

Hi-Tech Lubricants Ltd

Condensed Interim Financial Information

For the Quarter and Nine Months Period Ended March 31, 2025 (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. Syed Arshad Ali Zaidi

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

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

COMPANY SECRETARY & CHIEF COMPLIANCE OFFICER

Mr. Fraz Amjad Khawaja

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

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

EXTERNAL AUDITORS

M/S Riaz Ahmed & Company, Chartered Accountants

10-B, Saint Marry Park,

Main Boulevard Gulberg, Lahore

Phone: +92-42-35718137

Fax: +92-42-35714340

SHARE REGISTRAR

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

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

Toll Free: 0800 23275 (CDCPL)

Email Address: info@cdcsrsl.com

Website: www.cdcsrsl.com

LEGAL ADVISOR

Mr. Ijaz Lashari

Lashari Law Associates, 22-Munawar Chamber,

1-Mozang Road, Lahore

Phone: +92-42-37359287

Fax: 92-42-37321471

STOCK SYMBOL

HTL

REGISTERED / HEAD OFFICE

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

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

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

Email Address: info@masgroup.org

REGIONAL OFFICES

KARACHI OFFICE:

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

Phone: +92-21-35290674-5

ISLAMABAD OFFICE:

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

Jinnah Avenue, Blue Area Islamabad.

Phone: +92-51-2813054-6

MULTAN OFFICE:

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

Phone: +92-61-6521101-3

PESHAWAR OFFICE:

Office No.280, 3rd Floor, Deans Trade Centre,
Islamia Road, Peshawar Cantt.

Phone: +92-91-5253186-7

OMC OFFICE:

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

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



Directors' Review

Dear Shareholders,

Directors of the Company are pleased to submit condensed interim financial information of the Company including **unconsolidated and consolidated unaudited financial statements** for third quarter and nine month ended March 31, 2025.

During the quarter, on a consolidated basis the Company generated PKR 8 billion in net sales (21% growth over the same period last year) and earned a gross profit of PKR 851 million and a net profit of PKR 44 million. This increase in revenue is due to growth in the company's products portfolios i.e. lubricant and fuel. All three segments of the company were profitable. Profitability in lubricants improved as a result of the localization of blending of basic raw materials under approval from SK Enmove Co. Ltd. Korea and the Company increased range of its locally blended products by another three products. OMC and Polymer segments both increased their revenues and were both profitable.

These factors collectively influenced the Company's financial performance, which is on the path of recovery, and we are now marginally profitable for the nine months of the fiscal year, (inclusive of PKR 245 million of depreciation charges).

Local blending of the lubricant products provides the Company substantial cost savings in imported raw material as well benefits associated with lower lead times and better inventory management. The savings can be utilized to invest in the brand to regain share in some segments where we had lost cost competitiveness. We are already witnessing volumetric growth in the segment after beginning local blending in the company. We expect to be blending everything locally by July/August. This should lead to a substantial improvement in the economics and stability of our business.

In comparison to prior quarter, this quarter ended March 31, 2025, the OMC segment witnessed a 28% staggering growth in Net Sales there by documenting roughly PKR 5 Billion of net sales only in this Quarter. This growth was achieved by Strategic Planning & effective monitoring of inventory supplies there by to ensure availability of product at all times for all the Fuel stations across the nation. Currently, the Company operation a total of 52 Fuel stations, 32 in Punjab, 18 in KPK & 2 in AJK. The Company expects to operate additional 5-6 Fuel stations across the nation by the end of June 30, 2025, thereby targeting further additional incremental growth in Net Sales along with Volumetric growth.

Our polymer segment has a very high growth potential. Pakistan e-commerce, FMCG and pharmaceutical sectors are growing with quality packaging needs and we benefit further due to shifts from loose items to branded and hygienic packaging in food and health sectors. Though small in scale, we expect continued growth and profitability in this business going forward.

Initial Public Offer (IPO) Funds (update)

Total payments made out of IPO Funds for Oil Marketing Company (OMC) project during the quarter under review were PKR 24 million. As of March 31, 2025, un-utilized proceeds of IPO Funds were PKR 204.4 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 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.

Future Outlook

Demand for high performance synthetic lubricants is growing specifically for modern engines and machines due to its better temperature resistant, better consumer awareness about quality, long-term value, and fuel efficiency is playing its part in shifting from conventional to synthetic products. Therefore, outlook for our lubricant segment is positive due to vehicle sales rebound, increased sale of hybrid vehicles, increase in motor cycles sale.

We expect stable to moderate growth in OMC Segment as result of government efforts to control fuel smuggling, increasing HTL branded fuel stations, and recovery of automobile sector.

Key events that may add to economic uncertainty are; i) tariff war led by the USA, ii) political uncertainty, iii) decline in large scale manufacturing sector, iv) modest GDP growth, v) pressure on PKR parity with the US \$ and vi) most importantly increase in tension with India and its likely economic impacts. Your management is carefully evaluating these challenges, and shall strive its best to take all available measures to face these challenges.

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.

On behalf of the Board



Mr. Hassan Tahir
Chief Executive Officer / Executive Director)



Mr. Shaukat Hassan
(Chairman BOD/ Non-Executive Director)

Lahore, April 29, 2025

ڈائریکٹر ان کاجازہ

محترم حصداران!

ہائی ٹیک لبریکٹنس لمیٹڈ (کمپنی) کے ڈائریکٹر ان ۳۱ مارچ ۲۰۲۵ء کو ختم ہونے والی تیسری سہ ماہی اور نو مہینوں کے غیر متفقہ اور مستحکم غیر آڈٹ شدہ مالیاتی گوشواروں سمیت کمپنی کی کنڈینسڈ عبوری مالیاتی معلومات پیش کرنے پر پرست ہیں۔

سہ ماہی کے دوران، کمپنی نے مجموعی طور پر خالص فروخت میں آٹھ ارب پاکستانی روپے (پچھلے سال کی اسی مدت کے مقابلے میں اکیس فیصد اضافہ) پیدا کیا اور ۸۵ ارب پاکستانی روپے کا مجموعی منافع اور چوالیس ملین پاکستانی روپے کا خالص منافع کمایا۔ آمدنی میں یہ اضافہ کمپنی کے پراڈکٹس پورٹ فولیو یعنی لبریکٹنس اور ایندھن میں اضافے کی وجہ سے ہے۔ کمپنی کے تینوں حصے منافع بخش تھے۔ ایس کے اسٹیمو و کمپنی لیمیٹڈ، کوریا سے منظوری کے تحت بنیادی خام مال کی بلیڈنگ کے مقامی ہونے کے نتیجے میں لبریکٹنس مادیوں میں منافع میں بہتری آئی اور کمپنی نے اپنی مقامی طور پر بلیڈنگ مصنوعات کی رینج کو مزید تین مصنوعات سے بڑھا دیا۔ OMC اور پولیمر سیکٹس دونوں نے اپنی آمدنی میں اضافہ کیا اور دونوں منافع بخش تھے۔

ان عوامل نے اجتماعی طور پر کمپنی کی مالی کارکردگی کو متاثر کیا، جو کہ بحالی کی راہ پر گامزن ہے، اور ہم مالی سال کے نو مہینوں کے لیے (بشمول ۲۴۵ ملین پاکستانی روپے فرسودگی چارجز) کے لیے معمولی منافع بخش ہیں۔

لبریکٹنس پروڈکٹس کی مقامی بلیڈنگ کمپنی کو درمیانہ خام مال میں لاگت کی خاطر خواہ بچت کے ساتھ ساتھ کم لیڈ ٹائم اور بہتر انویسٹری مینجمنٹ سے وابستہ فوائد فراہم کرتی ہے۔ اس بچت کو برانڈ میں سرمایہ کاری کے لیے استعمال کیا جاسکتا ہے تاکہ وہ حصہ دوبارہ حاصل کر سکیں جہاں ہم نے لاگت کی مسابقت کی وجہ سے کھو دیا تھا۔ کمپنی میں مقامی بلیڈنگ شروع کرنے کے بعد ہم پہلے ہی اس حصے میں جی نمودار ہو رہے ہیں۔ ہم توقع کرتے ہیں کہ جولائی/اگست تک مقامی طور پر ہر چیز کو بلیڈنگ کر دیا جائے گا۔ اس سے ہمارے کاروبار کے معاشیات اور استحکام میں خاطر خواہ بہتری آئے گی۔

