

Hi-Tech Lubricants Ltd

Condensed Interim Financial Information

For the Quarter Ended 30 September 2025
(Un-Audited)



RESILIENCE IN ACTION

LEARNING, ADAPTING AND EMERGING STRONGER

COMPANY INFORMATION

BOARD OF DIRECTORS

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

Mr. Hassan Tahir
Chief Executive Officer / Executive Director

Mr. Muhammad Ali Hassan
Executive Director

Ms. Mavira Tahir
Non Executive Director

Mr. Faraz Akhtar Zaidi
Non Executive Director

Miss Mehvish Khan
Non Executive Director

Mr. Shafiq Ur Rehman
Non Executive Independent Director

Mr. Muntizer Abbas Hussain
Non Executive Independent Director

Mr. Mahmood Akhtar
Non Executive Independent Director

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

SENIOR MANAGEMENT

Chief Financial Officer

Mr. Saeed Ullah Khan Niazi
Phone: +92-42-111-645-645
Fax: +92-42-3631-18-14

Company Secretary & Chief Compliance Officer

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

External Auditors

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

Share Registrar

M/S Cdc Share Registrar Services Limited
Cdc House, 99-B, Block 'B', S.m.c.h.s. Main Shahra-E-Faisal, Karachi-74400
Phone: +92-21-111-111-500, Fax: +92-21-34326053
Toll Free: 0800 23275 (Cdcpl)
Email Address: Info@Cdcsrcsl.com
Website: Www.cdsrcsl.com

Legal Advisor

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

Stock Symbol

HTL

Registered / Head Office

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

REGIONAL OFFICES

Karachi Office:

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

Islamabad Office:

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

Multan Office:

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

Peshawar Office:

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

OMC Office:

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

HTBL PLANT SITE

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

COMPANY WEBSITES:

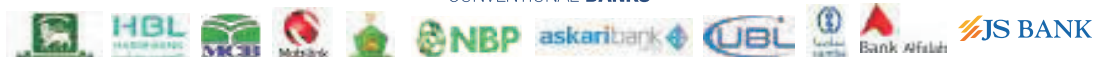
www.hitechlubricants.com
www.zicoil.pk



BANKERS ISLAMIC BANKS



CONVENTIONAL BANKS



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 1st Quarter ended September 30, 2025.

During the quarter, on a consolidated basis the Company generated PKR 8.6 billion in net sales (21.3% growth over the same period last year) and earned a gross profit of PKR 858 million and a net profit of PKR 107 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 which accounted for a growth of 35.4% in net revenue of Lubricants segment in comparison to same quarter last year.

These factors collectively influenced the Company's financial performance, as a result of which the company has reported a 431.7% increase in Profit after Taxation in comparison to same quarter last year, with a total profit after tax of PKR 107 million in comparison to prior year quarter of PKR 20 million.

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 the majority of our products in our blending facility in the future. This should lead to a substantial improvement in the economics and growth prospects of our business.

In comparison to prior quarter, this quarter ended September 30, 2025, the Fuel segment witnessed 17% growth in Net Sales generating roughly PKR 6 Billion of net sales. This growth was achieved by strategic planning & effective monitoring of inventory supplies ensuring availability of product at all times for all the Fuel stations across the nation. Currently, the Company operates total of 61 Fuel stations, 39 in Punjab, 20 in KPK & 2 in AJK. The Company expects to operate additional additional 5-6 Fuel stations across the nation by the end of December 31, 2025, targeting further additional incremental growth in sales along with volumetric growth.

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

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 the continuing shift 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, and the Company's increased cost competitiveness.

We expect stable to moderate growth in Fuel 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\$. 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.



(Chief Executive Officer / Executive Director)

Lahore, 27 October, 2025



Director

ڈائریکٹران کا جائزہ

محترم حصداران،

کمپنی کے ڈائریکٹرز 30 ستمبر 2025 کو ختم ہونے والی پہلی سہ ماہی کے لیے غیر متفقہ اور یکجا کیے گئے غیر آڈٹ شدہ مالیاتی گوشواروں سمیت کمپنی کی عبوری مالیاتی معلومات جمع کرنے پر خوش ہیں۔

سہ ماہی کے دوران، کمپنی نے مجموعی طور پر خالص فروخت میں 8.6 بلین روپے (گزشتہ سال کی اسی مدت کے مقابلے میں 21.3 فیصد اضافہ) پیدا کیا اور 858 ملین روپے کا مجموعی منافع اور 107 ملین روپے کا خالص منافع کمایا۔ آمدنی میں یہ اضافہ کمپنی کے پراڈکٹس پورٹ فولیو یعنی لبریکینٹس اور ایندھن میں اضافے کی وجہ سے ہے۔ کمپنی کے تینوں حصے منافع بخش تھے۔ ایس کے اسٹو و کمپنی لمیٹڈ، کوریا سے منظوری کے تحت بنیادی خام مال کی بلیڈنگ کے مقامی ہونے کے نتیجے میں لبریکینٹس میں منافع میں بہتری آئی جس نے گزشتہ سال کی اسی سہ ماہی کے مقابلے میں لبریکینٹس کے حصے کی خالص آمدنی میں 35.4 فیصد اضافہ کیا۔

ان عوامل نے اجتماع طور پر کمپنی کی مالی کارکردگی کو متاثر کیا، جس کے نتیجے میں کمپنی نے گزشتہ سال کی اسی سہ ماہی کے مقابلے میں بعد از ٹیکس منافع میں 431.7 فیصد اضافہ رپورٹ کیا ہے، جس میں گزشتہ سال کی سہ ماہی 20 ملین روپے کے مقابلے میں 107 ملین روپے کے بعد ٹیکس کے کل منافع کے ساتھ۔

لبریکینٹس پروڈکٹس کی مقامی بلیڈنگ کمپنی کو درآمد شدہ 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 کھودی تھی۔ کمپنی میں مقامی بلیڈنگ شروع کرنے کے بعد ہم پہلے ہی اس حصے میں توجہ مرکوز کیا ہے۔ ہم مستقبل میں اپنی بلیڈنگ کی سہولت میں اپنی زیادہ تر مصنوعات کو ملانے کی توقع رکھتے ہیں۔ اس سے ہمارے کاروبار کی معاشیات اور ترقی کے امکانات میں خاطر خواہ بہتری آئے گی۔

پچھلی سہ ماہی کے مقابلے میں، 30 ستمبر 2025 کو ختم ہونے والی اس سہ ماہی میں، ایندھن کے حصے نے خالص فروخت میں 17 فیصد اضافہ دیکھا جس سے تقریباً 6 بلین روپے کی خالص فروخت ہوئی۔ یہ ترقی سٹرٹیجک منصوبہ بندی اور انویسٹری سپلائیز کی موثر نگرانی کے ذریعے حاصل کی گئی ہے جو ملک بھر کے تمام فیول اسٹیشنوں کے لیے ہر وقت پروڈکٹ کی دستیابی کو یقینی بناتی ہے۔ فی الحال، کمپنی کل 61 فیول اسٹیشن چلا رہی ہے، پنجاب میں 39، خیبر پختونخواہ میں 20 اور آزاد جموں کشمیر میں 2۔ کمپنی 31 دسمبر 2025 کے آخر تک ملک بھر میں اضافی 5-6 فیول اسٹیشن چلانے کی توقع رکھتی ہے، جس میں حجم کی شرح نمو کے ساتھ فروخت میں مزید اضافی اضافہ کو ہدف بنایا جائے گا۔

ہمارے پالیمر طبقہ میں ترقی کی بہت زیادہ صلاحیت ہے۔ پاکستان ای کامرس، ایف ایم سی جی اور فارماسیوٹیکل کے شعبے معیاری پیکیجنگ کی ضروریات کے ساتھ بڑھ رہے ہیں۔ عام طور پر خوراک اور صحت کے شعبوں میں ڈھیلے اشیاء سے برانڈ اور حفظان صحت کی پیکیجنگ میں تبدیلی کی وجہ سے ہمیں مزید فائدہ ہوتا ہے۔ اگرچہ چھوٹے پیمانے پر، ہم اس کاروبار میں آگے بڑھتے ہوئے مسلسل ترقی اور منافع کی توقع کرتے ہیں۔

مستقبل کا آؤٹ لک

اعلیٰ کارکردگی کے مصنوعی لبریکینٹس مادوں 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 مسلسل تبدیلی میں اپنا کردار ادا کر رہی ہے۔ لہذا، گاڑیوں کی فروخت میں اضافے، ہائبرڈ گاڑیوں کی بڑھتی ہوئی فروخت، موٹر سائیکلوں کی فروخت میں اضافہ، اور کمپنی کی بڑھتی ہوئی قیمت کی مسابقت کی وجہ سے ہمارے لبریکینٹ طبقہ کا نقطہ نظر مثبت ہے۔

