expenditures	<u>-</u>	<u>39,705,429</u>



## Selected Notes To The Unconsolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended 31 December 2024

	Un-Audited 31 December 2024 Rupees	Audited 30 June 2024 Rupees
<b>6. FIXED ASSETS</b>		
Operating fixed assets (Note 6.1)	2,767,911,442	2,608,162,726
Capital work-in-progress (Note 6.2)	88,382,042	163,649,545
	<u>2,856,293,484</u>	<u>2,771,812,271</u>
<b>6.1 Operating fixed assets</b>		
Opening book value	2,608,162,726	2,458,955,725
Add: Cost of additions during the period / year (Note 6.1.1)	221,412,288	259,662,348
Add: Revaluation surplus recognised during the period / year	-	4,011,500
Add: Book value of assets transferred from right-of-use assets during the period / year (Note 7.2)	19,776,634	47,330,348
	<u>2,849,351,648</u>	<u>2,769,959,921</u>
Less: Book value of deletions during the period / year (Note 6.1.2)	1,870,024	16,531,820
Less: Book value of assets written off during the period / year	-	6,075,596
	<u>2,847,481,624</u>	<u>2,747,352,505</u>
Less: Depreciation charged during the period / year	79,570,182	139,189,779
Closing book value	<u>2,767,911,442</u>	<u>2,608,162,726</u>
<b>6.1.1 Cost of additions during the period / year</b>		
Buildings on leasehold land	9,029,346	-
Buildings on freehold land	163,239,999	143,874,264
Machinery	16,468,573	1,605,460
Tanks and pipelines	7,099,038	47,146,502
Dispensing pumps	12,602,940	39,978,545
Furniture and fittings	1,484,000	1,960,722
Vehicles	966,073	8,000,973
Office equipment	564,065	1,057,737
Computers	9,958,254	16,038,145
	<u>221,412,288</u>	<u>259,662,348</u>
<b>6.1.2 Book value of deletions during the period / year</b>		
Cost:		
Vehicles	3,118,180	17,650,654
Computers	2,724,040	7,109,194
Buildings on leasehold land	-	3,834,385
Tanks and pipelines	-	1,926,050
	5,842,220	30,520,283
Less: Accumulated depreciation	3,972,196	13,988,463
	<u>1,870,024</u>	<u>16,531,820</u>
<b>6.2 Capital work-in-progress</b>		
Civil works	40,737,068	116,438,207
Dispensing pumps	23,519,330	15,986,659
Tanks and pipelines	24,125,644	31,224,679
	<u>88,382,042</u>	<u>163,649,545</u>

## Selected Notes To The Unconsolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended 31 December 2024

	<b>Un-Audited</b>	<b>Audited</b>
	<b>31 December</b>	<b>30 June</b>
	<b>2024</b>	<b>2024</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>7. RIGHT-OF-USE ASSETS</b>		
Opening book value	591,486,919	605,121,153
Add: Cost of additions during the period / year (Note 7.1)	14,159,460	162,958,870
Add: Impact of lease modifications during the period / year	-	10,367,143
Add: Impact of lease reassessment during the period / year	-	45,110
Less: Impact of lease terminations during the period / year	6,221,737	-
Less: Book value of assets transferred to fixed assets during the period / year (Note 7.2)	19,776,634	47,330,348
Less: Depreciation expense for the period / year	64,855,079	139,584,789
Closing book value	514,792,929	591,486,919
<b>7.1 Cost of additions during the period / year</b>		
Land	12,275,585	146,309,901
Buildings	-	16,648,969
Vehicles	1,883,875	-
	14,159,460	162,958,870
<b>7.2 Book value of assets transferred to fixed assets during the period / year</b>		
Vehicles	19,776,634	47,330,348
<b>8. INTANGIBLE ASSETS - Computer software</b>		
Opening book value	1,197,692	3,981,524
Less: Book value of intangible assets written off during the period / year	-	26,283
Less: Amortization charged during the period / year	462,383	2,757,549
Closing book value	735,309	1,197,692
<b>9. INVESTMENT IN SUBSIDIARY COMPANY - at cost</b>		
Hi-Tech Blending (Private) Limited - unquoted		
130,000,060 (30 June 2024: 130,000,060) fully paid ordinary shares of Rupees 10		
Equity held 100% (30 June 2024: 100%)	1,300,000,600	1,300,000,600
<b>9.1.</b> Investment in Hi-Tech Blending (Private) Limited includes 60 (30 June 2024: 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.		
	<b>Un-Audited</b>	<b>Audited</b>
	<b>31 December</b>	<b>30 June</b>
	<b>2024</b>	<b>2024</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>10. STOCK-IN-TRADE</b>		
Lubricants and parts (Note 10.1)	316,389,371	428,492,803
Less: Provision for slow moving and damaged inventory items	23,225,019	35,329,612
	293,164,352	393,163,191
Petroleum products		
- Stock in hand (Note 10.2)	802,842,706	316,614,901
- Stock in pipeline system (Note 10.3)	292,573,128	1,045,532,295
	1,095,415,834	1,362,147,196
Dispensing pumps and other installations	26,769,077	33,925,444
	1,415,349,263	1,789,235,831
<b>10.1</b> This include stock amounting to Rupees 46.455 million (30 June 2024: Rupees 118.898 million) lying at customs bonded warehouse.		

## Selected Notes To The Unconsolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended 31 December 2024

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

	Un-Audited 31 December 2024 Rupees	Audited 30 June 2024 Rupees
Askar Oil Services (Private) Limited	357,565	2,395,911
Be Energy Limited	44,755,083	23,153,653
Gas and Oil Pakistan Limited	50,380,983	4,888,641
Karachi Hydrocorban Terminal Limited	388,997,913	257,496,950
Z.Y. & Co. Bulk Terminal (Private) Limited	1,972,948	2,955,252
	<u>486,464,492</u>	<u>290,890,407</u>

10.3 This represents the Company's share of pipeline stock of High Speed Diesel and Petroleum Motor Gasoline amounting to Rupees 116.627 million (30 June 2024: Rupees 355.458 million) and Rupees 175.946 million (30 June 2024: Rupees 687.248 million) held by Pak-Arab Pipeline Company Limited.