پچھلی سہ ماہی کے مقابلے میں، ۳۱ مارچ ۲۰۲۵ء کو ختم ہونے والی اس سہ ماہی میں، OMC طبقہ نے صرف اس سہ ماہی میں تقریباً پانچ ارب پاکستانی روپے کی خالص فروخت کی دستاویز کرتے ہوئے وہاں نیٹ سٹیلز ۲۸ فیصد حیران کن اضافہ دیکھا۔ ہر ترقی سٹرٹیجک پلاننگ اور انویسٹری سٹریٹجی کی موثر نگرانی کے ذریعے ملک بھر کے تمام فیول اسٹیشنوں کے لیے ہر وقت پروڈکٹ کی دستیابی کو یقینی بنانے کے ذریعے حاصل کی گئی۔ فی الحال، کمپنی ۵۲ فیول اسٹیشن چلا رہی ہے، پنجاب میں ۳۲، کے پی کے میں ۱۱ اور آزاد جموں و کشمیر میں ۲ کمپنی ۳۰ جون ۲۰۲۵ء کے آخر تک ملک بھر میں اضافی ۶ تا ۷ فیول اسٹیشن چلانے کی توقع رکھتی ہے، اس طرح والیو ایڈڈ سٹیمو کے ساتھ ساتھ نیٹ سٹیلز میں مزید اضافی اضافہ کو ہدف بناتا ہے۔

ہمارے پولیمر طبقہ میں ترقی کی، بہت زیادہ صلاحیت ہے۔ پاکستان ای کامرس، ایف ایم جی، اور فارماسیوٹیکل کے شعبے معیاری پیکیجنگ کی ضروریات کے ساتھ ترقی کر رہے ہیں اور خوراک اور صحت کے شعبوں میں ڈھیلی اشیاء سے برانڈڈ اور حفظان صحت کی پیکیجنگ کی طرف منتقل ہونے سے ہمیں مزید فائدہ ہو رہا ہے۔ اگرچہ چھوٹے پیمانے پر، ہم اس کاروبار میں آگے بڑھتے ہوئے مسلسل ترقی اور منافع کی توقع کرتے ہیں۔

ابتدائی عوامی پیشکش (آئی پی او) فنڈز (اپ ڈیٹ)

زیر جائزہ سہ ماہی کے دوران آئی پی او فنڈز برائے آئل مارکیٹنگ کمپنی (OMC) پروجیکٹ سے کی گئی کل ادائیگیاں ۲۴ ملین پاکستانی روپے تھیں۔ ۳۱ مارچ ۲۰۲۵ء IPO فنڈز کی غیر استعمال شدہ رقم ۲۰۴ ملین پاکستانی روپے تھی۔ کمپنی نے ان فنڈز کو پینک بیلنس، 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۔

ڈسٹرکٹ پورٹفولیو مینجمنٹ آفیسر (ڈی سی او) اور اوگرا کی جانب سے فیول اسٹیشنز کے قیام کی منظوری سمیت مختلف متعلقہ حکاموں سے نو آنجیکشن سرٹیفیکیشن (این اوسی) کے حصول میں تاخیر کے باعث مزید فیول اسٹیشنز کے قیام میں تاخیر ہوئی ہے۔ کمپنی کے پاس نئے فیول اسٹیشنوں کے لیے کافی دلچسپی ہے۔ ہم توقع کرتے ہیں کہ ۳۰ جون ۲۰۲۵ء اور اس کے بعد کے پی کے اور پنجاب میں مزید ایندھن 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۔

مستقبل کا نقطہ نظر

اعلیٰ کارکردگی کے مصنوعی لبریکٹنس مادیوں کی مانگ خاص طور پر جدید انجنوں اور مشینوں کے لیے بڑھ رہی ہے کیونکہ اس کے بہتر درجہ حرارت کے خلاف مزاحمت، معیار کے بارے میں بہتر صارفین کی آگاہی، طویل مدتی قدر، اور ایندھن کی کارکردگی روایتی سے مصنوعی مصنوعات کی طرف منتقل کرنے میں اپنا کردار ادا کر رہی ہے۔ لہذا، گاڑیوں کی فروخت میں اضافے، ہائبرڈ گاڑیوں کی بڑھتی ہوئی فروخت، موٹر سائیکلوں کی فروخت میں اضافے کی وجہ سے ہمارے لبریکٹنس سیکٹور کا آؤٹ لک مثبت ہے۔

ہم ایندھن کی اسمگلنگ پر قابو پانے کی حکومتی کوششوں، HTL برانڈڈ فیول اسٹیشنوں میں اضافہ، اور آٹوموبائل سیکٹر کی بحالی کے نتیجے میں OMC طبقہ میں مستحکم سے اعتدال پسند ترقی کی توقع کرتے ہیں۔ اہم واقعات جو معاشی بے یقینی میں اضافہ کر سکتے ہیں وہ ہیں: (i) USA کی قیادت میں ٹریف کی جنگ، (ii) سیاسی غیر یقینی صورتحال، (iii) بڑے پیمانے پر مینوفیکچرنگ سیکٹر میں گراؤ، (iv) معمولی GDP نمو، (v) US\$ کے ساتھ PKR برابری پر دوبارہ (vi) بھارت کے ساتھ کشیدگی میں سب سے اہم اضافہ اور اس کے ممکنہ اقتصادی اثرات۔ آپ کی انتظامیہ ان چیلنجوں کا بخور جائزہ لے رہی ہے، اور ان چیلنجوں کا مقابلہ کرنے کے لیے تمام دستیاب اقدامات اٹھانے کی پوری کوشش کرے گی۔

اعتراف

ہم کمپنی کے انتظام میں تمام ملازمین، سرمایہ کاروں اور دیگر اسٹیک ہولڈرز کے شاندار عزم اور شراکت کے لیے اپنے مخلصانہ شکریہ اور تعریف کا اظہار کرتے ہوئے خوشی محسوس کرتے ہیں۔

بورڈ کی جانب سے

جناب شوکت حسن

(چیئرمین)

جناب حسن طاہر

(چیف ایگزیکٹو)

لاہور، ۲۹ اپریل ۲۰۲۵ء

Hi-Tech Lubricants Limited | 03

HI-TECH LUBRICANTS LIMITED

UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2025 (Un-audited)

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

As At 31 March 2025

	Note	Un-Audited 31 March 2025 Rupees	Audited 30 June 2024 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 150,000,000 (2024: 150,000,000) ordinary shares of Rupees 10 each		1,500,000,000	1,500,000,000
Issued, subscribed and paid-up share capital		1,392,048,000	1,392,048,000
Reserves		2,259,721,823	2,546,312,681
Total equity		3,651,769,823	3,938,360,681
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease liabilities	4	416,407,628	497,633,412
Long term deposits		23,999,999	15,000,000
		440,407,627	512,633,412
CURRENT LIABILITIES			
Trade and other payables		2,800,485,310	2,559,181,892
Accrued mark-up		37,674,289	67,682,083
Short term borrowings		1,575,431,798	1,777,187,767
Current portion of non-current liabilities	4	120,223,582	149,684,305
Unclaimed dividend		5,403,322	5,689,417
Provision for taxation and levy - net		22,772,526	-
		4,561,990,827	4,559,425,464
Total liabilities		5,002,398,454	5,072,058,876
CONTINGENCIES AND COMMITMENTS			
	5		
TOTAL EQUITY AND LIABILITIES		8,654,168,277	9,010,419,557

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 Financial Position (Un-audited)

As At 31 March 2025

		Un-Audited 31 March 2025 Rupees	Audited 30 June 2024 Rupees
	Note		
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	6	2,846,817,042	2,771,812,271
Right-of-use assets	7	474,896,692	591,486,919
Intangible assets	8	599,942	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		1,350,313	2,050,936
Deferred income tax asset - net		134,931,485	144,162,496
		<u>4,791,958,843</u>	<u>4,848,429,683</u>
CURRENT ASSETS			
Stock-in-trade	10	1,412,721,412	1,789,235,831
Trade debts		1,200,026,985	1,019,801,916
Loans and advances		224,642,200	245,698,687
Short term deposits and prepayments		46,497,675	27,756,981
Other receivables		420,918,282	365,876,118
Accrued interest		91,619	3,486,137
Short term investments		242,800,791	222,717,061
Cash and bank balances		154,510,470	352,417,143
		<u>3,702,209,434</u>	<u>4,026,989,874</u>
Non-current asset classified as held for sale		160,000,000	135,000,000
		<u>3,862,209,434</u>	<u>4,161,989,874</u>
TOTAL ASSETS		<u><u>8,654,168,277</u></u>	<u><u>9,010,419,557</u></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 Profit or Loss (Un-audited)