ہم ایندھن کی اسمگلنگ پر قابو پانے کی حکومتی کوششوں، HTL برانڈ فیول اسٹیشنوں میں اضافہ، اور آٹو موبائل سیکٹر کی بحالی کے نتیجے میں ایندھن کے شعبے میں مستحکم سے اعتدال پسند ترقی کی توقع رکھتے ہیں۔

اہم واقعات جو معاشی بے یقینی میں اضافہ کر سکتے ہیں وہ ہیں: (i) USA کی قیادت میں ٹیرف کی جنگ، (ii) سیاسی غیر یقینی صورتحال، (iii) بڑے پیمانے پر مینوفیکچرنگ سیکٹر میں کمی، (iv) معمولی GDP نمو، (v) US\$ کے ساتھ PKR برابری پر دباؤ۔ آپ کی انتظامیہ ان چیلنجوں کا بغور جائزہ لے رہی ہے، اور ان چیلنجوں کا مقابلہ کرنے کے لیے تمام دستیاب اقدامات اٹھانے کی پوری کوشش کرے گی۔

اعتراف

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

(ڈائریکٹر)

(چیف ایگزیکٹو آفیسر/ایگزیکٹو ڈائریکٹر)

لاہور، 27 اکتوبر 2025

HI-TECH LUBRICANTS LIMITED

**Consolidated Condensed Interim
Financial Information (Un-audited)**

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

As At 30 September 2025

	Un-Audited	Audited
	September 30,	June 30,
	2025	2025
Note	---Rupees in thousand---	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
150,000 (2025: 150,000)		
ordinary shares of Rupees 10 each	1,500,000	1,500,000
Issued, subscribed and paid-up share capital	1,392,048	1,392,048
Capital reserve - share premium	1,441,698	1,441,698
Surplus on revaluation of freehold land	2,214,714	2,214,714
Un-appropriated profit	1,183,787	1,076,599
Total equity	6,232,247	6,125,059
LIABILITIES		
NON-CURRENT LIABILITIES		
Long term financing	4 402,908	422,695
Lease liabilities	5 350,283	365,994
Long term deposits	26,000	26,000
Deferred tax	153,856	158,333
	933,047	973,022
CURRENT LIABILITIES		
Trade and other payables	5,201,498	3,523,361
Accrued mark-up	61,205	63,830
Short term borrowings	1,993,068	2,352,878
Current portion of non-current liabilities	232,597	235,899
Unclaimed dividend	5,373	5,373
	7,493,741	6,181,340
Total liabilities	8,426,788	7,154,363
CONTINGENCIES AND COMMITMENTS		
TOTAL EQUITY AND LIABILITIES	14,659,035	13,279,422

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


Chief Executive


Director


Chief Financial Officer

		Un-Audited	Audited
		September 30,	June 30,
		2025	2025
	Note	---Rupees in thousand---	
ASSETS			
NON-CURRENT ASSETS			
Property, plant & equipments	7	6,679,976	6,662,505
Right-of-use	8	431,834	438,074
Intangibles	9	4,369	5,230
Long term security deposits & others		20,815	21,049
		7,136,994	7,126,856
CURRENT ASSETS			
Stores & Spares	10	114,993	100,552
Stock-in-trade		4,013,430	2,791,956
Trade debts		1,542,000	1,315,357
Loans and advances		584,543	447,576
Short term deposits and prepayments		37,567	42,926
Other receivables		452,603	350,582
Short term investments		247,987	240,352
Advance income tax - net		255,627	298,762
Cash and bank balances		113,292	154,503
		7,362,041	5,742,565
Non-current assets classified as held for sale		160,000	410,000
		7,522,041	6,152,565
TOTAL ASSETS		14,659,035	13,279,422



Chief Executive



Director



Chief Financial Officer

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

For The Quarter Ended 30 September 2025

	Un-Audited September 30, 2025	Un-Audited September 30, 2024
	---Rupees in thousand---	
GROSS REVENUE	9,490,809	7,552,133
Discounts	(242,688)	(14,311)
Sales tax	(596,186)	(417,890)
Federal excise duty	(33,929)	(17,006)
	(872,804)	(449,207)
NET REVENUE	8,618,006	7,102,927
COST OF SALES	(7,759,397)	(6,467,522)
GROSS PROFIT	858,608	635,405
DISTRIBUTION COST	(310,530)	(274,241)
ADMINISTRATIVE EXPENSES	(246,273)	(256,375)
OTHER EXPENSES	(83,545)	(7,103)
	(640,348)	(537,719)
OTHER INCOME	52,711	81,298
PROFIT FROM OPERATIONS	270,971	178,983
FINANCE COST	(111,665)	(177,008)
PROFIT BEFORE MINIMUM TAX DIFFERENTIAL	159,305	1,976
MINIMUM TAX DIFFERENTIAL	(50,706)	(34,879)
PROFIT BEFORE TAXATION	108,600	(32,904)
TAXATION	(1,412)	53,062
PROFIT AFTER TAXATION	107,188	20,158
EARNINGS PER SHARE - BASIC AND DILUTED	0.77	0.14

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 Ended 30 September 2025

	Un-Audited September 30, 2025	Un-Audited September 30, 2024
	---Rupees in thousand---	
PROFIT AFTER TAXATION	107,188	20,158
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 INCOME FOR THE PERIOD	107,188	20,158

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 Ended 30 September 2025

		Un-Audited September 30, 2025	Un-Audited September 30, 2024
		---Rupees in thousand---	
	Note		
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	11	419,280	(501,112)
Finance cost paid		(114,290)	(181,422)
Income tax paid		(8,982)	(23,404)
Net decrease in long term loans to employees		(701)	234
Net decrease in long term security deposits		-	8,000
Increase / (decrease) in long term deposits		-	(128,080)
Net cash generated from operating activities		295,308	(697,833)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on operating fixed assets		(174,208)	(56,944)
Proceeds from disposal of operating fixed assets		254,393	-
Short term investments - net		-	3,599
Dividends received		9	199
Profit on bank deposits and term deposit receipts received		221	2,158
Net cash used in investing activities		80,416	(50,988)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		(359,809)	606,322
Repayment of long term financing		(19,154)	(25,189)
Repayment of lease liabilities		(37,971)	(28,278)
Net cash from / (used in) financing activities		(416,935)	552,855
Net (decrease) / increase in cash and cash equivalents		(41,211)	(195,966)
Cash and cash equivalents at beginning of the period		154,503	411,312
Cash and cash equivalents at end of the period		113,292	215,347

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


Chief Executive


Director


Chief Financial Officer

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

For The Quarter Ended 30 September 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 in thousand -----						
1,392,048	1,441,698	2,112,975	3,554,673	974,791	4,529,464	5,921,512
-	-	-	-	101,808	101,808	101,808
-	-	101,739	101,739	-	101,739	101,739
-	-	101,739	101,739	101,808	203,547	203,547
1,392,048	1,441,698	2,214,714	3,656,412	1,076,599	4,733,011	6,125,059
-	-	-	-	107,188	107,188	107,188
-	-	-	-	-	-	-
-	-	-	-	107,188	107,188	107,188
1,392,048	1,441,698	2,214,714	3,656,412	1,183,787	4,840,199	6,232,247

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



Chief Executive



Director



Chief Financial Officer

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

For The Quarter Ended 30 September 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 2025.

3. ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of these consolidated condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Group for the year ended 30 June 2025.

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 2025.

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

For The Quarter Ended 30 September 2025

	Un-Audited September 30, 2025	Audited June 30, 2025
	---Rupees in thousand---	
4. LONG TERM FINANCING		
From banking companies - secured		
Subsidiary Company		
Bank Al-Habib Limited	487,195	506,982
Less: Current portion shown under current liabilities	84,287	84,287
	<u>402,908</u>	<u>422,695</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 13.34% to 21.47% (2025: 13.34% to 21.47%) per annum.

	Un-Audited September 30, 2025	Audited June 30, 2025
	---Rupees in thousand---	
5. LEASE LIABILITIES		
Total lease liabilities	479,802	498,183
Less: Current portion shown under current liabilities	(129,519)	(132,188)
	<u>350,283</u>	<u>365,994</u>

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

5.2 Leases from banking companies are secured against the leased assets, personal guarantees of directors of the Holding Company and Subsidiary Company, corporate guarantee of the Holding Company and security deposits of Rupees 22.973 million (2025: Rupees 22.973 million).

6. CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

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

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

For The Quarter Ended 30 September 2025

- 6.1.2** During the year ended 30 June 2018, assessment under section 161 and section 205 of the Income Tax Ordinance, 2001 for the tax year 2014 was finalized by the Deputy Commissioner Inland Revenue (DCIR) creating a demand of Rupees 18.207 million against the Holding Company. Being aggrieved, the Holding Company filed an appeal before the CIR(A) on 14 November 2017 who decided the case in favor of the Holding Company and reduced the total demand to Rupees 0.191 million. However, the department filed an appeal against the order of CIR(A) before the ATIR on 31 March 2018. On 09 April 2024, ATIR granted partial relief to the Holding Company and confirmed demand of Rupees 0.563 million. Further, ATIR remanded back the issue relating to default surcharge to assessing officer for fresh calculation. No remand back proceedings have been initiated by the department yet. No provision has been recognized in these consolidated financial statements, as the management, based on advice of the tax advisor, is confident of favorable outcome of the matter.
- 6.1.3** Deputy Commissioner Inland Revenue (DCIR) passed an assessment order on 28 November 2018 under section 161 and section 205 of the Income Tax Ordinance, 2001 for the tax year 2015 whereby a demand of Rupees 22.358 million has been raised against the Holding Company. On 21 December 2018, the Holding Company filed an appeal before the CIR(A) against the order of DCIR. CIR(A) accepted the Holding Company's stance on certain issues assailed in the appeal and reduced the aggregate demand to Rupees 10.735 million. Being aggrieved by the order of CIR(A), the Holding Company and tax department filed appeals before ATIR. On 25 August 2025, subsequent to the reporting period, ATIR dismissed the department's appeal and upheld the relief provided by CIR(A). However, ATIR also dismissed the Holding Company's appeal on 25 August 2025, subsequent to the reporting period, based on the grounds that judgement of Honourable Sindh High Court as well as various earlier judgements of ATIR on similar issue exists. However, the management is in the process of filing income tax reference before Honourable Lahore High Court, Lahore against the order passed by ATIR. No provision against the case has been made in these consolidated financial statements, as the management, based on the advice of the legal counsel, is confident of favorable outcome of the matter.
- 6.1.4** On 27 June 2022, Deputy Commissioner Inland Revenue (DCIR) passed an assessment order under section 161 and section 205 of the Income Tax Ordinance, 2001 for the tax year 2016 whereby a demand of Rupees 5.467 million including default surcharge has been raised against the Holding Company on account of non / short deduction of withholding tax in respect of certain payments. The Holding Company filed an appeal before CIR(A) against the order of DCIR. On 17 November 2022, CIR(A) decided the appeal in favor of the Holding Company. On 12 January 2023, the tax department has filed appeal before the ATIR against the order passed by CIR(A) which is pending adjudication. No provision has been recognized in these consolidated financial statements, as the management, based on advice of the tax advisor, is confident of favorable outcome of the matter.
- 6.1.5** On 24 March 2022, the Deputy Commissioner Inland Revenue (DCIR) has issued an amended assessment order under section 122(1) of the Income Tax Ordinance, 2001 for the tax year 2018 creating a demand of Rupees 1,115.673 million on account of various issues against the Holding Company. Against the aforesaid order, the Holding Company preferred an appeal before CIR(A) on 19 April 2022. On 29 August 2022, CIR(A) provided the partial relief to the Holding Company. However, in respect of various issues, the matter has been remanded back to the department for fresh consideration. Against the order of CIR(A), the Holding Company has filed an appeal before ATIR, which is pending adjudication. The management, based on the advice of tax advisor, is confident of favourable outcome of the matter. Therefore, no provision has been recognized in these consolidated financial statements.
- 6.1.6** On 26 February 2022, Deputy Commissioner Inland Revenue (DCIR) passed an assessment order under section 177 and section 122(1) of the Income Tax Ordinance, 2001 for the tax year 2019 whereby a demand of Rupees 843.451 million has been raised against the Holding Company on various issues. Against the order of DCIR, the Holding Company preferred an appeal before CIR(A) on 22 March 2022. On 16 May 2022, CIR(A) vacated the tax demand. However, in respect of certain issues, the case has been remanded back to assessing officer for fresh consideration. On 13 July 2022, the tax authorities have filed an appeal before ATIR against the order of CIR(A) which is pending adjudication. The management, based on the advise of the tax advisor, is confident of favourable outcome of the matter. Therefore, no provision has been recognized in these consolidated financial statements.

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

For The Quarter Ended 30 September 2025

- 6.1.7** During the year ended 30 June 2020, Deputy Commissioner Inland Revenue (DCIR) issued a notice to recover an amount of Rupees 21.124 million against super tax for the tax year 2019 under section 4B of the Income Tax Ordinance, 2001 against the Holding Company. The Holding Company through its tax advisor submitted its reply that liability on account of super tax did not arise for subject year. However, on 29 September 2021, DCIR confirmed the matter and re-issued an order to recover Rupees 21.124 million against super tax for the tax year 2019 under section 4B of the Income Tax Ordinance, 2001. Against the aforesaid order, the Holding Company preferred an appeal before CIR(A). On 25 February 2022, CIR(A) remanded back the case to department for fresh consideration. However, these remand back proceedings have not been initiated yet. The management, based on advise of the tax advisor, is confident of favourable outcome of the matter. Therefore, no provision has been recognized in these consolidated financial statements.
- 6.1.8** On 28 February 2022, Deputy Commissioner Inland Revenue (DCIR) issued an order for tax periods from July 2016 to June 2017 creating a demand of Rupees 1,353.135 million alongwith penalty and default surcharge on various issues under relevant provisions of the Sales Tax Act, 1990 against the Holding Company. Against the aforesaid order, the Holding Company preferred an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] on 22 March 2022. On 27 May 2022, CIR(A) provided partial relief to the Holding Company. However, sales tax default in respect of certain issues was upheld by CIR(A). Being aggrieved with the order of CIR(A), the Holding Company and tax department filed appeals before Appellate Tribunal Inland Revenue (ATIR). On 07 December 2022, ATIR accepted the Holding Company's stance in respect of all matters except for imposition of penalty and default surcharge relating to late filing of sales tax returns and late payment of due sales tax liability. However, appeal filed by the tax department is yet to be heard. The management, based on advise of the tax advisor, is confident of favourable outcome of the matter. Therefore, no provision has been recognized in these consolidated financial statements.
- 6.1.9** On 15 March 2022, Deputy Commissioner Inland Revenue (DCIR) issued an order for tax periods from July 2018 to June 2019 creating a demand of Rupees 901.257 million alongwith penalty and default surcharge on various issues under relevant provisions of the Sales Tax Act, 1990 against the Holding Company. Against the aforesaid order, the Holding Company preferred an appeal before CIR(A) on 11 April 2022. On 31 May 2022, CIR(A) provided partial relief to the Holding Company. However, sales tax default in respect of certain issues was upheld by CIR(A). Being aggrieved with the order of CIR(A), the Holding Company and tax department filed appeals before ATIR. On 07 December 2022, ATIR accepted the Holding Company's stance in respect of all matters except for imposition of penalty and default surcharge relating to late filing of sales tax returns and late payment of due sales tax liability. On 10 September 2024, ATIR disposed of the appeal filed by the department in favour of the Holding Company. No legal proceedings against the order passed by ATIR have been initiated by the department yet.
- 6.1.10** On 30 May 2023, Deputy Commissioner Inland Revenue (DCIR) passed an assessment order under section 161 and section 205 of the Income Tax Ordinance, 2001 for the tax year 2017 whereby a demand of Rupees 22.545 million including default surcharge has been raised against the Holding Company on account of non / short deduction of withholding tax in respect of certain payments. On 25 June 2023, the Holding Company filed an appeal before CIR(A). On 01 January 2024, CIR(A) granted partial relief to the Holding Company and accepted the Holding Company's stance in respect of certain matters. Further, CIR(A) remanded back certain matters to assessing officer for verification of Holding Company's position. However, the department has not yet initiated the remand back proceedings. The management, based on advise of tax advisor, is confident of favorable outcome of the matter. Therefore, no provision has been recognized in these consolidated financial statements.
- 6.1.11** On 06 February 2019, Deputy Commissioner Inland Revenue (DCIR) passed an assessment order under section 4B of the Income Tax Ordinance, 2001 for the tax year 2018 whereby a demand of Rupees 29.323 million was raised against the Holding Company. Being aggrieved with the order, the Holding Company preferred an appeal before CIR(A) on 04 March 2019. On 16 May 2019, CIR(A) upheld the order of DCIR. Being aggrieved with the order of CIR(A), the Holding Company filed an appeal before ATIR on 29 May 2019. On 17 April 2024, ATIR passed an order and upheld the decision of CIR(A). Being aggrieved with the order, the Holding Company filed income tax reference before Honourable Lahore High Court, Lahore on 02 September 2024, which is pending for hearing. The management, based on advise of legal advisor, is confident of favorable outcome of the matter. Therefore, no provision has been recognized in these consolidated financial statements.