### 11. NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE

On 02 December 2024, the Company has entered into an agreement to sell, relating to sale of land measuring 01 kanal and 05 marlas situated at 22-A, Zafar Ali Road, Lahore at Rupees 160 million. The management of the Company anticipates that process of disposal of land will be completed subsequent to the reporting period.

### 12. CASH GENERATED FROM OPERATIONS

Loss before taxation and levy

#### Adjustments for non-cash charges and other items:

	(Un-Audited)	
	HALF YEAR ENDED	
	31 December 2024 Rupees	31 December 2023 Rupees
Loss before taxation and levy	(88,826,626)	(96,305,272)
Depreciation on operating fixed assets	79,570,181	65,001,475
Depreciation on right-of-use assets	64,855,079	71,046,569
Amortization on intangible assets	462,383	1,632,594
Advances to employees written off	-	84,068
Credit balances written back	-	(201,554)
Reversal of provision for doubtful advances to suppliers	(228,419)	-
Reversal of provision for slow moving and damaged inventory items	(12,104,593)	(17,765,797)
Reversal of provision for expected credit losses	(117,537)	(816,851)
(Gain) / loss on disposal of operating fixed assets	(1,209,977)	573,485
Dividend income	(341,933)	(279,612,308)
Profit on bank deposits and term deposit receipts	(470,954)	(18,230,387)
Interest income on short term loan to subsidiary company	(33,340,577)	(55,914,181)
Unrealized gain on remeasurement of investments	(19,998,283)	(4,150,041)
Fixed assets written off	-	6,075,596
Fair value gain on investment property classified as held for sale	(25,000,000)	-
Sales tax written off	-	628,898
Gain on disposal of short term investments	(9,669)	(229,635)
Gain on termination of lease	(8,573,134)	-
Exchange loss / (gain) - net	736,830	(5,521,078)
Finance cost	239,875,376	286,189,841
Working capital changes (Note 12.1)	136,386,590	195,802,012
	<u>331,664,737</u>	<u>148,287,434</u>

### 12.1 Working capital changes

(Increase) / decrease in current assets:

	(Un-Audited)	
	HALF YEAR ENDED	
	31 December 2024 Rupees	31 December 2023 Rupees
Stock-in-trade	373,886,568	(319,405,508)
Trade debts	253,124,429	30,790,658
Loans and advances	23,574,286	(125,684,628)
Short term deposits and prepayments	(15,766,775)	(30,222,472)
Other receivables	(101,536,363)	(249,496,657)
	533,282,145	(694,018,607)
(Decrease) / increase in trade and other payables	(396,895,555)	889,820,619
	<u>136,386,590</u>	<u>195,802,012</u>

## Selected Notes To The Unconsolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended 31 December 2024

### 13. 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 unconsolidated condensed interim financial statements, are as follows:

NATURE OF TRANSACTIONS	UN-AUDITED			
	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023

-----Rupees-----

#### i. Transactions

##### Subsidiary company

Hi-Tech Blending (Private) Limited	Sale of lubricants	817,236	1,122,352	637,095	641,164
	Purchase of lubricants	3,515,653,746	2,683,811,021	2,327,782,918	1,315,114,521
	Dividend received	-	260,000,120	-	260,000,120
	Lease rentals paid	1,500,000	1,500,000	750,000	750,000
	Short term loan given	512,800,000	112,800,000	160,800,000	95,800,000
	Short term loan repaid	512,800,000	194,500,000	512,800,000	139,500,000
	Interest received on short term loan	19,659,308	75,578,321	-	29,623,333

##### Associated company

MAS Associates (Private) Limited	Share of common expenses	797,577	677,221	383,977	135,217
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##### Other related parties

SK Enmove Co., Ltd.	Purchase of lubricants	124,027,049	310,960,234	124,027,049	157,606,597
	Incentive	94,463,750	177,597,001	32,015,000	86,688,000
Provident fund trust	Contribution	16,317,545	13,894,855	8,110,963	7,675,116
Key management personnel and executives	Remuneration	226,656,549	225,239,275	119,481,388	104,425,540
Sabra Hamida Trust	Donations	9,000,000	9,000,000	4,500,000	4,500,000

<b>Un-Audited</b>	<b>Audited</b>
<b>31 December</b>	<b>30 June</b>
<b>2024</b>	<b>2024</b>
<b>Rupees</b>	<b>Rupees</b>

#### ii. Period / year end balances

##### Hi-Tech Blending (Private) Limited - Subsidiary company:

Investment	1,300,000,600	1,300,000,600
Payable against purchases	284,387,278	244,022,631
Interest receivable on short term loan	16,981,304	3,300,035

##### Associated company

Receivable from MAS Associates (Private) Limited	383,978	347,497
--------------------------------------------------	---------	---------

##### Other related parties:

Receivable from SK Enmove Co., Ltd	139,275,001	177,597,001
Payable to SK Enmove Co., Ltd	407,652,113	109,650,819
Payable to employees' provident fund trust	5,477,691	107,143
Remuneration payable to directors	5,642,355	-



## Selected Notes To The Unconsolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended 31 December 2024

### 14. 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 unconsolidated condensed interim 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 31 December 2024	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
<b>Financial assets</b>				
Financial assets at fair value through profit or loss	236,788,198	-	-	236,788,198

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

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

There were no transfers between levels 1 and 2 for recurring fair value measurements during the period ended 31 December 2024. 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 Assets Value (NAV) of respective Asset Management Company.

## Selected Notes To The Unconsolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended 31 December 2024

### 15. 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 unconsolidated condensed interim 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 31 December 2024	Level 1	Level 2	Level 3	Total
---------------------	---------	---------	---------	-------

----- Rupees -----

Freehold land	-	1,280,368,750	-	1,280,368,750
---------------	---	---------------	---	---------------

At 30 June 2024	Level 1	Level 2	Level 3	Total
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----- Rupees -----

Freehold land	-	1,280,368,750	-	1,280,368,750
---------------	---	---------------	---	---------------

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

There were no transfers between levels 1 and 2 for recurring fair value measurements during the period ended 31 December 2024. 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 valuation 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 valuation. 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 land.

#### 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. Most recent valuation of freehold land was carried out on 30 June 2024 by M/S Unicorn International Surveyors, an independent valuer.