For The Quarter and Nine Months Period Ended 31 March 2025

	NINE MONTHS ENDED		QUARTER ENDED	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
	Rupees	Rupees	Rupees	Rupees
GROSS REVENUE FROM CONTRACTS WITH CUSTOMERS	25,994,158,780	17,696,016,846	8,624,528,522	7,308,208,042
Discounts	(359,168,339)	(488,535,846)	(119,087,360)	(147,014,601)
Sales tax	(1,684,373,783)	(1,504,600,898)	(596,217,397)	(638,324,170)
NET REVENUE FROM CONTRACTS WITH CUSTOMERS	23,950,616,658	15,702,880,102	7,909,223,765	6,522,869,271
COST OF SALES	(22,456,983,268)	(14,824,502,141)	(7,357,732,213)	(6,104,565,535)
GROSS PROFIT	1,493,633,390	878,377,961	551,491,552	418,303,736
DISTRIBUTION COST	(976,523,990)	(705,416,925)	(383,653,301)	(385,895,943)
ADMINISTRATIVE EXPENSES	(577,738,713)	(533,477,072)	(185,978,808)	(189,800,536)
OTHER EXPENSES	(29,605,003)	(19,119,987)	(16,136,945)	(2,555,940)
	(1,583,867,706)	(1,258,013,984)	(585,769,054)	(578,252,419)
OTHER INCOME	249,153,972	909,815,603	42,148,408	500,243,694
PROFIT FROM OPERATIONS	158,919,656	530,179,580	7,870,906	340,295,011
FINANCE COST	(327,800,932)	(401,184,234)	(87,925,556)	(114,994,393)
PROFIT/(LOSS) BEFORE TAXATION AND LEVY	(168,881,276)	128,995,346	(80,054,650)	225,300,618
LEVY	(108,478,571)	(77,298,623)	(36,995,155)	(23,832,631)
PROFIT/(LOSS) BEFORE TAXATION	(277,359,847)	51,696,723	(117,049,805)	201,467,987
TAXATION	(9,231,011)	7,230,441	-	-
PROFIT/(LOSS) AFTER TAXATION	(286,590,858)	58,927,164	(117,049,805)	201,467,987
PROFIT/(LOSS) PER SHARE - BASIC AND DILUTED	(2.06)	0.42	(0.84)	1.45

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


Chief Executive


Director


Chief Financial Officer

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

For The Quarter and Nine Months Period Ended 31 March 2025

	NINE MONTHS ENDED		QUARTER ENDED	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
	Rupees	Rupees	Rupees	Rupees
PROFIT / (LOSS) AFTER TAXATION	(286,590,858)	58,927,164	(117,049,805)	201,467,987
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	-	-	-	-
TOTAL COMPREHENSIVE PROFIT / (LOSS) FOR THE PERIOD	(286,590,858)	58,927,164	(117,049,805)	201,467,987

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



Chief Executive



Director



Chief Financial Officer

08 | Hi-Tech Lubricants Limited

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

For The Quarter and Nine Months Period Ended 31 March 2025

SHARE CAPITAL	RESERVES					TOTAL EQUITY
	CAPITAL RESERVES			REVENUE RESERVE	TOTAL RESERVES	
	SHARE PREMIUM	SURPLUS ON REVALUATION OF FREEHOLD LAND	SUB-TOTAL	UN-APPROPRIATED PROFIT		

Rupees -

Balance as at 30 June 2023 - audited 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

Transaction with owners:

Profit/(Loss) for the nine months period ended 31 March 2024 - - - - 58,927,164 58,927,164 58,927,164

Other comprehensive Income/(loss) for the nine months period ended 31 March 2024 - - - - - - -

Total comprehensive Income/(loss) for the nine months period ended 31 March 2024 - - - - 58,927,164 58,927,164 58,927,164

Balance as at 31 March 2024 - un-audited 1,392,048,000 1,441,697,946 756,846,956 2,198,544,902 291,279,646 2,489,824,548 3,881,872,548

Balance as at 30 June 2024 - audited 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 nine months period ended 31 March 2025 - - - - (286,590,858) (286,590,858) (286,590,858)

Other comprehensive profit/(Loss) for the nine months period ended 31 March 2025 - - - - - - -

Total comprehensive profit/(Loss) for the nine months period ended 31 March 2025 - - - - (286,590,858) (286,590,858) (286,590,858)

Balance as at 31 March 2025 - un-audited 1,392,048,000 1,441,697,946 760,858,456 2,202,556,402 57,165,421 2,259,721,823 3,651,769,823

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


Chief Executive


Director


Chief Financial Officer

Unconsolidated Condensed Interim Statement OF Cash Flows (Un-audited)

For The Quarter and Nine Months Period Ended 31 March 2025

	Note	NINE MONTHS ENDED	
		31 March	31 March
		2025	2024
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	12	1,077,251,192	(128,726,106)
Finance cost paid		(357,808,726)	(425,728,418)
Income tax paid		(135,299,852)	(63,703,016)
Net increase in long term loans to employees		700,623	(233,543)
Net decrease in long term security deposits		12,435,400	9,007,556
Decrease in long term deposits		8,999,999	2,000,000
Net cash used in operating activities		606,278,636	(607,383,527)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on operating fixed assets		(181,364,209)	(212,188,262)
Short term loan given to subsidiary company		(352,000,000)	485,500,000
Short term loan repaid by subsidiary company		352,000,000	-
Proceeds from disposal of operating fixed assets		3,671,200	13,364,000
Short term investments - net		5,917,097	7,471,236
Dividends received		763,410	551,081,791
Interest received on short term loan to subsidiary company		36,714,195	102,001,081
Profit on bank deposits and term deposit receipt received		897,266	31,872,008
Net cash from / (used in) investing activities		(485,401,040)	979,101,854
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		(116,742,204)	(81,947,092)
Dividend paid		(286,095)	(141,327)
Short term borrowings - net		(201,755,969)	(171,373,407)
Net cash used in financing activities		(318,784,268)	(253,461,826)
Net decrease in cash and cash equivalents		(197,906,672)	118,256,501
Cash and cash equivalents at the beginning of the period		352,417,143	239,411,720
Cash and cash equivalents at the end of the period		154,510,471	357,668,221

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



Chief Executive



Director



Chief Financial Officer

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

For The Quarter and Nine Months Period Ended 31 March 2025

1. THE COMPANY AND ITS OPERATIONS

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

	Un-Audited 31 March 2025 Rupees	Audited 30 June 2024 Rupees
4. LEASE LIABILITIES		
Total lease liabilities	536,631,210	647,317,717
Less: Current portion shown under current liabilities	(120,223,582)	(149,684,305)
	<u>416,407,628</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, 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.