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

For The Quarter Ended 30 September 2025

- 6.1.12** On 01 March 2024, Deputy Commissioner Inland Revenue (DCIR) passed an assessment order under section 161 and section 205 of the Income Tax Ordinance, 2001 for the tax year 2020 to recover an amount of Rupees 43.575 million in respect of withholding tax default along with default surcharge of Rupees 19.168 million against the Holding Company. The Holding Company filed an application before Commissioner Inland Revenue (CIR) on the grounds that the order was passed without considering the documents / records submitted by the Holding Company. On 07 March 2024, CIR set aside the order of DCIR and remanded back the case to assessing officer. The remand back proceedings have not been initiated yet. The management, based on advice of tax advisor, is confident of favorable outcome of the matter. Therefore, no provision has been recognized in these Consolidated financial
- 6.1.13** On 18 March 2024, Deputy Commissioner Inland Revenue (DCIR) passes an order under section 11 of the Sales Tax Act, 1990 for tax periods from July 2018 to June 2019 creating a demand of Rupees 405.983 million along with default surcharge and penalty on the issue of difference between value of closing stocks as per Holding Company's financial statements and the amount adopted in sales tax declaration. Against the aforesaid order, the Holding Company preferred an appeal before Commissioner Inland Revenue (Appeal) [CIR(A)] which is pending for hearing. The management, based on advice of the tax advisor, is confident of favorable outcome of the matter. Therefore, no provision has been recognized in these consolidated financial statements.
- 6.1.14** During the year ended 30 June 2022, Additional Commissioner Inland Revenue (ACIR) issued amended assessment orders against the Subsidiary Company under section 122(5A) of the Income Tax Ordinance, 2001 for the tax years 2017, 2018, 2019, 2020 and 2021 raising demands aggregating to Rupees 533.277 million on various issues. Against the aforesaid orders, the Subsidiary Company preferred appeals before Commissioner Inland Revenue (Appeals) [CIR(A)] on 15 October 2021, 06 January 2022, 21 February 2022, 15 March 2022 and on 16 June 2022 respectively. On 04 November 2021, CIR(A) passed an order whereby the order of ACIR was annulled in respect of all matters relating to tax year 2017 except in the matters of Workers' Profit Participation Fund (WPPF) which was remanded back to ACIR for consideration in view of judgement passed by Honorable Lahore Court, Lahore. Remand back proceedings by ACIR have not been initiated against the Subsidiary Company. During the year ended 30 June 2023, CIR (A) decided most of the matters in favour of the Subsidiary Company, while remanded back the case on certain matters to ACIR for tax years 2018, 2019, 2020 and 2021 to the tune of Rupees 290.311 million. Further, demand in respect of donation amounting to Rupees 1 million for tax year 2021 was confirmed which was duly provided for in these consolidated financial statements for the year ended 30 June 2023. However, remand back proceedings have not been initiated against the Subsidiary Company. Against the orders of CIR(A), the department has filed appeals before Appellate Tribunal Inland Revenue (ATIR) on 20 October 2022 for the tax year 2018 and on 12 October 2022 for the tax year 2019 and 2020 which are pending adjudication. Based on the opinion of tax advisor, the management has strong grounds to believe that the cases will be decided in favor of the Subsidiary Company. Therefore, no provision has been made in these consolidated financial statements.
- 6.1.15** On 04 February 2022, Deputy Commissioner Inland Revenue (DCIR) passed an order under section 11 of the Sales Tax Act, 1990 for the tax periods November 2019 and March 2020 creating a demand of Rupees 2.046 million on account of disallowance of input sales tax on building materials alongwith default surcharge and penalty against the Subsidiary Company. The Subsidiary Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] on 02 March 2022 against the order of DCIR. CIR(A) through its order dated 31 May 2022 upheld the decision of DCIR. Being aggrieved with the order of CIR(A), the Subsidiary Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) 08 June 2022 who vide its order dated 17 November 2022 decided the case against the Subsidiary Company. However, the Subsidiary Company filed a rectification application against the aforesaid decision of ATIR on account of Subsidiary Company's name wrongly mentioned in the decision alongwith challenging the grounds of decision addressed by ATIR. On 15 June 2023, ATIR accepted the Subsidiary Company's stance in rectification application and also directed to re-start the proceedings afresh. However, the proceedings against the Subsidiary Company have not been started yet. The management, based on the advice of its legal counsel, has strong grounds to believe that the case will be decided in favor of the Subsidiary Company. Therefore, no provision has been made in these consolidated financial statements.
- 6.1.16** The Subsidiary Company has filed application to Federal Board of Revenue ("the Board") to condone the time limits for issuance of adjustment orders on account of advance payment amounting to Rupees 4.092 million in excess of sales tax liability for tax period August 2016 and excess payment amounting to Rupees 2.422 million due to rectification of sales tax liability for tax periods June 2017 and September 2017. The Subsidiary Company's stance is verifiable from the record of tax department. Based on the advice of the tax advisor, the management expects favorable outcome of the matter. Hence, no provision has been made in these consolidated financial statements.

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

For The Quarter Ended 30 September 2025

- 6.1.17** The Subsidiary Company identified certain sales tax invoices relating to tax period July 2021 wherein the Subsidiary Company has duly discharged the liabilities in respect of input sales tax at the time of imports amounting to Rupees 10.086 million. However, the same input sales tax has not been adjusted against the output sales tax of the respective tax period due to the tax department's system mal-functioning. The Subsidiary Company filed application before the Board to condone the time limits regarding the above explained matter as the Subsidiary Company's stance is verifiable from the department's record. On 12 July 2024, the Board has condoned the time limit to adjust the aforementioned input sales tax amounting to Rupees 10.086 million.
- 6.1.18** On 18 September 2023, Deputy Commissioner Inland Revenue (DCIR) passed an order under section 11 of the Sales Tax Act, 1990 for the tax periods July 2017 to June 2018 creating a demand of Rupees 80.602 million on account of various issues under relevant provisions of the Act. Being aggrieved with the order, the Subsidiary Company preferred an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] on 12 October 2023. CIR(A) through its order dated 25 April 2024 granted partial relief to the Subsidiary Company whereas default surcharge on various issues was upheld. Being aggrieved with the order of CIR(A), the Subsidiary Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) on 15 May 2024 except for default surcharge in respect of short declaration of taxable supplies amounting to Rupees 0.110 million. Subsidiary Company's appeal before ATIR has not been taken up for hearing yet. The management, based on the advice of tax advisor, has strong grounds to believe that the case will be decided in favor of the Subsidiary Company. Therefore, no provision has been made in these consolidated financial statements.
- 6.1.19** Corporate guarantees of Rupees 2,967.5 million (2025: Rupees 2,967.5 million) have been given by the Holding Company to the banks in respect of financing to Subsidiary Company.
- 6.1.20** Guarantees of Rupees 123 million (2025: Rupees 123 million) are given by the bank of the Group to Director Excise and Taxation, Karachi against disputed amount of infrastructure cess.
- 6.1.21** Guarantees of Rupees 66.314 million (2025: Rupees 66.314 million) are given by the bank of the Group to Chairman, Punjab Revenue Authority, Lahore against disputed amount of infrastructure cess.
- 6.1.22** Guarantees of Rupees 17.700 million (2024: Rupees 17.700 million) and Rupees 2.25 million (2024: Rupees 2.25 million) are given by the banks of the Group to Total Parco Pakistan Limited and Pakistan State Oil Company Limited respectively against fuel cards obtained by the Group for its employees.

	Un-Audited September 30, 2025	Audited June 30, 2025
	---Rupees in thousand---	
6.2 Commitments		
6.2.1 Contracts for capital expenditures	45,968	42,499
6.2.2 Letters of credit other than for capital expenditures	906,703	641,635
7. FIXED ASSETS		
Operating fixed assets:		
Owned (Note 7.1)	6,434,009	6,520,662
Capital work-in-progress (Note 7.2)	245,968	141,842
	<u>6,679,976</u>	<u>6,662,505</u>

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

For The Quarter Ended 30 September 2025

	Un-Audited September 30, 2025	Audited June 30, 2025
	---Rupees in thousand---	
7.1 Operating fixed assets – owned		
Opening book value	6,520,662	6,408,880
Add: Cost of additions during the period / year (Note 7.1.1)	65,010	557,424
Add: Revaluation of Surplus	-	101,739
Add: Book value of assets transferred from right-of-use of assets	-	59,264
	6,585,672	7,127,307
Less: Book value of deletions during the period / year (Note 7.1.2)	68,347	13,878
	6,517,326	7,113,429
Less: Book value of written off during the period / year	-	8,998
	6,517,326	7,104,431
Less: Transferred to 'non-current assets classified as held for sale'	-	250,000
	6,517,326	6,854,431
Less: Depreciation charged during the period / year	83,317	333,768
Closing book value	6,434,009	6,520,662
7.1.1 Cost of additions during the period / year		
Buildings on freehold land	-	175,849
Buildings on leasehold land	8,947	14,858
Machinery	24,969	137,406
Tanks and Pipeline	-	38,112
Dispensing Pumps	6,791	23,322
Electric Installation	14,460	13,511
Moulds	-	131,480
Furniture and fittings	971	4,135
Vehicles	160	1,371
Office equipment	140	2,933
Computers	8,573	14,448
	65,010	557,424
7.1.2 Book value of deletions during the period / year		
Cost:		
Land	25,000	-
Building on Leasehold Land	46,421	-
Buildings on leasehold land	23,538	-
Plant & Machinery	21,621	-
Tanks & Pipelines	1,608	579
Dispencing Pumps	-	1,912
Vehicles	4,430	20,015
Office Equipments	136	-
Computers	3,199	6,043
Less: Accumulated depreciation	57,607	14,671
	68,347	13,878