## Selected Notes To The Unconsolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended 31 December 2024

### 16. 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.

	(Un-Audited)							
	LUBRICANTS		PETROLEUM PRODUCTS		UNALLOCATED		TOTAL - COMPANY	
	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December
	2024	2023	2024	2023	2024	2023	2024	2023
(-----RUPEES-----)								
Revenue from contracts with customers - net	4,668,713,827	3,308,535,931	11,372,679,066	5,871,474,900	-	-	16,041,392,893	9,180,010,831
Cost of sales	(4,009,729,443)	(3,014,290,391)	(11,089,521,612)	(5,705,646,215)	-	-	(15,099,251,055)	(8,719,936,606)
Gross profit	658,984,384	294,245,540	283,157,454	165,828,685	-	-	942,141,838	460,074,225
Distribution cost	(362,614,989)	(132,834,883)	(230,255,700)	(186,686,099)	-	-	(592,870,689)	(319,520,982)
Administrative expenses	(368,115,799)	(330,638,005)	(23,644,106)	(13,038,531)	-	-	(391,759,905)	(343,676,536)
Other expenses	1,600,452	(427,706)	(15,068,510)	(16,136,341)	-	-	(13,468,058)	(16,564,047)
	(729,130,337)	(463,900,594)	(268,968,315)	(215,860,971)	-	-	(998,098,652)	(679,761,565)
Other income	158,740,613	370,222,897	48,264,951	39,349,012	-	-	207,005,564	409,571,909
Profit / (loss) from operations	88,594,660	200,567,843	62,454,090	(10,683,274)	-	-	151,048,750	189,884,569
Finance cost	(193,349,743)	(221,969,250)	(46,525,633)	(64,220,591)	-	-	(239,875,376)	(286,189,841)
(Loss) / profit before taxation and levy	(104,755,084)	(21,401,407)	15,928,458	(74,903,865)	-	-	(88,826,626)	(96,305,272)
Levy	-	-	-	-	(71,483,416)	(53,465,992)	(71,483,416)	(53,465,992)
(Loss) / profit before taxation	(104,755,084)	(21,401,407)	15,928,458	(74,903,865)	(71,483,416)	(53,465,992)	(160,310,042)	(149,771,264)
Taxation	-	-	-	-	(9,231,011)	7,230,441	(9,231,011)	7,230,441
(Loss) / profit after taxation	(104,755,084)	(21,401,407)	15,928,458	(74,903,865)	(80,714,427)	(46,235,551)	(169,541,053)	(142,540,823)

### 16.1 Reconciliation of reportable segment assets and liabilities:

	LUBRICANTS		PETROLEUM PRODUCTS		TOTAL - COMPANY	
	-----Rupees-----					
	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited
	31 December	30 June	31 December	30 June	31 December	30 June
2024						
Total assets for reportable segments	3,555,197,974	3,762,378,934	4,375,076,819	4,925,271,282	7,930,274,793	8,687,650,216
Unallocated assets					322,769,341	322,769,341
Total assets as per unconsolidated condensed interim statement of financial position					8,253,044,134	9,010,419,557
Total liabilities for reportable segments	1,652,309,529	1,622,410,722	1,287,080,110	1,905,651,627	2,939,389,639	3,528,062,349
Unallocated liabilities					1,544,834,867	1,543,996,527
Total liabilities as per unconsolidated condensed interim statement of financial position					4,484,224,506	5,072,058,876

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

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

## Selected Notes To The Unconsolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended 31 December 2024

### 17. 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 (Rupees)	Total amount utilized till 30 June 2017 (Rupees)
<b>Investment in HTLL</b>		
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
	<u>1,612,562,500</u>	<u>815,199,584</u>
<b>Investment in 100% owned subsidiary</b>		
Additional filling lines for blending plant, Hi-Tech Blending (Private) Limited	200,000,000	-
Total	<u>1,812,562,500 (B)</u>	<u>815,199,584</u>
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 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 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.



## Selected Notes To The Unconsolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended 31 December 2024

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 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 Nowshera 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 sixty retail outlets operational for sale of petroleum products as on 31 December 2024. Detail of payments out of IPO proceeds during the half year ended 31 December 2024 is as follows:

	Rupees
Un-utilized IPO proceeds as at 01 July 2024	218,115,906
Add: Profit on bank deposits	300,102
Add: Dividend on investment in mutual funds	84,491
Add: Gain on disposal of investment in mutual funds	9,669
Add: Unrealised gain on investment in mutual funds	17,913,452
Less: Payments made relating to OMC Project	(7,923,274)
Less: Withholding tax on profit	(45,015)
Less: Withholding tax on dividend from mutual funds	(21,123)
Less: Withholding tax on disposal of mutual funds	(16,339)
Less: Bank charges	(1,216)
Un-utilized IPO proceeds as at 31 December 2024	<u>228,416,653</u>

The un-utilized proceeds of the public offer have been kept by the Company in the shape of bank balances and mutual funds.

### 18. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual financial statements of the Company for the year ended 30 June 2024.

### 19. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the unconsolidated condensed interim statement of financial position and unconsolidated condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income and unconsolidated condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

### 20. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on 25 February 2025 by the Board of Directors of the Company.

### 21. GENERAL

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



Chief Executive



Director



Chief Financial Officer

# **HI-TECH LUBRICANTS LIMITED**

## **Consolidated Condensed Interim Financial Statements (Un-audited)**

# Consolidated Condensed Interim Statement Of Financial Position (Un-audited)

As At 31 December 2024

		Un-Audited 31 December 2024 Rupees	Audited 30 June 2024 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
150,000,000 (2024: 150,000,000) ordinary shares of Rupees 10 each		<u>1,500,000,000</u>	<u>1,500,000,000</u>
Issued, subscribed and paid-up share capital		1,392,048,000	1,392,048,000
Reserves		<u>4,489,471,896</u>	<u>4,529,463,929</u>
<b>Total equity</b>		5,881,519,896	5,921,511,929
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	4	450,931,320	506,839,256
Lease liabilities	5	411,568,194	479,848,129
Long term deposits		22,499,999	15,000,000
Deferred liabilities		<u>144,579,905</u>	<u>130,031,085</u>
		1,029,579,418	1,131,718,470
<b>CURRENT LIABILITIES</b>			
Trade and other payables		<u>3,995,417,849</u>	<u>3,922,081,945</u>
Accrued mark-up		88,093,944	98,461,634
Short term borrowings		2,424,179,028	2,064,242,674
Current portion of non-current liabilities		247,088,639	263,618,482
Unclaimed dividend		<u>5,403,322</u>	<u>5,689,417</u>
		6,760,182,782	6,354,094,152
<b>Total liabilities</b>		<u>7,789,762,200</u>	<u>7,485,812,622</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	6		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>13,671,282,096</u>	<u>13,407,324,551</u>