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

For The Quarter and Nine Months Period Ended 31 March 2025

	Un-Audited 31 March 2025 Rupees	Audited 30 June 2024 Rupees
5.2 Commitments		
5.2.1 For capital expenditures	39,705,429	30,816,991
5.2.2 Letters of credit other than for capital expenditures	-	39,705,429
6. FIXED ASSETS		
Operating fixed assets(Note 6.1)	2,731,062,446	2,608,162,726
Capital work-in-progress(Note 6.2)	115,754,596	163,649,545
	<u>2,846,817,042</u>	<u>2,771,812,271</u>
6.1 Operating fixed assets – owned		
Opening book value	2,608,162,726	2,458,955,725
Add: Cost of additions during the period / year (Note 6.1.1)	229,259,162	259,662,348
Add: Revaluation Surplus	-	4,011,500
Add: Book value of assets transferred from right-of-use of assets	35,220,825	47,330,348
	<u>2,872,642,713</u>	<u>2,769,959,921</u>
Less: Book value of deletions during the period / year (Note 6.1.2)	15,631,390	16,531,820
	<u>2,857,011,323</u>	<u>2,753,428,101</u>
Less: Book value of written off during the period / year	-	6,075,596
	<u>2,857,011,323</u>	<u>2,747,352,505</u>
Less: Depreciation charged during the period / year	125,948,877	139,189,779
Closing book value	<u>2,731,062,446</u>	<u>2,608,162,726</u>
6.1.1 Cost of additions during the period / year		
Freehold land	-	-
Buildings on freehold land	163,239,999	-
Buildings on leasehold land	13,049,125	143,874,264
Machinery	16,468,573	1,605,460
Tanks and Pipeline and Tanks	7,099,034	47,146,502
Dispensing Pumps	15,807,956	39,978,545
Furniture and fittings	1,941,353	1,960,722
Vehicles	1,130,803	8,000,973
Office equipment	564,065	1,057,737
Computers	9,958,254	16,038,145
	<u>229,259,162</u>	<u>259,662,348</u>

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

For The Quarter and Nine Months Period Ended 31 March 2025

	Un-Audited 31 March 2025 Rupees	Audited 30 June 2024 Rupees
6.1.2 Book value of deletions during the period / year		
Cost:		
Vehicles	3,252,430	17,650,654
Computers	3,560,344	7,109,194
Building on Leasehold Land	17,871,926	3,834,385
Tanks & Pipelines	578,690	1,926,050
Machinery	5,122,603	-
Dispensing Pumps	1,068,825	-
Office Equipments	1,968,556	-
Furniture & Fixture	345,988	-
	33,769,362	30,520,283
Less: Accumulated depreciation	18,137,972	13,988,463
	15,631,390	16,531,820
6.2 Capital work-in-progress		
Civil works	67,801,529	116,438,207
Dispensing pumps	25,323,313	15,986,659
Tanks and Pipelines	-	31,224,679
Unallocated expenditures	22,629,754	-
	115,754,596	163,649,545
7. RIGHT-OF-USE ASSETS		
Opening book value	591,486,919	605,121,153
Add: Cost of additions during the period / year (Note 7.1)	20,850,621	162,958,870
Add: Impact of lease modifications during the period /	-	10,367,143
Add: Impact of lease reassessment during the period / year	-	45,110
Less: Impact of lease terminations during the period / year	6,221,738.0	-
Less: Book value of assets transferred to fixed assets during the period / year (Note 7.2)	35,220,825	47,330,348
Less: Depreciation expense for the period /	95,998,285	139,584,789
Closing book value	474,896,692	591,486,919
7.1 Cost of additions during the period / year		
Land	18,966,746	146,309,901
Buildings	-	16,648,969
Vehicles	1,883,875	-
	20,850,621	162,958,870
7.2 Book value of assets transferred to fixed assets during the period / year		
Vehicles	35,220,825	47,330,348

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

For The Quarter and Nine Months Period Ended 31 March 2025

	Un-Audited 31 March 2025 Rupees	Audited 30 June 2024 Rupees
8. INTANGIBLE ASSETS - Computer softwares		
Opening book value	1,197,692	3,981,524
Add: Cost of additions during the period / year	-	-
Less: Book value of intangible assets written off during the period / year	-	26,283
Less: Amortization charged during the period / year	597,750	2,757,549
Closing book value	<u>599,942</u>	<u>1,197,692</u>
9. INVESTMENT IN SUBSIDIARY COMPANY - at cost		
Hi-Tech Blending (Private) Limited - unquoted 130,000,060 (30 June 2024: 130,000,060) fully paid ordinary shares of Rupees 10 each Equity held 100% (30 June 2024: 100%)	<u>1,300,000,600</u>	<u>1,300,000,600</u>
9.1 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.		
10. STOCK-IN-TRADE		
Lubricants and parts (Note 10.1)	217,656,256	428,492,803
Less: Provision for slow moving and damaged inventory items	<u>23,225,019</u>	<u>35,329,612</u>
	194,431,237	393,163,191
Petroleum products		
- Stock in hand (Note 10.2)	890,462,269	316,614,901
- Stock in pipeline system (Note 10.3)	301,058,829	1,045,532,295
	1,191,521,098	1,362,147,196
Dispensing pumps and other installations	26,769,077	33,925,444
	<u>1,412,721,412</u>	<u>1,789,235,831</u>
10.1 This include stock amounting to Rupees 46.455 million (30 June 2024: Rupees 118.898 million) lying at customs bonded warehouse.		
10.2 This includes stock of petroleum products in possession of third parties as follows:		
Askar Oil Services (Private) Limited	366,135	2,395,911
Be Energy Limited	191,899,754	23,153,653
Al-Rahim Trading Company (Private) Limited	-	-
Gas and Oil Pakistan Limited	54,845,315	4,888,641
Karachi Hydrocorban Terminal Limited	262,513,558	257,496,950
Z.Y. & Co. Bulk Terminal (Private) Limited	-	2,955,252
Total Parco Pakistan Ltd.	28,317,167	-
Pakistan Molasses Company Pvt. Ltd	8,330,856	-
	<u>546,272,786</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 129.186 million (30 June 2024: Rupees 355.458 million) and Rupees 171.872 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.		

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

For The Quarter and Nine Months Period Ended 31 March 2025

		(Un-Audited)	
		NINE MONTHS ENDED	
		31 March 2025	31 March 2024
		Rupees	Rupees
12. CASH (USED IN) / GENERATED FROM OPERATIONS			
Profit / (Loss) before taxation and levy		(168,881,276)	128,995,346
Adjustments for non-cash charges and other items:			
Depreciation on operating fixed assets		125,948,873	99,944,332
Depreciation on right-of-use assets		95,998,285	106,190,687
Amortization on intangible assets		597,698	2,337,117
Reversal allowance for expected credit losses		(117,537)	-
Provision for slow moving and damaged inventory items - net		(12,104,593)	-
Provision for doubtful advances to suppliers		(228,419)	-
(Gain)/Loss on disposal of operating fixed assets		11,960,190	1,952,725
Dividend income		(763,410)	(551,081,791)
Profit on bank deposits and term deposit receipt		(802,783)	(25,666,083)
Interest income on short term loan to subsidiary company		(33,414,160)	(69,761,165)
Fair value gain on investment property		(25,000,000)	-
Gain on Disposal of short term investments		(177,474)	(1,936,890)
Unrealized gain on remeasurement of investments carried at fair value through profit or loss - net		(25,823,353)	(4,150,041)
Fixed assets written off		-	6,075,596
Workers' profit participation fund		838,340	-
Credit balances written back		-	(201,554)
Debit Balance written off		-	84,068
Loss / (gain) on termination of lease		(8,573,134)	-
Exchange (gain) / loss - net		3,478,054	-
Finance cost		327,800,932	401,184,234
Working capital changes (Note 12.1)		786,514,959	(222,692,687)
		<u>1,077,251,192</u>	<u>(128,726,106)</u>
12.1 Working capital changes			
(Increase) / decrease in current assets:			
Stock-in-trade		388,619,012	(194,070,010)
Trade debts		(180,107,532)	(240,232,198)
Loans and advances		373,284,906	(76,843,166)
Short term deposits and prepayments		(26,820,094)	(42,755,823)
Other receivables		(55,042,164)	(110,600,525)
		499,934,128	(664,501,722)
Increase in trade and other payables		286,580,831	441,809,035
		<u>786,514,959</u>	<u>(222,692,687)</u>