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

For The Quarter Ended 30 September 2025

Un-Audited Audited
September 30, June 30,
2025 2025

---Rupees in thousand---

7.2. Capital work-in-progress

Civil works	56,124	40,658
Plant and machinery	49,453	-
Tanks and Pipelines	17,606	24,433
Dispensing pumps	6,281	26,049
Unallocated expenditures	116,504	50,702
	<u>245,968</u>	<u>141,842</u>

8. RIGHT-OF-USE ASSETS

	Land	Buildings	Vehicles	Total
	----- Rupees -----			
At 30 June 2024	388,709	90,709	116,976	596,393
Add: Additions during the period	18,945	29,430	4,855	53,229
Less: Impact of lease termination	25,547	-	-	25,547
Less: Book value of assets transferred to operating fixed assets - during the year	-	-	59,264	59,264
Less: Depreciation expense for the year	57,914	50,445	18,379	126,739
At 30 June 2025	<u>324,192</u>	<u>69,693</u>	<u>44,188</u>	<u>438,074</u>
Add: Additions during the year	22,260	-	-	22,260
Add: Impact of lease modifications	-	-	-	-
Less: Book value of assets transferred to operating fixed assets - during the period	-	-	-	-
Less: Depreciation expense for the period	(13,555)	(12,796)	(2,148)	(28,499)
At 30 September 2025	<u>332,897</u>	<u>56,897</u>	<u>42,040</u>	<u>431,834</u>

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

For The Quarter Ended 30 September 2025

Lease of land

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

Lease of buildings

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

Lease of vehicles

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

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

Un-Audited September 30, 2025	Audited June 30, 2025
---Rupees in thousand---	

9. INTANGIBLE ASSETS - computer software

Opening book value	5,230	9,653
Add: Cost of additions during the period / year	-	2,778
	5,230	12,431
Less: Amortization charged during the period / year	861	7,201
Closing book value	4,369	5,230

10. STOCK-IN-TRADE

Raw materials (Note 10.1)	2,268,089	1,673,716
Work-in-process	94,723	59,000
	2,362,812	1,732,716
Lubricants and parts (Note 10.2)	675,853	442,362
Less: Provision for slow moving and damaged stock items	25,091	25,091
	650,762	417,271
Petroleum products		
- Stock in hand	973,976	327,795
- Stock in pipeline system (Note 10.3)	-	288,294
	973,976	616,089
Dispensing pumps and other installations	25,880	25,880
	4,013,430	2,791,956

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

For The Quarter Ended 30 September 2025

- 10.1** These includes raw materials in transit amounting to Rupees 1,060.179 million (2025: Rupees 1,043.405 million) and raw materials amounting to Rupees Nil (2024: Rupees Nil million) lying at customs bonded warehouse.
- 10.2** This includes stock amounting to Rupees 136.929 million (2025: Rupees 7.585 million) lying at customs bonded warehouse.
- 10.3** This represents the Company's share of pipeline stock of High Speed Diesel and Petroleum Motor Gasoline amounting to Rupees 82.121 million (2025: Rupees 93.978 million) and Rupees 171.869 million (2025: Rupees 189.831 million) respectively held by Pak-Arab Pipeline Company Limited.

	Un-Audited September 30, 2025	Un-Audited September 30, 2024
	---Rupees in thousand---	
11. CASH GENERATED FROM OPERATIONS		
Profit before taxation	159,305	1,976
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	83,317	42,254
Depreciation on right-of-use assets	28,499	38,011
Amortization of intangible assets	861	2,244
Amortization of deferred income - Government grant	(5,110)	-
(Gain)/Loss on disposal of operating fixed assets	63,953	689
Dividend income	(8,971)	(199)
Profit on bank deposits and term deposit receipt	(65,434)	(1,994)
Unrealized gain on remeasurement of investments carried at fair value through profit or loss - net	(5,843)	-
Gain on disposal of short term investments	(1,786)	1,190
Finance cost	111,665	177,008
Exchange (gain) / loss - net	8,047	12
Provision for workers' profit participation fund	2,867	-
Provision for workers' welfare fund	1,147	-
Working capital changes (Note 11.1)	(27,568)	(762,303)
	<u>419,280</u>	<u>(501,112)</u>
	Un-Audited September 30, 2025	Un-Audited September 30, 2024
	---Rupees in thousand---	
11.1 Working capital changes		
Decrease / (increase) in current assets:		
Stores	(14,441)	(3,285)
Stock-in-trade	(1,221,474)	505,215
Trade debts	(226,643)	520,071
Loans and advances	(136,033)	1,298
Short term deposits and prepayments	5,359	(34,833)
Other receivables	(102,183)	(159,413)
	(1,695,414)	829,053
Increase / (decrease) in trade and other payables	1,667,846	(1,591,356)
	<u>(27,568)</u>	<u>(762,303)</u>

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

For The Quarter Ended 30 September 2025

12. 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:

			Un-Audited	Un-Audited
			September 30,	September 30,
i	Transactions		2025	2024
	Relationship	Nature of transaction	---Rupees in thousand---	
	Associated companies			
	MAS Associates (Pvt) Limited	Share of common expenses	593	414
	Other related parties			
	SK Enmove Co., Ltd.	Purchase of lubricants	3,799,965	674,841
		Incentive	0	62,449
	Hi-Tech Lubricants Limited Employees Provident Fund Trust	Contribution	8,337	8,207
	Hi-Tech Blending (Private) Limited Employees Provident Fund Trust	Contribution	2,014	1,795
	Sabra Hamida Trust	Donations	4,500	4,500
	Key management personnel	Remuneration	150,905	129,444
			Un-Audited	Audited
			September 30,	June 30,
			2025	2025
			---Rupees in thousand---	
ii	Period end balances			
	Associated companies			
	Receivable from MAS Associates (Private) Limited		298	296
	Other related parties			
	Receivable from SK Enmove Co., Ltd. (Formerly SK Lubricants Co., Ltd.)		49,718	49,718
	Payable to SK Enmove Co., Ltd. (Formerly SK Lubricants Co., Ltd.)		421,403	477,431
	Payable to employees' provident fund trust		8,353	7,033

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

For The Quarter Ended 30 September 2025

13 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

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

Recurring fair value measurements at 30 September 2025	Level 1	Level 2	Level 3	Total
----- Rupees in thousand -----				

Financial assets

Financial assets at fair value through profit or loss	247,987	-	-	247,987
---	---------	---	---	---------

Recurring fair value measurements at 30 June 2025	Level 1	Level 2	Level 3	Total
----- Rupees in thousand -----				

Financial assets

Financial assets at fair value through profit or loss	240,352	-	-	240,352
---	---------	---	---	---------

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

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

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

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

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

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

(ii) Valuation techniques used to determine fair values

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

1.4 SEGMENT INFORMATION

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

Lubricants
Petroleum products
Polymer

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

	LUBRICANTS		PETROLEUM PRODUCTS		POLYMER		UNALLOCATED		TOTAL - GROUP	
	Un-Audited September 30 2025	Audited September 30 2024	Un-Audited September 30 2025	Audited September 30 2024	Un-Audited September 30 2025	Audited September 30 2024	Un-Audited September 30 2025	Audited September 30 2024	Un-Audited September 30 2025	Audited September 30 2024
-----Rupees in thousand-----										
Revenue from contracts with customers - net	2,383,437	1,760,002	6,118,301	5,228,834	116,268	114,090	-	-	8,618,006	7,102,927
Cost of sales	(1,788,727)	(1,238,299)	(5,871,497)	(5,125,289)	(99,173)	(103,934)	-	-	(7,759,397)	(6,467,522)
Gross profit	594,710	521,703	246,803	103,545	17,094	10,156	-	-	858,608	635,405
Distribution cost	(176,527)	(170,620)	(131,737)	(101,084)	(2,266)	(2,538)	-	-	(310,530)	(274,241)
Administrative expenses	(182,540)	(248,623)	(62,943)	(7,121)	(789)	(631)	-	-	(246,273)	(256,375)
Other expenses	(57,540)	(203,961)	(26,005)	(7,307)	-	-	-	-	(83,545)	(7,103)
	(416,608)	(419,039)	(220,685)	(115,512)	(3,055)	(3,168)	-	-	(640,348)	(537,719)
Other income	8,701	60,282	44,010	21,016	-	-	-	-	52,711	81,298
Profit / (loss) from operations	186,803	162,946	70,128	9,050	14,039	6,988	-	-	270,971	178,983
Finance cost	(77,789)	(135,122)	(26,111)	(23,740)	(7,765)	(18,145)	-	-	(111,665)	(177,008)
Profit / (loss) before taxation and levy	109,015	27,824	44,017	(14,691)	6,274	(11,157)	-	-	159,305	1,976
Levy	-	-	-	-	-	-	(50,706)	(34,879)	(50,706)	(34,879)
Profit / (loss) before taxation	109,015	27,824	44,017	(14,691)	6,274	(11,157)	(50,706)	(34,879)	108,600	(32,904)
Taxation	-	-	-	-	-	-	(50,706)	(34,879)	108,600	(32,904)
(Loss) / profit after taxation	109,015	27,824	44,017	(14,691)	6,274	(11,157)	(50,706)	(34,879)	108,600	(32,904)
							(1,412)	53,062	(1,412)	53,062
							(52,118)	18,182	107,188	20,158