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



Chief Executive



Director



Chief Financial Officer

		<b>Un-Audited 31 December 2024 Rupees</b>	<b>Audited 30 June 2024 Rupees</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets	7	6,641,003,649	6,572,529,763
Right-of-use assets	8	515,622,733	596,393,130
Intangible assets	9	5,279,285	9,653,391
Investment property		-	-
Long term security deposits		43,679,089	43,313,369
Long term loans to employees		1,583,854	2,050,936
		7,207,168,610	7,223,940,589
<b>CURRENT ASSETS</b>			
Stores		102,403,261	71,548,897
Stock-in-trade	10	3,247,546,517	3,239,996,513
Trade debts		862,025,049	1,101,435,544
Loans and advances		620,318,252	387,407,108
Short term deposits and prepayments		57,037,693	41,369,100
Other receivables		467,412,481	311,042,045
Advance income tax and prepaid levy - net		319,125,876	261,369,147
Accrued interest		20,317	186,102
Short term investments		236,788,198	222,717,061
Cash and bank balances		391,435,842	411,312,445
		6,304,113,486	6,048,383,962
Non-current asset classified as held for sale	11	160,000,000	135,000,000
		6,464,113,486	6,183,383,962
<b>TOTAL ASSETS</b>		13,671,282,096	13,407,324,551

  
Chief Executive

  
Director

  
Chief Financial Officer

## Consolidated Condensed Interim Statement of Profit or Loss (Un-audited)

For The Half Year Ended 31 December 2024

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	Rupees	Rupees	Rupees	Rupees
GROSS REVENUE FROM CONTRACTS WITH CUSTOMERS	17,615,093,428	11,346,518,360	10,059,317,376	6,329,356,313
Discounts	(240,080,979)	(341,521,245)	(225,770,159)	(214,397,603)
Sales tax	(1,125,662,507)	(1,671,967,145)	(687,123,794)	(862,843,546)
NET REVENUE FROM CONTRACTS WITH CUSTOMERS	16,249,349,942	9,333,029,970	9,146,423,423	5,252,115,164
COST OF SALES	(14,889,404,893)	(8,407,922,330)	(8,421,883,021)	(4,874,935,554)
GROSS PROFIT	1,359,945,049	925,107,640	724,540,402	377,179,610
DISTRIBUTION COST	(622,823,053)	(343,149,894)	(348,581,865)	(120,218,913)
ADMINISTRATIVE EXPENSES	(505,667,203)	(439,893,531)	(249,292,248)	(225,825,667)
OTHER EXPENSES	(25,865,129)	(45,280,261)	(18,762,200)	(4,765,645)
	(1,154,355,385)	(828,323,686)	(616,636,313)	(350,810,225)
OTHER INCOME	177,149,198	93,579,342	95,851,305	(17,311,335)
PROFIT FROM OPERATIONS	382,738,862	190,363,296	203,755,394	9,058,050
FINANCE COST	(327,323,760)	(411,033,123)	(150,315,923)	(210,033,997)
PROFIT/(LOSS) BEFORE TAXATION AND LEVY	55,415,102	(220,669,827)	53,439,471	(200,975,947)
LEVY	(80,858,316)	(64,769,338)	(45,978,882)	(26,260,575)
PROFIT/(LOSS) BEFORE TAXATION	(25,443,214)	(285,439,165)	7,460,589	(227,236,522)
TAXATION	(14,548,819)	(64,450,342)	(67,610,609)	(65,952,954)
LOSS AFTER TAXATION	(39,992,033)	(349,889,507)	(60,150,020)	(293,189,476)
LOSS PER SHARE - BASIC AND DILUTED	(0.29)	(2.51)	(0.43)	(2.11)

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



Chief Executive



Director



Chief Financial Officer

## Consolidated Condensed Interim Statement of Comprehensive Income (Un-audited)

For The Half Year Ended 31 December 2024

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	Rupees	Rupees	Rupees	Rupees
LOSS AFTER TAXATION	(39,992,033)	(349,889,507)	(60,150,020)	(293,189,476)
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss:				
Surplus on revaluation of freehold land	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income for the period	-	-	-	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>(39,992,033)</b>	<b>(349,889,507)</b>	<b>(60,150,020)</b>	<b>(293,189,476)</b>