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

For The Quarter and Nine Months Period Ended 31 March 2025

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			
		NINE MONTHS ENDED		QUARTER ENDED	
		31 March 2025	31 March 2024	31 March 2025	31 March 2024
i Transactions		-----Rupees-----			
Relationship					
Subsidiary company					
Hi-Tech Blending (Private) Limited	Sale of lubricants	1,425,141	1,122,352	607,905	-
	Purchase of lubricants	5,120,703,532	4,421,275,802	1,605,049,786	1,737,464,781
	Dividend received	-	5,200,002,400	-	49,400,002,280
	Lease rentals paid	2,250,000	2,250,000	750,000	750,000
	Short term loan given	512,800,000	112,800,000	-	-
	Short term loan repaid	512,800,000	598,300,000	-	403,800,000
	Interest received on short term loan	19,659,308	102,001,081	-	26,422,760
Associated companies					
MAS Associates (Pvt) Limited	Share of common expenses	1,084,409	1,534,284	286,832	857,063
Other related parties					
SK Enmove Co., Ltd.	Purchase of lubricants	152,825,237	554,662,456	28,798,188	243,702,222
	Incentive	122,374,750	247,122,002	27,911,000	69,525,001
Provident fund trust	Contribution	23,751,106	22,319,023	7,433,561	8,424,168
Key management personnel and executives	Remuneration	355,756,845	323,270,612	129,100,296	98,031,337
Sabra Hamida Trust	Donations	12,000,000	13,500,000	3,000,000	4,500,000
				Un-Audited 31 March 2025 Rupees	Audited 30 June 2024 Rupees
ii Period end balances					
Subsidiary company					
	Investment in Hi-Tech Blending (Private) Limited			1,300,000,600	1,300,000,600
	Receivable from Hi-Tech Blending (Private) Limited			638,283	-
	Payable to Hi-Tech Blending (Private) Limited			33,688,095	3,757
Associated companies					
	Receivable from MAS Associates (Private) Limited			286,833	347,497
Other related parties					
	Receivable from SK Enmove Co., Ltd. (Formerly SK Lubricants Co., Ltd.)			27,911,000	69,585,301
	Payable to SK Enmove Co., Ltd. (Formerly SK Lubricants Co., Ltd.)			57,977,175	122,870,100
	Payable to employees' provident fund trust			3,026,719	107,143

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

For The Quarter and Nine Months Period Ended 31 March 2025

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 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 March 2025	Level 1	Level 2	Level 3	Total
--	---------	---------	---------	-------

----- Rupees -----

Financial assets

Financial assets at fair value through profit or loss	242,800,791	-	-	242,800,791
---	-------------	---	---	-------------

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 ended 31 March 2025. Further there was no transfer in and out of level 3 measurements.

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

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

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

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

(ii) Valuation techniques used to determine fair values

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

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

For The Quarter and Nine Months Period Ended 31 March 2025

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 March 2025	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
----- 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 March 2025. 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.

16. SEGMENT INFORMATION

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

Lubricants
Petroleum products

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

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

For The Quarter and Nine Months Period Ended 31 March 2025

	LUBRICANTS		PETROLEUM PRODUCTS		UNALLOCATED		TOTAL - COMPANY	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024	31 March 2025	31 March 2024	31 March 2025	31 March 2024
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Revenue from contracts with customers - net	7,126,569,706	5,570,845,548	1,682,046,952	10,132,034,554	-	-	23,950,616,658	15,702,880,102
Cost of sales	(6,058,619,209)	(4,965,433,730)	(16,398,364,059)	(9,859,068,411)	-	-	(22,456,983,268)	(14,824,502,141)
Gross profit	1,067,950,497	605,411,818	425,682,893	272,966,143	-	-	1,493,633,390	878,377,961
Distribution cost	(641,327,204)	(421,315,956)	(335,196,786)	(284,100,969)	-	-	(976,523,990)	(705,416,925)
Administrative expenses	(563,352,109)	(517,043,438)	(14,386,604)	(16,433,634)	-	-	(577,738,713)	(533,477,072)
Other expenses	44,213,528	6,619,893	(73,818,531)	(25,739,880)	-	-	(29,605,003)	(19,119,987)
Other income	(1,160,465,784)	(931,739,501)	(423,401,922)	(326,274,483)	-	-	(1,583,867,706)	(1,258,013,984)
Profit / (loss) from operations	162,114,912	844,939,010	87,039,060	64,876,693	-	-	249,153,972	909,815,603
Finance cost	69,599,625	518,611,327	89,320,031	11,568,253	-	-	158,919,656	530,179,580
Profit / (loss) before taxation and levy	(271,305,061)	(306,669,577)	(56,495,871)	(94,514,657)	-	-	(327,800,932)	(401,184,234)
Lewy	(201,705,436)	211,941,750	32,824,160	(82,946,404)	-	-	(168,881,276)	128,995,346
Profit / (loss) before taxation	(24,358,336)	(26,638,450)	(84,120,235)	(50,660,173)	-	-	(108,478,571)	(77,298,623)
Taxation	(226,063,772)	185,303,300	(51,296,075)	(133,606,577)	-	-	(277,359,847)	51,696,723
Profit / (loss) after taxation	-	-	-	-	(9,231,011)	7,230,441	(9,231,011)	7,230,441
	(226,063,772)	185,303,300	(51,296,075)	(133,606,577)	(9,231,011)	7,230,441	(286,590,858)	58,927,164

16.1 Reconciliation of reportable segment assets and liabilities:

	LUBRICANTS		PETROLEUM PRODUCTS	
	Un-Audited 31 March 2025	Audited 30 June 2024	Un-Audited 31 March 2025	Audited 30 June 2024
	Rupees	Rupees	Rupees	Rupees
Total assets for reportable segments	3,933,576,379	3,762,378,934	4,397,822,557	4,925,271,282
Unallocated assets				
Total assets as per statement of financial position				
Total liabilities for reportable segments	1,907,313,798	1,622,410,722	1,550,249,789	1,905,651,627
Unallocated liabilities				
Total liabilities as per statement of financial position				
All of the sales of the Company relates to customers in Pakistan.				
All non-current assets of the Company as at the reporting dates are located in Pakistan.				

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 Quarter and Nine Months Period Ended 31 March 2025

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)
Investment in HTLL		
Land	470,000,000	60,618,100
Building	128,000,000	12,486,445
Plant, machinery and equipment	139,000,000	2,719,201
Pre-operating costs	33,000,000	249,630
Working capital	842,562,500	739,126,208
	<u>1,812,562,500</u>	<u>815,199,584</u>
Investment in 100% owned subsidiary		
Additional filling lines for blending plant, Hi-Tech Blending (Private) Limited	200,000,000	-
Total	<u>1,812,562,500</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.

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.

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

For The Quarter and Nine Months Period Ended 31 March 2025

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 nine months period ended 31 March 2025 is as follows:

	Rupees
Un-utilized IPO proceeds as at 01 JUL 2024	218,115,906
Add: Profit on bank deposits	446,215
Add: Dividend on investment in mutual funds	107,522
Add: Unrealised gain on Remeasurement of Investment	(195,862)
Add: Unrealised gain on Investment in mutual fund	25,823,353
Less: Payments made relating to OMC Project	(39,770,043)
Less: Withholding tax on profit	(66,932)
Less: Withholding tax on dividend from mutual funds	(26,881)
Less: Withholding tax Capital Gain on disposal of mutual funds	(16,339)
Less: Bank charges	(2,375)
Un-utilized IPO proceeds as at 31 March 2025	204,414,564

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's 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 29 April 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
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2025 (Un-audited)

Consolidated Condensed Interim Statement Of Financial Position

As At 31 March 2025

		Un-Audited 31 March 2025 Rupees	Audited 30 June 2024 Rupees
	Note		
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
150,000,000 (2024: 150,000,000) ordinary shares of Rupees 10 each		1,500,000,000	1,500,000,000
Issued, subscribed and paid-up share capital		1,392,048,000	1,392,048,000
Reserves		4,533,704,081	4,529,463,929
Total equity		5,925,752,081	5,921,511,929
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	4	426,326,552	506,839,256
Lease liabilities	5	403,627,939	479,848,129
Long term deposits		23,999,999	15,000,000
Deferred liabilities		144,579,905	130,031,085
		998,534,395	1,131,718,470
CURRENT LIABILITIES			
Trade and other payables		5,223,863,268	3,922,081,945
Accrued mark-up		65,866,284	98,461,634
Short term borrowings		2,255,467,120	2,064,242,674
Current portion of non-current liabilities		232,433,825	263,618,482
Unclaimed dividend		5,403,322	5,689,417
		7,783,033,819	6,354,094,152
Total liabilities		8,781,568,214	7,485,812,622
CONTINGENCIES AND COMMITMENTS			
	6		
TOTAL EQUITY AND LIABILITIES		14,707,320,295	13,407,324,551