14.1 Reconciliation of reportable segment assets and liabilities:

	LUBRICANTS		PETROLEUM PRODUCTS		POLYMER		TOTAL - GROUP	
	Un-Audited September 30 2025	Audited June 30 2025	Un-Audited September 30 2025	Audited June 30 2025	Un-Audited September 30 2025	Audited June 30 2025	Un-Audited September 30 2025	Audited June 30 2025
-----Rupees in thousand-----								
Total assets for reportable segments	11,076,936	9,881,885	2,506,782	2,282,249	752,547	792,518	14,336,265	12,956,652
Unallocated assets							322,769	322,769
Total assets as per consolidated statement of financial position							14,659,035	13,279,422
Total liabilities for reportable segments	5,207,409	4,133,313	1,410,145	1,178,651	264,399	297,564	6,881,953	5,609,528
Unallocated liabilities							1,544,835	1,544,835
Total liabilities as per consolidated statement of financial position							8,426,788	7,154,363

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

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

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

For The Quarter Ended 30 September 2025

15. 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 in thousand)	Total amount utilized till 30 June 2017 (Rupees in thousand)
Investment in HTLL		
Land	470,000	60,618
Building	128,000	12,486
Plant, machinery and equipment	139,000	2,719
Pre-operating costs	33,000	250
Working capital	842,563	739,126
	1,612,563	815,200
Investment in 100% owned subsidiary		
Additional filling lines for blending plant, Hi-Tech Blending (Private) Limited - Subsidiary Company	200,000	-
Total	1,812,563	815,200
IPO proceeds (A)	1,812,563	
Amount un-utilized (A – B)	997,363	

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.

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

For The Quarter Ended 30 September 2025

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

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

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

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

During the year ended on 30 June 2020, the Holding Company started its OMC operations and expediently worked on completion of its Nowshera oil storage. During the year ended 30 June 2021, Holding Company has completed its oil storage at Nowshera. On 09 August 2021, OGRA acknowledged the satisfactory completion of Nowshera oil storage based on third party inspection report. During the year ended 30 June 2022, the Holding Company has started work on new oil storage facility at Shikarpur. On 16 March 2023, OGRA has granted permission to the Holding Company to operate new storage facility at Nowshera and marketing of petroleum products in the province of Khyber Pakhtunkhwa. Currently, the Holding Company has eight operational HTL Express Centers, four in Lahore, three in Karachi and one in Rawalpindi. Further, the Holding Company has sixty one retail outlets operational for sale of petroleum products as on 30 June 2025. Detail of payments out of IPO proceeds during the period ended 30 September 2025 is as follows:

	Rupees in thousand
Un-utilized IPO proceeds as at 01 July 2025	186,687
Add: Profit on bank deposits	5
Add: Dividend on investment in mutual funds	26
Add: Proceeds from HTLL for OMC Project Payment	44,502
Add: Gain on disposal of investment in mutual fund	
Add: Unrealised gain on investment in mutual funds	5,838
Less: Withholding tax on profit	(8)
	<u>237,048</u>

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

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

For The Quarter Ended 30 September 2025

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

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

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

During the year ended on 30 June 2020, the Company started its OMC operations and expediently worked on completion of its Nowshera oil storage. During the year ended 30 June 2021, Company has completed its oil storage at Nowshera. On 09 August 2021, OGRA acknowledged the satisfactory completion of Nowshera oil storage based on third party inspection report. During the period ended 30 September 2025, 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 eight operational HTL Express Centers, four in Lahore, three in Karachi and one in Rawalpindi. Further, the Company has sixty one retail outlets operational for sale of petroleum products as on 30 June 2025. Detail of payments out of IPO proceeds during the year ended 30 September 2025 is as follows:

	Rupees in thousand
Un-utilized IPO proceeds as at 01 July 2025	186,687
Add: Profit on bank deposits	5
Add: Dividend on investment in mutual funds	26
Add: Proceeds from HTLL for OMC Project Payment	44,502
Add: Gain on disposal of investment in mutual fund	
Add: Unrealised gain on investment in mutual funds	5,838
Less: Withholding tax on profit	(8)
Un-utilized IPO proceeds as at 30 September 2025	<u>237,048</u>

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

16. 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 2025.

17. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 27 October 2025 by the Board of Directors of the Company.

18. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant rearrangements have been made in these financial statements.

19. GENERAL

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



Chief Executive



Director



Chief Financial Officer

HI-TECH LUBRICANTS LIMITED

**Standalone Condensed Interim
Financial Information (Un-audited)**

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

As At 30 September 2025

	Un-Audited September 30, 2025	Audited June 30, 2025
Note	---Rupees in thousand---	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital 150,000 (2025: 150,000) ordinary shares of Rupees 10 each	1,500,000	1,500,000
Issued, subscribed and paid-up share capital	1,392,048	1,392,048
Capital reserve - share premium	1,441,698	1,441,698
Surplus on revaluation of freehold land	829,070	829,070
Un-appropriated profit	41,543	24,975
Total equity	3,704,359	3,687,791
LIABILITIES		
NON-CURRENT LIABILITIES		
Lease liabilities	4 362,652	381,667
Long term deposits	26,000	26,000
	388,652	407,667
CURRENT LIABILITIES		
Trade and other payables	2,743,898	2,169,592
Accrued mark-up on short term borrowings	34,204	37,294
Short term borrowings	5 1,408,907	1,618,958
Current portion of non-current liabilities	128,395	131,961
Unclaimed dividend	5,373	5,373
Provision for taxation	20,436	-
	4,341,212	3,963,179
Total liabilities	4,729,864	4,370,846
CONTINGENCIES AND COMMITMENTS		
TOTAL EQUITY AND LIABILITIES	8,434,222	8,058,637

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



Chief Executive



Director



Chief Financial Officer

		Un-Audited September 30, 2025	Audited June 30, 2025
	Note	---Rupees in thousand---	
ASSETS			
NON-CURRENT ASSETS			
Property, plant & equipment	7	2,581,288	2,656,770
Right-of-use	8	442,915	449,029
Intangibles	9	2,389	2,710
Investment in subsidiary company		1,300,001	1,300,001
Long term security deposits & others		15,221	15,454
Deferred income tax asset		121,450	121,450
		<u>4,463,263</u>	<u>4,545,414</u>

CURRENT ASSETS

Stock-in-trade	10	1,220,887	731,023
Trade debts		1,400,922	1,232,490
Loans and advances		363,450	307,360
Short term deposits and prepayments		22,108	33,574
Other receivables		452,603	412,534
Short term investments		247,987	240,352
Cash and bank balances		103,003	145,890
		3,810,959	3,103,223
Non-current assets classified as held for sale		160,000	410,000
		3,970,959	3,513,223

TOTAL ASSETS

8,434,222	8,058,637
-----------	-----------

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


Chief Executive


Director


Chief Financial Officer

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

For The Quarter Ended 30 September 2025

	Un-Audited September 30, 2025	Un-Audited September 30, 2024
	---Rupees in thousand---	
GROSS REVENUE	9,173,678	7,421,037
Discounts	(242,688)	(14,311)
Sales tax	(575,219)	(417,890)
	(817,907)	(432,201)
NET REVENUE	8,355,770	6,988,836
COST OF SALES	(7,737,101)	(6,390,489)
GROSS PROFIT	618,670	598,347
DISTRIBUTION COST	(296,689)	(261,475)
ADMINISTRATIVE EXPENSES	(187,356)	(197,119)
OTHER EXPENSES	(55,569)	(4,824)
	(539,614)	(463,418)
OTHER INCOME	47,601	96,156
PROFIT FROM OPERATIONS	126,657	231,084
FINANCE COST	(67,400)	(136,526)
PROFIT BEFORE MINIMUM TAX DIFFERENTIAL	59,257	94,558
MINIMUM TAX DIFFERENTIAL	(41,779)	(31,340)
PROFIT BEFORE TAXATION	17,478	63,218
TAXATION	(910)	18,592
PROFIT AFTER TAXATION	16,568	81,810
EARNINGS PER SHARE - BASIC AND DILUTED	0.12	0.59

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



Chief Executive



Director



Chief Financial Officer

**Standalone Condensed Interim
Statement of Comprehensive Income (Un-audited)**
For The Quarter Ended 30 September 2025

	Un-Audited September 30, 2025	Un-Audited September 30, 2024
	---Rupees in thousand---	
PROFIT AFTER TAXATION	16,568	81,810
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 INCOME FOR THE PERIOD	16,568	81,810