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

  
Chief Executive

  
Director

  
Chief Financial Officer



## Consolidated Condensed Interim Statement of Changes in Equity (Un-audited)

For The Half Year Ended 31 December 2024

SHARE CAPITAL	RESERVES					TOTAL RESERVES	TOTAL EQUITY
	CAPITAL RESERVES			REVENUE RESERVE	UN-APPROPRIATED PROFIT		
	SHARE PREMIUM	SURPLUS ON REVALUATION OF FREEHOLD LAND	SUB TOTAL				
----- Rupees -----							
Balance as at 30 June 2023 - audited	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 half year ended 31 December 2023	-	-	-	-	(349,889,507)	(349,889,507)	(349,889,507)
Other comprehensive income for the half year ended 31 December 2023	-	-	-	-	-	-	-
Total comprehensive loss for the half year ended 31 December 2023	-	-	-	-	(349,889,507)	(349,889,507)	(349,889,507)
<b>Balance as at 31 December 2023 - un-audited</b>	<b>1,392,048,000</b>	<b>1,441,697,946</b>	<b>2,097,794,248</b>	<b>3,539,492,194</b>	<b>762,278,323</b>	<b>4,301,770,517</b>	<b>5,693,818,517</b>
Profit for the half year ended 30 June 2024	-	-	-	-	212,512,912	212,512,912	212,512,912
Other comprehensive income for the half year ended 30 June 2024	-	-	15,180,500	15,180,500	-	15,180,500	15,180,500
Total comprehensive income for the half year ended 30 June 2024	-	-	15,180,500	15,180,500	212,512,912	227,693,412	227,693,412
<b>Balance as at 30 June 2024 - audited</b>	<b>1,392,048,000</b>	<b>1,441,697,946</b>	<b>2,112,974,748</b>	<b>3,554,672,694</b>	<b>974,791,235</b>	<b>4,529,463,929</b>	<b>5,921,511,929</b>
Loss for the half year ended 31 December 2024	-	-	-	-	(39,992,033)	(39,992,033)	(39,992,033)
Other comprehensive income for the half year ended 31 December 2024	-	-	-	-	-	-	-
Total comprehensive loss for the half year ended 31 December 2024	-	-	-	-	(39,992,033)	(39,992,033)	(39,992,033)
<b>Balance as at 31 December 2024 - un-audited</b>	<b>1,392,048,000</b>	<b>1,441,697,946</b>	<b>2,112,974,748</b>	<b>3,554,672,694</b>	<b>934,799,202</b>	<b>4,489,471,896</b>	<b>5,881,519,896</b>

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



Chief Executive



Director



Chief Financial Officer

# Consolidated Condensed Interim Statement Of Cash Flows (Un-audited)

For The Half Year Ended 31 December 2024

	Note	HALF YEAR ENDED	
		31 December 2024	31 December 2023
		Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash generated from operations</b>	12	420,583,032	377,382,370
Finance cost paid		(337,691,450)	(402,539,984)
Income tax paid		(132,259,990)	(81,504,073)
Net increase in long term loans to employees		(467,082)	(467,084)
Net decrease in long term security deposits		(365,720)	2,771,000
Decrease in long term deposits		7,499,999	3,500,000
<b>Net cash generated used in operating activities</b>		<b>(42,701,211)</b>	<b>(100,857,771)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on operating fixed assets		(198,562,444)	(70,158,691)
Proceeds from disposal of operating fixed assets		3,080,000	120,000
Short term investments - net		5,936,815	11,454,934
Dividends received		341,933	19,612,188
Profit on bank deposits and term deposit receipts received		4,120,950	24,571,171
<b>Net cash used in investing activities</b>		<b>(185,082,746)</b>	<b>(14,400,398)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Short term borrowings - net		359,936,354	314,871,285
Dividend paid		(286,095)	(141,327)
Repayment of long term financing		(50,086,137)	(23,417,673)
Repayment of lease liabilities		(101,656,768)	(94,038,184)
<b>Net cash from financing activities</b>		<b>207,907,354</b>	<b>197,274,101</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(19,876,603)</b>	<b>82,015,932</b>
<b>Cash and cash equivalents at beginning of the period</b>		<b>411,312,445</b>	<b>255,077,564</b>
<b>Cash and cash equivalents at end of the period</b>		<b>391,435,842</b>	<b>337,093,496</b>

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

  
Chief Executive

  
Director

  
Chief Financial Officer

# Selected Notes To The Consolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended 31 December 2024

## 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

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.

## 2. BASIS OF PREPARATION

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

- International Accounting Standard 34: 'Interim Financial Reporting' (IAS 34), 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 the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These consolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Group for the year ended 30 June 2024.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information and methods of computations adopted for the preparation of these consolidated condensed interim financial statements are same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2024.

### 3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these consolidated condensed interim 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.

During preparation of these consolidated condensed interim financial statements, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual financial statements of the Group for the year ended 30 June 2024.

## Selected Notes To The Consolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended 31 December 2024

	<b>Un-Audited 31 December 2024 Rupees</b>	<b>Audited 30 June 2024 Rupees</b>
<b>4. LONG TERM FINANCING</b>		
<b>From banking companies - secured</b>		
<b>Subsidiary Company</b>		
Bank Al-Habib Limited	503,859,370	585,018,170
Less: Current portion shown under current liabilities	<u>52,928,050</u>	<u>78,178,914</u>
	<u>450,931,320</u>	<u>506,839,256</u>
<b>4.1</b>	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.	
<b>4.2</b>	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.	
<b>4.3</b>	Effective rate of mark-up charged during the year ranged from 20.09% to 12.09% (2024: 22.71 to 24.15%) per annum.	
	<b>Un-Audited 31 December 2024 Rupees</b>	<b>Audited 30 June 2024 Rupees</b>
<b>5. LEASE LIABILITIES</b>		
Total lease liabilities	552,760,936	643,392,513
Less: Current portion shown under current liabilities	<u>141,192,742</u>	<u>163,544,384</u>
	<u>411,568,194</u>	<u>479,848,129</u>
<b>6. CONTINGENCIES AND COMMITMENTS</b>		
<b>6.1 Contingencies</b>	There is no significant change in the status of contingencies as disclosed in the preceding audited annual published financial statements of the Group for the year ended 30 June 2024 except for the following:	
<b>6.1.1</b>	On 28 February 2022, Deputy Commissioner Inland Revenue (DCIR) issued an order for tax periods from July 2016 to June 2017 creating a demand of Rupees 1,353.135 million along with penalty and default surcharge on various issues under relevant provisions of the Sales Tax Act, 1990. Against the aforesaid order, the Company preferred an appeal before 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. On 12 December 2024, ATIR disposed of the appeal filed by tax department and remanded back the case to assessing officer for fresh consideration. Being aggrieved with the order of ATIR, the Company has filed a sales tax reference before the Honourable Lahore High Court, Lahore on 17 January 2025, which is pending adjudication. On 02 February 2025, subsequent to the reporting period, the tax department has initiated remand back proceedings in accordance with the directives of ATIR. The management, based on advise of the legal advisor, is confident of favourable outcome of the matter. Therefore, no provision has been recognized in these consolidated condensed interim financial statements.	
<b>6.1.2</b>	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 filed income tax reference before Honourable Lahore High Court, Lahore on 02 September 2024, which is pending for hearing. The management, based on advise of legal advisor, is confident of favorable outcome of the matter. Therefore, no provision has been recognized in these consolidated condensed interim financial statements.	