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 Financial Position

As At 31 March 2025

		Un-Audited 31 March 2025 Rupees	Audited 30 June 2024 Rupees
Note			
ASSETS			
NON-CURRENT ASSETS			
	7	6,731,503,917	6,572,529,763
Fixed assets			
	8	475,036,473	596,393,130
Right-of-use assets			
	9	3,659,993	9,653,391
Intangible assets			
Investment property		-	-
Long term security deposits		43,679,089	43,313,369
Long term loans to employees		1,350,313	2,050,936
		<u>7,255,229,785</u>	<u>7,223,940,589</u>
CURRENT ASSETS			
		140,651,843	71,548,897
Stores			
	10	3,961,202,511	3,239,996,513
Stock-in-trade			
		1,509,331,436	1,101,435,544
Trade debts			
		451,167,957	387,407,108
Loans and advances			
		63,728,174	41,369,100
Short term deposits and prepayments			
		420,918,282	311,042,045
Other receivables			
		332,101,329	261,369,147
Advance income tax and prepaid levy - net			
		91,619	186,102
Accrued interest			
		242,800,791	222,717,061
Short term investments			
		170,096,568	411,312,445
Cash and bank balances			
		<u>7,292,090,510</u>	<u>6,048,383,962</u>
Non-current asset classified as held for sale	11	160,000,000	135,000,000
		<u>7,452,090,510</u>	<u>6,183,383,962</u>
TOTAL ASSETS		<u><u>14,707,320,295</u></u>	<u><u>13,407,324,551</u></u>

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 Profit or Loss (Un-audited)

For The Quarter and Nine Months Period Ended 31 March 2025

	NINE MONTHS ENDED		QUARTER ENDED	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
	Rupees	Rupees	Rupees	Rupees
GROSS REVENUE FROM CONTRACTS WITH CUSTOMERS	26,406,441,497	19,130,426,232	8,791,348,069	7,783,907,872
Discounts	(359,168,339)	(488,535,846)	(119,087,360)	(147,014,601)
Sales tax	(1,747,337,214)	(2,660,728,714)	(621,674,707)	(988,761,569)
NET REVENUE FROM CONTRACTS WITH CUSTOMERS	24,299,935,944	15,981,161,672	8,050,586,002	6,648,131,702
COST OF SALES	(22,088,676,853)	(14,408,069,796)	(7,199,271,960)	(6,000,147,466)
GROSS PROFIT	2,211,259,091	1,573,091,876	851,314,042	647,984,236
DISTRIBUTION COST	(1,018,995,177)	(744,516,893)	(396,172,124)	(401,366,999)
ADMINISTRATIVE EXPENSES	(754,519,263)	(677,185,791)	(248,852,060)	(237,292,260)
OTHER EXPENSES	(66,669,830)	(47,895,168)	(40,804,701)	(2,614,907)
	(1,840,184,270)	(1,469,597,852)	(685,828,885)	(641,274,166)
OTHER INCOME	224,269,802	319,975,932	47,120,604	226,396,590
PROFIT FROM OPERATIONS	595,344,623	423,469,956	212,605,761	233,106,660
FINANCE COST	(450,686,707)	(578,706,829)	(123,362,947)	(167,673,706)
PROFIT / (LOSS) BEFORE TAXATION AND LEVY	144,657,916	(155,236,873)	89,242,814	65,432,954
LEVY	(125,868,945)	(97,915,606)	(45,010,629)	(33,146,268)
PROFIT / (LOSS) BEFORE TAXATION	18,788,971	(253,152,479)	44,232,185	32,286,686
TAXATION	(14,548,819)	(64,450,342)	-	-
PROFIT / (LOSS) AFTER TAXATION	4,240,152	(317,602,821)	44,232,185	32,286,686
PROFIT / (LOSS) PER SHARE - BASIC AND DILUTED	0.03	(2.28)	0.32	0.23

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 Quarter and Nine Months Period Ended 31 March 2025

	NINE MONTHS ENDED		QUARTER ENDED	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
	Rupees	Rupees	Rupees	Rupees
(LOSS) / PROFIT AFTER TAXATION	4,240,152	(317,602,821)	44,232,185	32,286,686
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	-	-	-	-
TOTAL COMPREHENSIVE (LOSS) /PROFIT FOR THE PERIOD	4,240,152	(317,602,821)	44,232,185	32,286,686

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



Chief Executive



Director



Chief Financial Officer

Hi-Tech Lubricants Limited | 27

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

For The Quarter and Nine Months Period Ended 31 March 2025

SHARE CAPITAL	RESERVES					TOTAL EQUITY
	CAPITAL RESERVES			REVENUE RESERVE	TOTAL RESERVES	
	SHARE PREMIUM	SURPLUS ON REVALUATION OF FREEHOLD LAND	SUB TOTAL	UN-APPROPRIATED PROFIT		
----- Rupees -----						
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
-	-	-	-	(317,602,821)	(317,602,821)	(317,602,821)
-	-	-	-	-	-	-
ed	-	-	-	-	(317,602,821)	(317,602,821)
1,392,048,000	1,441,697,946	2,097,794,248	3,539,492,194	794,565,009	4,334,057,203	5,726,105,203
1,392,048,000	1,441,697,946	2,112,974,748	3,554,672,694	974,791,235	4,529,463,929	5,921,511,929
-	-	-	-	4,240,152	4,240,152	4,240,152
-	-	-	-	-	-	-
ed	-	-	-	-	4,240,152	4,240,152
1,392,048,000	1,441,697,946	2,112,974,748	3,554,672,694	979,031,387	4,533,704,081	5,925,752,081

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 Quarter and Nine Months Period Ended 31 March 2025

		NINE MONTHS ENDED	
		31 March 2025	31 March 2024
	Note	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	12	785,325,791	1,282,512,104
Finance cost paid		(483,282,057)	(626,906,542)
Income tax paid		(196,601,126)	(121,064,679)
Net increase/(Decrease) in long term loans to employees		700,623	(233,543)
Net decrease in long term security deposits		14,476,200	5,619,962
Decrease in long term deposits		8,999,999	2,000,000
Net cash generated used in operating activities		129,619,430	541,927,302
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on operating fixed assets		(375,865,394)	(111,872,992)
Proceeds from disposal of operating fixed assets		3,671,200	120,000
Short term investments - net		5,917,097	7,471,234
Dividends received		763,410	31,081,551
Profit on bank deposits and term deposit receipts received		9,373,930	31,872,008
Net cash used in investing activities		(356,139,757)	(41,328,199)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		191,224,446	(238,531,925)
Dividend paid		(286,095)	(141,327)
Repayment of long term financing		(74,690,905)	(46,522,157)
Repayment of lease liabilities		(130,942,996)	(108,243,827)
Net cash from financing activities		(14,695,550)	(393,439,236)
Net (decrease) / increase in cash and cash equivalents		(241,215,877)	107,159,867
Cash and cash equivalents at beginning of the period		411,312,445	255,077,564
Cash and cash equivalents at end of the period		170,096,568	362,237,431

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 Quarter and Nine Months Period Ended 31 March 2025

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 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.

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 Quarter and Nine Months Period Ended 31 March 2025

	Un-Audited 31 March 2025 Rupees	Audited 30 June 2024 Rupees
4. LONG TERM FINANCING		
From banking companies - secured		
Subsidiary Company		
Bank Al-Habib Limited	454,518,547	585,018,170
Less: Current portion shown under current liabilities	28,191,995	78,178,914
	<u>426,326,552</u>	<u>506,839,256</u>
4.1	This loan has been obtained by the Subsidiary Company under SBP Temporary Economic Refinance Facility (TERF). It is recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment is recognized at discount rates ranging from 8.85% to 13.39% per annum.	
4.2	This loan has been obtained by the Subsidiary Company under SBP Renewable Energy Refinance Scheme. It is recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment is recognized at discount rates ranging from 11.93% to 16.52% per annum.	
4.3	Effective rate of mark-up charged during the year ranged from 20.09% to 12.09% (2024: 22.71 to 24.15%) per annum.	
5. LEASE LIABILITIES		
Total lease liabilities	530,165,867	643,392,513
Less: Current portion shown under current liabilities	126,537,928	163,544,384
	<u>403,627,939</u>	<u>479,848,129</u>
6. CONTINGENCIES AND COMMITMENTS		
6.1 Contingencies		
	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:	
6.1.1	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 Group 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 group. However, sales tax default in respect of certain issues was upheld by CIR(A). Being aggrieved with the order of CIR(A), the Group and tax department filed appeals before Appellate Tribunal Inland Revenue (ATIR). On 07 December 2022, ATIR accepted the Group'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 Group has filed a sales tax reference before the Honourable Lahore High Court, Lahore on 17 January 2025, which is pending adjudication. On 02 February 2025, the tax department has initiated remand back proceedings in accordance with the directives of ATIR. The management, based on advise of the legal advisor, is confident of favourable outcome of the matter. Therefore, no provision has been recognized in these consolidated condensed interim financial statements.	
6.1.2	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 Group 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 Group 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 Group 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 Quarter and Nine Months Period Ended 31 March 2025