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



Chief Executive



Director



Chief Financial Officer

Standalone Condensed Interim Statement Of Cash Flows (Un-audited)

For The Quarter Ended 30 September 2025

		Un-Audited September 30, 2025	Un-Audited September 30, 2024
		---Rupees in thousand---	
	Note		
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	11	69,263	9,363
Finance cost paid		(70,490)	(137,049)
Income tax paid		(22,254)	(31,472)
Decrease in long term loan to employees		(1,816)	(701)
Decrease in long term security deposits		1,116	8,000
Increase / (decrease) in long term deposits		-	(128)
Net cash generated from / (used in) operating activities		(24,182)	(151,987)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on operating fixed assets		(18,266)	(77,078)
Short term loan given to subsidiary company		-	(352,000)
Proceeds from disposal of operating fixed assets		254,393	-
Short term investments - net		-	5,979
Dividends received		9	199
Initial direct cost incurred on right-of-use assets		-	(5,474)
Profit on bank deposits and term deposit receipt received		52	438
Net cash (used in) / from investing activities		236,188	(427,937)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		(44,841)	(23,709)
Short term borrowings - net		(210,051)	323,122
Net cash used in financing activities		(254,892)	299,414
Net (decrease) / increase in cash and cash equivalents		(42,887)	(280,510)
Cash and cash equivalents at the beginning of the period		145,890	352,417
Cash and cash equivalents at the end of the period		103,003	71,907

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



Chief Executive



Director



Chief Financial Officer

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

For The Quarter Ended 30 September 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	1,441,698	760,858	2,202,556	343,756	2,546,313	3,938,361
-	-	-	-	(318,781)	(318,781)	(318,781)
-	-	68,211	68,211	-	68,211	68,211
-	-	68,211	68,211	(318,781)	(250,570)	(250,570)
1,392,048	1,441,698	829,070	2,270,768	24,975	2,295,743	3,687,791
-	-	-	-	16,568	16,568	16,568
-	-	-	-	-	-	-
-	-	-	-	16,568	16,568	16,568
1,392,048	1,441,698	829,070	2,270,768	41,543	2,312,311	3,704,359

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


Chief Executive


Director


Chief Financial Officer

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

For The Quarter Ended 30 September 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 has further extended / renewed the provisional license for setting up of an OMC upto 31 December 2023. On 16 March 2023, OGRA has granted permission to the Company to operate new storage facility at 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. ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of these unconsolidated condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2025.

3.1 Critical accounting estimates and judgments

The preparation of these unconsolidated condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of these unconsolidated condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual financial statements of the Company for the year ended 30 June 2025.

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

For The Quarter Ended 30 September 2025

	Un-Audited September 30 2025	Audited June 30 2024
	---Rupees in thousand---	
4. LEASE LIABILITIES		
Total lease liabilities	491,046	513,628
Less: Current portion shown under current liabilities	(128,395)	(131,961)
	<u>362,652</u>	<u>381,667</u>

4.1 Implicit rates against lease liabilities range from 7.40% to 24.48% (2025: 7.40% to 24.48%) per annum.

4.2 Leases from banking companies are secured against the leased assets, personal guarantees of directors and security deposits of Rupees 37.253 million (2025: Rupees 22.373 million).

	Un-Audited September 30 2025	Audited June 30 2024
	---Rupees in thousand---	
5. SHORT TERM BORROWINGS		
From banking companies - secured		
Short term finances (Note 5.1 and Note 5.2)	<u>1,408,907</u>	<u>1,618,958</u>

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

5.2 The effective rates of mark-up ranged from 12.23% to 22.99% (2025: 12.23% to 22.99) per annum.

6. CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

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

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

For The Quarter Ended 30 September 2025

- 6.1.2** During the year ended 30 June 2018, assessment under section 161 and section 205 of the Income Tax Ordinance, 2001 for the tax year 2014 was finalized by the Deputy Commissioner Inland Revenue (DCIR) creating a demand of Rupees 18.207 million against the Company. Being aggrieved, the Company filed an appeal before the CIR(A) on 14 November 2017 who decided the case in favor of the Company and reduced the total demand to Rupees 0.191 million. However, the department filed an appeal against the order of CIR(A) before the ATIR on 31 March 2018. On 09 April 2024, ATIR granted partial relief to the Company and confirmed demand of Rupees 0.563 million. Further, ATIR remanded back the issue relating to default surcharge to assessing officer for fresh calculation. No remand back proceedings have been initiated by the department yet. No provision has been recognized in these financial statements, as the management, based on advice of the tax advisor, is confident of favorable outcome of the matter.
- 6.1.3** Deputy Commissioner Inland Revenue (DCIR) passed an assessment order on 28 November 2018 under section 161 and section 205 of the Income Tax Ordinance, 2001 for the tax year 2015 whereby a demand of Rupees 22.358 million has been raised. On 21 December 2018, the Company filed an appeal before the CIR(A) against the order of DCIR. CIR(A) accepted the Company's stance on certain issues assailed in the appeal and reduced the aggregate demand to Rupees 10.735 million. Being aggrieved by the order of CIR(A), the Company and tax department filed appeals before ATIR. On 25 August 2025, subsequent to the reporting period, ATIR dismissed the department's appeal and upheld the relief provided by CIR(A). However, ATIR also dismissed the Company's appeal on 25 August 2025, subsequent to the reporting period, based on the grounds that judgement of Honourable Sindh High
- 6.1.4** On 27 June 2022, Deputy Commissioner Inland Revenue (DCIR) passed an assessment order under section 161 and section 205 of the Income Tax Ordinance, 2001 for the tax year 2016 whereby a demand of Rupees 5.467 million including default surcharge has been raised against the Company on account of non / short deduction of withholding tax in respect of certain payments. The Company filed an appeal before CIR(A) against the order of DCIR. On 17 November 2022, CIR(A) decided the appeal in favor of the Company. On 12 January 2023, the tax department has filed appeal before the ATIR against the order passed by CIR(A) which is pending adjudication. No provision has been recognized in these financial statements, as the management, based on advice of the tax advisor, is confident of favorable outcome of the matter.
- 6.1.5** On 24 March 2022, the Deputy Commissioner Inland Revenue (DCIR) has issued an amended assessment order under section 122(1) of the Income Tax Ordinance, 2001 for the tax year 2018 creating a demand of Rupees 1,115.673 million on account of various issues. Against the aforesaid order, the Company preferred an appeal before CIR(A) on 19 April 2022. On 29 August 2022, CIR(A) provided the partial relief to the Company. However, in respect of various issues, the matter has been remanded back to the department for fresh consideration. Against the order of CIR(A), the Company has filed an appeal before ATIR, which is pending adjudication. The management, based on the advice of tax advisor, is confident of favourable outcome of the matter. Therefore, no provision has been recognized in these financial statements.
- 6.1.6** On 26 February 2022, Deputy Commissioner Inland Revenue (DCIR) passed an assessment order under section 177 and section 122(1) of the Income Tax Ordinance, 2001 for the tax year 2019 whereby a demand of Rupees 843.451 million has been raised against the Company on various issues. Against the order of DCIR, the Company preferred an appeal before CIR(A) on 22 March 2022. On 16 May 2022, CIR(A) vacated the tax demand. However, in respect of certain issues, the case has been remanded back to assessing officer for fresh consideration. On 13 July 2022, the tax authorities have filed an appeal before ATIR against the order of CIR(A) which is pending adjudication. The management, based on the advise of the tax advisor, is confident of favourable outcome of the matter. Therefore, no provision has been recognized in these financial statements.