## Selected Notes To The Consolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended 31 December 2024

	<b>Un-Audited 31 December 2024 Rupees</b>	<b>Audited 30 June 2024 Rupees</b>
<b>6.2 Commitments</b>		
6.2.1 Contracts for capital expenditures	521,023,024	34,265,983
6.2.2 Letters of credit other than for capital expenditures	155,309,022	366,300,016
<b>7. FIXED ASSETS</b>		
Operating fixed assets:		
Owned (Note 7.1)	6,531,511,010	6,408,880,218
Capital work-in-progress (Note 7.2)	109,492,639	163,649,545
	<u>6,641,003,649</u>	<u>6,572,529,763</u>
<b>7.1 Operating fixed assets – owned</b>		
Opening book value	6,408,880,218	6,309,226,997
Add: Cost of additions during the period / year (Note 7.1.1)	251,985,604	334,765,086
Add: Revaluation of Surplus	-	15,180,500
Add: Book value of assets transferred from right-of-use of assets	25,282,762	65,816,347
	<u>6,686,148,584</u>	<u>6,724,988,930</u>
Less: Book value of deletions during the period / year (Note 7.1.2)	1,945,294	16,848,156
	<u>6,684,203,290</u>	<u>6,708,140,774</u>
Less: Book value of written off during the period / year	-	6,075,596
	<u>6,684,203,290</u>	<u>6,702,065,178</u>
Less: Depreciation charged during the period / year	152,692,281	293,184,960
Closing book value	<u>6,531,511,010</u>	<u>6,408,880,218</u>
<b>7.1.1 Cost of additions during the period / year</b>		
Buildings on freehold land	14,261,103	-
Buildings on leasehold land	163,239,999	143,874,264
Machinery	20,435,951	30,535,853
Tanks and Pipeline	7,099,038	47,146,502
Dispensing Pumps	12,602,940	39,978,545
Electric Installation	11,410,503	-
Moulds	6,273,280	42,190,440
Furniture and fittings	3,259,770	1,960,722
Vehicles	1,200,972	8,000,973
Office equipment	862,065	2,529,407
Computers	11,339,983	18,548,380
	<u>251,985,604</u>	<u>334,765,086</u>
<b>7.1.2 Book value of deletions during the period / year</b>		
Cost:		
Building on freehold Land	-	-
Building on Leasehold Land	-	3,834,385
Tanks & Pipelines	-	1,926,050
Vehicles	3,118,180	17,786,026
Computers	2,917,790	7,781,194
	<u>6,035,970</u>	<u>31,327,655</u>
Less: Accumulated depreciation	4,090,676	14,479,499
	<u>1,945,294</u>	<u>16,848,156</u>
<b>7.2. Capital work-in-progress</b>		
Civil works	40,737,068	116,438,207
Plant and machinery	21,110,597	-
Dispensing pumps	23,519,330	15,986,659
Tanks and Pipelines	24,125,644	31,224,679
	<u>109,492,639</u>	<u>163,649,545</u>

## Selected Notes To The Consolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended 31 December 2024

### 8. RIGHT-OF-USE ASSETS

Opening book value	596,393,130	635,782,030
Add: Cost of additions during the period / year (Note 8.1)	17,246,928	162,958,870
Add: Impact of lease modifications during the period / year	-	10,367,143
Less: Impact of lease terminations during the period / year	6,221,737	45,110
Less: Book value of assets transferred to fixed assets during the period / year (Note 8.2)	25,282,762	65,816,347
Less: Depreciation expense for the period / year	66,512,826	146,853,456
Closing book value	515,622,733	596,393,130

#### 8.1 Cost of additions during the period / year

Land	12,275,585	146,309,901
Buildings	-	16,648,969
Vehicles	4,971,343	-
	17,246,928	162,958,870

#### 8.2 Book value of assets transferred to fixed assets during the period / year

Vehicles	25,282,762	47,330,348
	25,282,762	47,330,348

### 9. INTANGIBLE ASSETS - computer software

Opening book value	9,653,391	20,260,771
Add: Cost of additions during the period / year	-	-
Less: Book value of written off during the year	-	-
Less: Amortization charged during the period / year	4,374,106	10,607,380
Closing book value	5,279,285	9,653,391

### 10. STOCK-IN-TRADE

Raw materials (Note 10.1)	1,420,783,790	1,012,548,704
Work-in-process	96,150,756	77,857,504
	1,516,934,546	1,090,406,208
Lubricants and parts (Note 10.2)	638,646,579	795,841,776
Less: Provision for slow moving and damaged stock items	30,219,519	42,324,111
	608,427,060	753,517,665
Petroleum products		
- Stock in hand (Note 10.3 )	802,842,706	316,614,901
- Stock in pipeline system (Note 10.4 )	292,573,128	1,045,532,295
	1,095,415,834	1,362,147,196
Dispensing pumps and other installations	26,769,077	33,925,444
	3,247,546,517	3,239,996,513

**10.1** These includes raw materials in transit amounting to Rupees 60.895 million (2024: Rupees 79.999 million) and raw materials amounting to Rupees 804.407 million (2024: Rupees 947.945 million) lying at customs bonded warehouse.

**10.2** This includes stock amounting to Rupees 46.455 million (2024: Rupees 118.898 million) lying at customs bonded warehouse.

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

	Un-Audited 31 December 2024 Rupees	Audited 30 June 2024 Rupees
Askar Oil Services (Private) Limited	357,565	2,395,911
Be Energy Limited	44,755,083	23,153,653
Gas and Oil Pakistan Limited	50,380,983	4,888,641
Karachi Hydrocorban Terminal Limited	388,997,913	257,496,950
Z.Y. & Co. Bulk Terminal (Private) Limited	1,972,948	2,955,252
	486,464,492	290,890,407



## Selected Notes To The Consolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended 31 December 2024

10.4 This represents the Company's share of pipeline stock of High Speed Diesel and Petroleum Motor Gasoline amounting to Rupees 116.627 million (2024: Rupees 355.458 million) and Rupees 175.946 million (2024: Rupees 687.248 million) respectively held by Pak-Arab Pipeline Company Limited.