	Un-Audited 31 March 2025 Rupees	Audited 30 June 2024 Rupees
6.2 Commitments		
6.2.1 Contracts for capital expenditures	39,705,429	34,265,983
6.2.2 Letters of credit other than for capital expenditures	705,676,993	366,300,016
7. FIXED ASSETS		
Operating fixed assets:		
Owned (Note 7.1)	6,491,588,422	6,408,880,218
Capital work-in-progress (Note 7.2)	239,915,495	163,649,545
	<u>6,731,503,917</u>	<u>6,572,529,763</u>
7.1 Operating fixed assets – owned		
Opening book value	6,408,880,218	6,309,226,997
Add: Cost of additions during the period / year (Note 7.1.1)	295,785,699	334,765,086
Add: Revaluation of Surplus	-	15,180,500
Add: Book value of assets transferred from right-of-use of assets	40,726,953	65,816,347
	<u>6,745,392,870</u>	<u>6,724,988,930</u>
Less: Book value of deletions during the period / year (Note 7.1.2)	15,706,660	16,848,156
	<u>6,729,686,210</u>	<u>6,708,140,774</u>
Less: Book value of written off during the period / year	-	6,075,596
	<u>6,729,686,210</u>	<u>6,702,065,178</u>
Less: Depreciation charged during the period / year	238,097,788	293,184,960
Closing book value	<u>6,491,588,422</u>	<u>6,408,880,218</u>
7.1.1 Cost of additions during the period / year		
Buildings on freehold land	168,471,756	-
Buildings on leasehold land	13,049,125	143,874,264
Machinery	55,247,731	30,535,853
Tanks and Pipeline	7,099,034	47,146,502
Dispensing Pumps	15,807,956	39,978,545
Electric Installation	11,410,503	-
Moulds	6,973,280	42,190,440
Furniture and fittings	3,717,123	1,960,722
Vehicles	1,365,702	8,000,973
Office equipment	1,303,506	2,529,407
Computers	11,339,983	18,548,380
	<u>295,785,699</u>	<u>334,765,086</u>
7.1.2 Book value of deletions during the period / year		
Cost:		
Building on Leasehold Land	17,871,926	3,834,385
Tanks & Pipelines	578,690	1,926,050
Vehicles	3,252,430	17,786,026
Computers	3,560,344	7,781,194
Machinery	5,122,603	-
Dispencing Pumps	1,068,825	-
Office Equipment's	1,968,556	-
Furniture & Fixture	539,738	-
	<u>33,963,112</u>	<u>31,327,655</u>
Less: Accumulated depreciation	<u>18,256,452</u>	<u>14,479,499</u>
	<u>15,706,660</u>	<u>16,848,156</u>

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

For The Quarter and Nine Months Period Ended 31 March 2025

	Un-Audited 31 March 2025 Rupees	Audited 30 June 2024 Rupees
7.2. Capital work-in-progress		
Civil works	67,801,529	116,438,207
Plant and machinery	124,160,899	-
Dispensing pumps	25,323,313	15,986,659
Tanks and Pipelines	22,629,754	31,224,679
	<u>239,915,495</u>	<u>163,649,545</u>
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)	23,938,089	162,958,870
Add: Impact of lease modifications during the period / year	-	10,367,143
Less: Impact of lease terminations during the period / year	6,221,739	45,110
Less: Book value of assets transferred to fixed assets during the period / year (Note 8.2)	40,726,953	65,816,347
Less: Depreciation expense for the period / year	98,346,054	146,853,456
Closing book value	<u>475,036,473</u>	<u>596,393,130</u>
8.1 Cost of additions during the period / year		
Land	18,966,746	146,309,901
Buildings	-	16,648,969
Vehicles	4,971,343	-
	<u>23,938,089</u>	<u>162,958,870</u>
8.2 Book value of assets transferred to fixed assets during the period / year		
Vehicles	<u>40,726,953</u>	<u>47,330,347</u>
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	5,993,398	10,607,380
Closing book value	<u>3,659,993</u>	<u>9,653,391</u>
10. STOCK-IN-TRADE		
Raw materials (Note 10.1)	2,256,897,406	1,012,548,704
Work-in-process	127,219,379	77,857,504
	<u>2,384,116,785</u>	<u>1,090,406,208</u>
Lubricants and parts (Note 10.2)	389,015,070	795,841,776
Less: Provision for slow moving and damaged stock items	30,219,519	42,324,111
	<u>358,795,551</u>	<u>753,517,665</u>
Petroleum products		
- Stock in hand (Note 10.3)	890,462,269	316,614,901
- Stock in pipeline system (Note 10.4)	301,058,829	1,045,532,295
	<u>1,191,521,098</u>	<u>1,362,147,196</u>
Dispensing pumps and other installations	26,769,077	33,925,444
	<u>3,961,202,511</u>	<u>3,239,996,513</u>

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

For The Quarter and Nine Months Period Ended 31 March 2025

- 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 March 2025 Rupees	Audited 30 June 2024 Rupees
Askar Oil Services (Private) Limited	366,135	2,395,911
Be Energy Limited	191,899,754	23,153,653
Al-Rahim Trading Company (Private) Limited	-	-
Gas and Oil Pakistan Limited	54,845,315	4,888,641
Karachi Hydrocorban Terminal Limited	262,513,558	257,496,950
Z.Y. & Co. Bulk Terminal (Private) Limited	-	2,955,252
Total Parco Pakistan Ltd.	28,317,167	-
Pakistan Molasses Company Pvt. Ltd	8,330,856	-
	<u>546,272,786</u>	<u>290,890,407</u>

- 10.4** This represents the Group's share of pipeline stock of High Speed Diesel and Petroleum Motor Gasoline amounting to Rupees 129.186 million (30 June 2024: Rupees 355.458 million) and Rupees 171.872 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 Group 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 Group anticipates that process of disposal of land will be completed subsequent to the reporting period.

12. CASH GENERATED FROM OPERATIONS

Profit/(Loss) before taxation & levy

Adjustments for non-cash charges and other items:

	(Un-Audited) NINE MONTHS ENDED	
	31 March 2025 Rupees	31 March 2024 Rupees
Profit/(Loss) before taxation & levy	144,657,916	(155,236,873)
Depreciation on operating fixed assets	241,911,533	68,316,003
Depreciation on right-of-use assets	98,346,054	113,175,001
Amortization of intangible assets	5,993,398	6,944,779
Allowance / (reversal of allowance) for expected credit losses	-	5,998,605
Provision / (reversal of provision) for slow moving and damaged stock items	(12,104,593)	-
Reversal of provision for doubtful advances to suppliers	(228,419)	-
Debit Balance written off	-	84,068
Reversal of allowance for expected credit losses	(117,537)	(816,851)
Credit balances written back	-	(201,554)
Gain/(loss) on disposal of operating fixed assets	12,035,460	(1,952,725)
Dividend income	(763,410)	(31,081,551)
Profit on bank deposits and term deposit receipt	(9,279,447)	(25,666,083)
Unrealized gain on remeasurement of investments carried at fair value through profit or loss - net	(25,823,353)	(4,150,041)
Gain on disposal of short term investments	(177,474)	(1,936,890)
Fair value gain on investment property	(25,000,000)	-
Gain on termination of leases	(8,573,134)	-
Finance cost	450,686,707	578,706,829
Exchange gain / (loss) - net	11,762,210	2,950,763
Provision for workers' profit participation fund	19,403,139	14,199,217
Provision for workers' welfare fund	6,719,303	5,010,275
Fixed assets written off	-	6,075,596
Working capital changes (Note 12.1)	(124,122,562)	702,093,536
	<u>785,325,791</u>	<u>1,282,512,104</u>