### 11. NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE

On 02 December 2024, the Company has entered into an agreement to sell amounting to Rupees 160 million relating to land measuring 01 kanal and 05 marlas situated at 22-A, Zafar Ali Road, Lahore. The management of the Company anticipates that process of disposal of land will be completed subsequent to the reporting period.

	(Un-Audited)	
	HALF YEAR ENDED	
	31 December 2024	31 December 2023
	Rupees	Rupees
<b>12. CASH GENERATED FROM OPERATIONS</b>		
Profit/(Loss) before taxation & levy	55,415,102	(220,669,827)
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation on operating fixed assets	156,506,027	68,316,003
Depreciation on right-of-use assets	66,512,826	75,702,779
Amortization of intangible assets	4,374,106	4,824,369
Allowance / (reversal of allowance) for expected credit losses	(117,537)	5,998,605
Provision / (reversal of provision) for slow moving and damaged stock items	(12,104,593)	-
Provision for slow moving and obsolete store items	-	(17,765,797)
Reversal of provision for doubtful advances to suppliers	(228,419)	-
Debit Balance written off	-	84,068
Reversal of allowance for expected credit losses	-	(816,851)
Credit balances written back	-	(201,554)
Gain/(loss) on disposal of operating fixed assets	(1,134,707)	573,485
Dividend income	(341,933)	(19,612,188)
Profit on bank deposits and term deposit receipt	(3,955,165)	(18,230,387)
Unrealized gain on remeasurement of investments carried at fair value through profit or loss - net	(19,998,283)	(4,150,041)
Gain on disposal of short term investments	(9,669)	(229,635)
Fair value gain on investment property	(25,000,000)	-
Gain on termination of leases	(8,573,134)	-
Finance cost	327,323,760	411,033,123
Exchange gain / (loss) - net	882,216	9,807,270
Provision for workers' profit participation fund	7,693,878	9,512,725
Provision for workers' welfare fund	3,018,759	3,112,380
Fixed assets written off	-	6,075,596
Working capital changes (Note 12.1 )	(129,680,202)	64,018,247
	<b>420,583,032</b>	<b>377,382,370</b>

### 12.1 Working capital changes

Decrease / (increase) in current assets:

Stores	(30,854,364)	21,026,581
Stock-in-trade	4,554,589	64,658,919
Trade debts	239,528,032	33,326,494
Loans and advances	(232,682,725)	(204,878,649)
Short term deposits and prepayments	(15,668,593)	(29,520,585)
Other receivables	(156,370,436)	(223,470,852)
	(191,493,497)	(338,858,092)
Increase / (decrease) in trade and other payables	61,813,295	402,876,339
	<b>(129,680,202)</b>	<b>64,018,247</b>

## Selected Notes To The Consolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended 31 December 2024

### 13. 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 condensed interim financial statements, are as follows:

	NATURE OF TRANSACTIONS	HALF YEAR ENDED		QUARTER ENDED		
		31 December 2024	31 December 2023	31 December 2024	31 December 2023	
		Rupees	Rupees	Rupees	Rupees	
<b>i</b>	<b>Transactions</b>					
	<b>Associated companies</b>					
	MAS Associates (Pvt) Limited	Share of common expenses	797,577	677,221	383,977	135,217
	<b>Other related parties</b>					
	SK Enmove Co., Ltd.	Purchase of lubricants	2,402,021,226	1,043,028,001	1,727,180,490	889,674,364
		Incentive	94,463,750	177,597,001	32,015,000	86,688,000
	Provident Fund Trust	Contribution	19,915,083	16,741,032	9,913,712	10,521,293
	Sabra Hamida Trust	Donations	9,000,000	9,000,000	4,500,000	4,500,000
	Key management personnel	Remuneration	270,390,797	258,040,419	140,946,500	137,226,684
					<b>Un-Audited</b>	<b>Audited</b>
					<b>31 December</b>	<b>30 June</b>
					<b>2024</b>	<b>2024</b>
					<b>Rupees</b>	<b>Rupees</b>
<b>ii</b>	<b>Period end balances</b>					
	<b>Associated companies</b>					
		Receivable from MAS Associates (Private) Limited			383,978	214,129
	<b>Other related parties</b>					
		Receivable from SK Enmove Co., Ltd. (Formerly SK Lubricants Co., Ltd.)			139,275,001	132,034,051
		Payable to SK Enmove Co., Ltd. (Formerly SK Lubricants Co., Ltd.)			689,245,849	328,867,238
		Payable to employees' provident fund trust			6,675,653	6,777,069
		Remuneration payable to directors			8,642,355	-

## Selected Notes To The Consolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended 31 December 2024

### 14 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 31 December 2024	Level 1	Level 2	Level 3	Total
-------------------------------------------------------	---------	---------	---------	-------

----- Rupees -----

#### Financial assets

Financial assets at fair value through profit or loss	236,788,198	-	-	236,788,198
-------------------------------------------------------	-------------	---	---	-------------

Recurring fair value measurements at 30 June 2024	Level 1	Level 2	Level 3	Total
---------------------------------------------------	---------	---------	---------	-------

----- Rupees -----

#### Financial assets

Financial assets at fair value through profit or loss	222,717,061	-	-	222,717,061
-------------------------------------------------------	-------------	---	---	-------------

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

There were no transfers between levels 1 and 2 for recurring fair value measurements during the period. 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.

## Selected Notes To The Consolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended 31 December 2024

### 15 SEGMENT INFORMATION

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

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

	(Un-Audited)									
	LUBRICANTS		PETROLEUM PRODUCTS		POLYMER		UNALLOCATED		TOTAL - GROUP	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	(-----Rupees-----)									
Revenue from contracts with customers - net	4,668,713,827	3,308,535,931	11,372,679,066	5,871,474,900	207,957,049	153,019,139	-	-	16,249,349,942	9,333,029,970
Cost of sales	(3,611,212,928)	(2,588,513,684)	(11,089,521,612)	(5,705,646,215)	(188,670,353)	(113,762,431)	-	-	(14,889,404,893)	(8,407,922,330)
Gross profit	1,057,500,899	720,022,247	283,157,454	165,828,685	19,286,696	39,256,708	-	-	1,359,945,049	925,107,640
Distribution cost	(387,512,290)	(151,662,481)	(230,255,699)	(186,686,099)	(5,055,064)	(4,801,314)	-	-	(622,823,053)	(343,149,894)
Administrative expenses	(480,861,567)	(425,567,548)	(23,644,106)	(13,038,531)	(1,161,530)	(1,287,452)	-	-	(505,667,203)	(439,893,531)
Other expenses	(10,796,619)	(29,143,920)	(15,068,510)	(16,136,341)	-	-	-	-	(25,865,129)	(45,280,261)
	(879,170,476)	(606,373,949)	(268,968,315)	(215,860,971)	(6,216,594)	(6,088,766)	-	-	(1,154,355,385)	(828,323,686)
Other income	128,884,247	54,230,330	48,264,951	39,349,012	-	-	-	-	177,149,198	93,579,342
Profit / (loss) from operations	307,214,670	167,878,628	62,454,090	(10,683,274)	13,070,102	33,167,942	-	-	382,738,862	190,363,296
Finance cost	(249,584,329)	(271,185,248)	(46,525,632)	(64,220,591)	(31,213,799)	(75,627,284)	-	-	(327,323,760)	(411,033,123)
Profit / (loss) before taxation and levy	57,630,341	(103,306,620)	15,928,458	(74,903,865)	(18,143,697)	(42,459,342)	-	-	55,415,102	(220,669,827)
Levy	-	-	-	-	-	-	(80,858,316)	(64,769,338)	(80,858,316)	(64,769,338)
Profit / (loss) before taxation	57,630,341	(103,306,620)	15,928,458	(74,903,865)	(18,143,697)	(42,459,342)	(80,858,316)	(64,769,338)	(25,443,214)	(285,439,165)
Taxation	-	-	-	-	-	-	(14,548,819)	(64,450,342)	(14,548,819)	(64,450,342)
Profit / (loss) before taxation	57,630,341	(103,306,620)	15,928,458	(74,903,865)	(18,143,697)	(42,459,342)	(95,407,135)	(129,219,680)	(39,992,033)	(349,889,507)

### 15.1 Reconciliation of reportable segment assets and liabilities:

	LUBRICANTS		PETROLEUM PRODUCTS		POLYMER		TOTAL - GROUP	
	-----Rupees-----						-----Rupees-----	
	Un-Audited 31 December 2024 Rupees	Audited 30 June 2024 Rupees	Un-Audited 31 December 2024 Rupees	Audited 30 June 2024 Rupees	Un-Audited 31 December 2024 Rupees	Audited 30 June 2024 Rupees	Un-Audited 31 December 2024 Rupees	Audited 30 June 2024 Rupees
Total assets for reportable segments	8,186,071,911	7,352,869,179	4,375,076,819	4,925,271,282	787,364,025	806,414,749	13,348,512,755	13,084,555,210
Unallocated assets							322,769,341	322,769,341
Total assets as per consolidated condensed interim statement of financial position							13,671,282,096	13,407,324,551
Total liabilities for reportable segments	4,498,692,555	3,602,415,185	1,287,080,110	1,905,651,627	459,154,668	433,749,283	6,244,927,333	5,941,816,095
Unallocated liabilities							1,544,834,867	1,543,996,527
Total liabilities as per consolidated condensed interim statement of financial position							7,789,762,200	7,485,812,622

15.2 All of the sales of the Group relates to customers in Pakistan.

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

## Selected Notes To The Consolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended 31 December 2024

### 16. 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 31 December 2024	Level 1	Level 2	Level 3	Total
----- Rupees -----				
Freehold land	-	2,810,521,750	-	2,810,521,750
----- Rupees -----				
At 30 June 2024	Level 1	Level 2	Level 3	Total
----- Rupees -----				
Freehold land	-	2,810,521,750	-	2,810,521,750

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 period ended 31 December 2024. 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 valuation 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 valuation. 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 land.

#### Valuation processes

The Group engages external, independent and qualified valuer to determine the fair value of the Company's freehold land at the end of every financial year. Most recent valuation of freehold land was carried out on 30 June 2024 by M/S Unicorn International Surveyors, an independent valuer.

## Selected Notes To The Consolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended 31 December 2024

### 17. UTILIZATION OF THE PROCEEDS OF THE INITIAL PUBLIC OFFER (IPO)

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

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

Purposes Mentioned Under Heading 5.5 'Expansion Plan' In Prospectus Dated 28 December 2015	Total amount (Rupees)	Total amount utilized till 30 June 2017 (Rupees)
<b>Investment in HTLL</b>		
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
	<b>1,612,562,500</b>	<b>815,199,584</b>
<b>Investment in 100% owned subsidiary</b>		
Additional filling lines for blending plant, Hi-Tech Blending (Private) Limited - Subsidiary Company	200,000,000	-
Total	<b>1,812,562,500</b>	<b>815,199,584</b>
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.



## Selected Notes To The Consolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended 31 December 2024

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 Nowshera 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 September 2024. Detail of payments out of IPO proceeds during the period ended 31 December 2024 is as follows:

	<b>Rupees</b>
Un-utilized IPO proceeds as at 01 July 2024	218,115,906
Add: Profit on bank deposits	300,102
Add: Dividend on investment in mutual funds	84,491
Add: Gain on disposal of investment in mutual funds	9,669
Add: Unrealised gain on investment in mutual funds	17,913,452
Less: Payments made relating to OMC Project	(7,923,274)
Less: Withholding tax on profit	(45,015)
Less: Withholding tax on dividend from mutual funds	(21,123)
Less: Withholding tax on disposal of mutual funds	(16,339)
Less: Bank charges	(1,216)
Un-utilized IPO proceeds as at 31 December 2024	<u>228,416,653</u>

The un-utilized proceeds of the public offer have been kept by the Company in the shape of bank balances and mutual funds.

### 18. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual financial statements of the Group for the year ended 30 June 2024.

### 19. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the unconsolidated condensed interim statement of financial position and consolidated condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the consolidated condensed interim statement of profit or loss, consolidated condensed interim statement of comprehensive income and consolidated condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

### 20. DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue on 25 February 2025 by the Board of Directors of the Holding Company.

### 21. GENERAL

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



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**Director**



**Chief Financial Officer**



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