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

For The Quarter and Nine Months Period Ended 31 March 2025

	Un-Audited 31 March 2025 Rupees	Un-Audited 31 March 2024 Rupees
12.1 Working capital changes		
Decrease / (increase) in current assets:		
Stores	(69,102,946)	36,590,046
Stock-in-trade	(709,101,405)	672,509,634
Trade debts	(407,778,355)	(100,995,379)
Loans and advances	(63,532,430)	99,924,817
Short term deposits and prepayments	(37,200,994)	(43,517,771)
Other receivables	(109,876,237)	(85,119,550)
	(1,396,592,367)	579,391,797
Increase / (decrease) in trade and other payables	1,272,469,805	122,701,739
	(124,122,562)	702,093,536

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		NINE MONTHS ENDED		QUARTER ENDED	
		31 March 2025 Rupees	31 March 2024 Rupees	31 March 2025 Rupees	31 March 2024 Rupees
i Transactions					
Associated companies					
MAS Associates (Pvt) Limited	Share of common expenses	1,084,409	1,534,284	286,832	370,608
Other related parties					
SK Enmove Co., Ltd.	Purchase of lubricants	3,379,192,808	1,718,867,680	977,171,582	617,289,494
	Incentive	94,463,750	247,122,002	-	-
Provident Fund Trust	Contribution	27,348,644	26,978,900	7,433,561	7,731,798
Sabra Hamida Trust	Donations	12,000,000	13,500,000	3,000,000	4,500,000
Key management personnel	Remuneration	399,491,093	372,786,025	129,100,296	118,955,044
				Un-Audited 31 March 2025 Rupees	Audited 30 June 2024 Rupees
ii Period end balances					
Associated companies					
Receivable from MAS Associates (Private) Limited				286,833	214,129
Other related parties					
Receivable from SK Enmove Co., Ltd. (Formerly SK Lubricants Co., Ltd.)				27,911,000	132,034,051
Payable to SK Enmove Co., Ltd. (Formerly SK Lubricants Co., Ltd.)				804,756,173	328,867,238
Payable to employees' provident fund trust				4,408,799	6,777,069
Remuneration payable to directors				3,000,000	-

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

For The Quarter and Nine Months Period Ended 31 March 2025

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 March 2025	Level 1	Level 2	Level 3	Total
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----- Rupees -----

Financial assets

Financial assets at fair value through profit or loss	242,800,791	-	-	242,800,791
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Recurring fair value measurements at 30 June 2024	Level 1	Level 2	Level 3	Total
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----- Rupees -----

Financial assets

Financial assets at fair value through profit or loss	222,717,061	-	-	222,717,061
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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 Quarter and Nine Months Period Ended 31 March 2025

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

	LUBRICANTS		PETROLEUM PRODUCTS		POLYMER		UNALLOCATED		(Un-Audited) TOTAL - GROUP	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024	31 March 2025	31 March 2024	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Revenue from contracts with customers - net	7,126,569,705	5,570,645,548	16,824,046,952	10,132,034,554	349,319,287	278,281,570	-	-	24,299,935,944	15,981,161,672
Cost of sales	(5,381,301,323)	(4,337,080,300)	(16,398,364,059)	(9,859,068,411)	(309,011,471)	(211,921,085)	-	-	(22,088,676,853)	(14,408,069,796)
Gross profit	1,745,268,382	1,233,765,248	425,682,893	272,966,143	40,307,816	66,360,485	-	-	2,211,259,091	1,573,091,876
Distribution cost	(675,544,030)	(453,349,229)	(335,196,786)	(284,100,969)	(8,254,361)	(7,066,695)	-	-	(1,018,995,177)	(744,516,893)
Administrative expenses	(737,958,368)	(658,920,719)	(14,386,604)	(16,433,634)	(2,174,291)	(1,831,438)	-	-	(754,519,263)	(677,185,791)
Other expenses	7,148,701	(22,155,288)	(73,818,531)	(25,739,880)	-	-	-	-	(66,669,830)	(47,895,168)
	(1,406,353,696)	(1,134,425,236)	(423,401,922)	(326,274,483)	(10,428,652)	(8,898,133)	-	-	(1,840,184,270)	(1,469,597,852)
Other income	137,230,742	255,099,339	87,039,060	64,876,593	-	-	-	-	224,269,802	319,975,932
Profit / (loss) from operations	476,145,428	354,439,351	89,320,031	11,568,253	29,879,164	57,462,352	-	-	595,344,623	423,469,956
Finance cost	(353,707,314)	(375,892,701)	(56,495,871)	(94,514,657)	(40,483,521)	(108,299,471)	-	-	(450,686,707)	(578,706,829)
Profit / (loss) before taxation and levy	122,438,114	(21,453,350)	32,824,159	(82,946,404)	(10,604,357)	(50,837,119)	-	-	144,657,916	(155,236,873)
Lewy	(40,002,114)	(45,864,025)	(84,120,235)	(50,660,173)	(1,746,596)	(1,391,408)	-	-	(125,868,945)	(97,915,606)
Profit / (loss) before taxation	82,436,000	(67,317,375)	(51,296,075)	(133,606,577)	(12,350,954)	(52,228,527)	-	-	18,788,971	(253,152,479)
Taxation	-	-	-	-	-	-	(14,548,819)	(64,450,342)	(14,548,819)	(64,450,342)
Profit / (loss) before taxation	82,436,000	(67,317,375)	(51,296,075)	(133,606,577)	(12,350,954)	(52,228,527)	(14,548,819)	(64,450,342)	4,240,152	(317,602,821)

15.1 Reconciliation of reportable segment assets and liabilities:

	LUBRICANTS		PETROLEUM PRODUCTS		POLYMER		TOTAL - GROUP	
	Un-Audited 31 March 2025	Audited 30 June 2024	Un-Audited 31 March 2025	Audited 30 June 2024	Un-Audited 31 March 2025	Audited 30 June 2024	Un-Audited 31 March 2025	Audited 30 June 2024
Total assets for reportable segments	9,281,082,092	7,352,869,179	4,397,822,557	4,925,271,282	705,646,305	806,414,749	14,384,550,954	13,084,555,210
Unallocated assets							322,769,341	322,769,341
Total assets as per consolidated condensed interim statement of financial position							14,707,320,295	13,407,324,551
Total liabilities for reportable segments	5,296,909,347	3,602,415,185	1,550,249,789	1,905,651,627	389,574,211	433,749,283	7,236,733,347	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							8,781,568,214	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 Quarter and Nine Months Period Ended 31 March 2025

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 Group has classified its non-financial assets into the following three levels.

At 31 March 2025	Level 1	Level 2	Level 3	Total
----- Rupees -----				
Freehold land	-	2,810,521,750	-	2,810,521,750

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 March 2025. 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 Quarter and Nine Months Period Ended 31 March 2025

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)
Investment in HTLL		
Land	470,000,000	60,618,100
Building	128,000,000	12,486,445
Plant, machinery and equipment	139,000,000	2,719,201
Pre-operating costs	33,000,000	249,630
Working capital	842,562,500	739,126,208
	1,612,562,500	815,199,584
Investment in 100% owned subsidiary		
Additional filling lines for blending plant, Hi-Tech Blending (Private) Limited - Subsidiary Company	200,000,000	-
Total	1,812,562,500	815,199,584
IPO proceeds (A)	1,812,562,500	
Amount un-utilized (A – B)	997,362,916	

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

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

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

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

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

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For The Quarter and Nine Months Period Ended 31 March 2025

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 March 2025 is as follows:

	Rupees
Un-utilized IPO proceeds as at 01 JUL 2024	218,115,906
Add: Profit on bank deposits	446,215
Add: Dividend on investment in mutual funds	107,522
Add: Unrealised gain on Remeasurement of Investment	(195,862)
Add: Unrealised gain on Investment in mutual fund	25,823,353
Less: Payments made relating to OMC Project	(39,770,043)
Less: Withholding tax on profit	(66,932)
Less: Withholding tax on dividend from mutual funds	(26,881)
Less: Withholding tax Capital Gain on disposal of mutual funds	(16,339)
Less: Bank charges	(2,375)
Un-utilized IPO proceeds as at 31 March 2025	204,414,564

The un-utilized proceeds of the public offer have been kept by the Group 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 29 April 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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