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

For The Quarter Ended 30 September 2025

- 6.1.7** During the year ended 30 June 2020, Deputy Commissioner Inland Revenue (DCIR) issued a notice to recover an amount of Rupees 21.124 million against super tax for the tax year 2019 under section 4B of the Income Tax Ordinance, 2001. The Company through its tax advisor submitted its reply that liability on account of super tax did not arise for subject year. However, on 29 September 2021, DCIR confirmed the matter and re-issued an order to recover Rupees 21.124 million against super tax for the tax year 2019 under section 4B of the Income Tax Ordinance, 2001. Against the aforesaid order, the Company preferred an appeal before CIR(A). On 25 February 2022, CIR(A) remanded back the case to department for fresh consideration. However, these remand back proceedings have not been initiated yet. The management, based on advise of the tax advisor, is confident of favourable outcome of the matter. Therefore, no provision has been recognized in these financial statements.
- 6.1.8** On 28 February 2022, Deputy Commissioner Inland Revenue (DCIR) issued an order for tax periods from July 2016 to June 2017 creating a demand of Rupees 1,353.135 million along with penalty and default surcharge on various issues under relevant provisions of the Sales Tax Act, 1990. Against the aforesaid order, the Company preferred an appeal before CIR(A) on 22 March 2022. On 27 May 2022, CIR(A) provided partial relief to the Company. However, sales tax default in respect of certain issues was upheld by CIR(A). Being aggrieved with the order of CIR(A), the Company and tax department filed appeals before ATIR. On 07 December 2022, ATIR accepted the Company's stance in respect of all matters except for imposition of penalty and default surcharge relating to late filing of sales tax returns and late payment of due sales tax liability. On 12 December 2024, ATIR disposed of the appeal filed by tax department and remanded back the case to assessing officer for fresh consideration. Being aggrieved with the order of ATIR, the Company has filed a sales tax reference before the Honourable Lahore High Court, Lahore on 17 January 2025 which is pending adjudication. On 02 February 2025, the tax department has initiated remand back proceedings in accordance with the directives of ATIR. The management, based on advise of the legal advisor, is confident of favourable outcome of the matter. Therefore, no provision has been recognized in these financial statements.
- 6.1.9** On 15 March 2022, Deputy Commissioner Inland Revenue (DCIR) issued an order for tax periods from July 2018 to June 2019 creating a demand of Rupees 901.257 million alongwith penalty and default surcharge on various issues under relevant provisions of the Sales Tax Act, 1990. Against the aforesaid order, the Company preferred an appeal before CIR(A) on 11 April 2022. On 31 May 2022, CIR(A) provided partial relief to the Company. However, sales tax default in respect of certain issues was upheld by CIR(A). Being aggrieved with the order of CIR(A), the Company and tax department filed appeals before ATIR. On 07 December 2022, ATIR accepted the Company's stance in respect of all matters except for imposition of penalty and default surcharge relating to late filing of sales tax returns and late payment of due sales tax liability. On 10 September 2024, ATIR disposed of the appeal filed by the department in favour of the Company. No legal proceedings against the order passed by ATIR have been initiated by the department yet.
- 6.1.10** On 30 May 2023, Deputy Commissioner Inland Revenue (DCIR) passed an assessment order under section 161 and section 205 of the Income Tax Ordinance, 2001 for the tax year 2017 whereby a demand of Rupees 22.545 million including default surcharge has been raised against the Company on account of non / short deduction of withholding tax in respect of certain payments. On 25 June 2023, the Company filed an appeal before CIR(A). On 01 January 2024, CIR(A) granted partial relief to the Company and accepted the Company's stance in respect of certain matters. Further, CIR(A) remanded back certain matters to assessing officer for verification of Company's position. However, the department has not yet initiated the remand back proceedings. The management, based on advise of tax advisor, is confident of favorable outcome of the matter. Therefore, no provision has been recognized in these financial statements.
- 6.1.11** On 06 February 2019, Deputy Commissioner Inland Revenue (DCIR) passed an assessment order under section 4B of the Income Tax Ordinance, 2001 for the tax year 2018 whereby a demand of Rupees 29.323 million was raised. Being aggrieved with the order, the Company preferred an appeal before 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 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.

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

For The Quarter Ended 30 September 2025

- 6.1.12** On 01 March 2024, Deputy Commissioner Inland Revenue (DCIR) passed an assessment order under section 161 and section 205 of the Income Tax Ordinance, 2001 for the tax year 2020 to recover an amount of Rupees 43.575 million in respect of withholding tax default along with default surcharge of Rupees 19.168 million. The Company filed an application before Commissioner Inland Revenue (CIR) on the grounds that the order was passed without considering the documents / records submitted by the Company. On 07 March 2024, CIR set aside the order of DCIR and remanded back the case to assessing officer. The remand back proceedings have not been initiated yet. The management, based on advise of tax advisor, is confident of favorable outcome of the matter. Therefore, no provision has been recognized in these financial statements.
- 6.1.13** On 18 March 2024, Deputy Commissioner Inland Revenue (DCIR) passed an order under section 11 of the Sales Tax Act, 1990 for tax periods from July 2018 to June 2019 creating a demand of Rupees 405.983 million along with default surcharge and penalty on the issue of difference between value of closing stocks as per Company's financial statements and the amount adopted in sales tax declaration. Against the aforesaid order, the Company preferred an appeal before CIR(A) which is pending for hearing. The management, based on advice of the tax advisor, is confident of favorable outcome of the matter. Therefore, no provision has been recognized in these financial statements.
- 6.1.14** Corporate guarantees of Rupees 2,967.5 million (2025: Rupees 2,967.5 million) have been given by the Company to the banks in respect of financing to Hi-Tech Blending (Private) Limited - subsidiary company.
- 6.1.15** Guarantee of Rupees 58 million (2025: Rupees 58 million) is given by the bank of the Company to Director Excise and Taxation, Karachi against disputed amount of infrastructure cess.
- 6.1.16** Guarantees of Rupees 22.314 million (2025: Rupees 22.314 million) are given by the bank of the Company to Chairman, Punjab Revenue Authority, Lahore against disputed amount of infrastructure cess.
- 6.1.17** Guarantees of Rupees 15 million (2025: Rupees 15 million) and Rupees 2.25 million (2025: Rupees 2.25 million) are given by the banks of the Company to Total Parco Pakistan Limited and Pakistan State Oil Company Limited respectively against fuel cards obtained by the Company for its employees.

	Un-Audited September 30 2025	Audited June 30 2024
	---Rupees in thousand---	
6.2 Commitments		
6.2.1 For capital expenditures	39,705	39,705
6.2.2 Letters of credit other than for capital expenditures	37,964	-
7. FIXED ASSETS		
Operating fixed assets(Note 7.1)	2,688,166	2,736,218
Capital work-in-progress(Note 7.2)	80,011	91,140
	<u>2,768,176</u>	<u>2,827,358</u>

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

For The Quarter Ended 30 September 2025

	Un-Audited September 30 2025	Audited June 30 2024
	---Rupees in thousand---	
7.1 Operating fixed assets – owned		
Opening book value	2,736,218	2,778,751
Add: Cost of additions during the period / year (Note 7.1.1)	29,396	288,115
Add: Revaluation Surplus	-	68,211
Add: Book value of assets transferred from right-of-use of assets	-	42,236
	2,765,614	3,177,314
Less: Transferred to 'non-current assets classified as held for sale'	-	250,000
	2,765,614	2,927,314
Less: Book value of deletions during the period / year (Note 7.1.2)	54,265	13,422
	2,711,349	2,913,892
Less: Book value of written off during the period / year	-	8,998
	2,711,349	2,904,894
Less: Depreciation charged during the period / year	23,184	168,676
Closing book value	2,688,166	2,736,218
7.1.1 Cost of additions during the period / year		
Buildings on freehold land	-	170,618
Buildings on leasehold land	8,947	14,858
Machinery	5,174	25,432
Tanks and Pipeline and Tanks	-	38,112
Dispensing Pumps	6,791	23,322
Furniture and fittings	639	2,359
Vehicles	160	1,131
Office equipment	140	1,041
Computers	7,545	11,243
	29,396	288,115
7.1.2 Book value of deletions during the period / year		
Cost:		
Land	25,000	-
Buildings on Freehold land	46,421	-
Buildings on leasehold land	23,538	-
Tanks & Pipelines	1,608	579
Dispensing Pumps	-	1,912
Vehicles	4,430	20,015
Office Equipments	136	
Computers	1,892	5,295
Less: Accumulated depreciation	48,762	14,379
	54,265	13,422

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

For The Quarter Ended 30 September 2025

	Un-Audited September 30 2025	Audited June 30 2024
---Rupees in thousand---		
7.2 Capital work-in-progress		
Civil works	56,124	40,658
Dispensing pumps	17,606	26,049
Tanks and Pipelines	-	24,433
Unallocated expenditures	6,281	-
	<u>80,011</u>	<u>91,140</u>

8. RIGHT-OF-USE ASSETS

	Land	Buildings	Vehicles	Total
----- Rupees in thousand -----				
At 30 June 2024	404,610	90,709	96,168	591,487
Add: Additions during the year	18,945	29,430	1,856	50,230
Add: Impact of lease termination	(25,547)	-	-	(25,547)
Less: Book value of assets transferred to operating fixed assets during the year	-	-	(42,236)	(42,236)
Less: Depreciation expense for the year	(57,914)	(51,669)	(15,322)	(124,905)
At 30 June 2025	<u>340,094</u>	<u>68,470</u>	<u>40,466</u>	<u>449,029</u>
Add: Additions during the year	22,260	-	-	22,260
Less: Impact of lease termination	-	-	-	-
Less: Book value of assets transferred to operating fixed assets during the period	-	-	-	-
Less: Depreciation expense for the period	(13,555)	(12,796)	(2,023)	(28,374)
At 30 September 2025	<u>348,798</u>	<u>55,674</u>	<u>38,443</u>	<u>442,915</u>

Lease of land

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

Lease of buildings

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

Lease of vehicles

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

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

For The Quarter Ended 30 September 2025

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

Un-Audited September 30 2025	Audited June 30 2024
---Rupees in thousand---	

9. INTANGIBLE ASSETS

Computer softwares (Note 9.1)	2,389	2,710
-------------------------------	-------	-------

9.1 Computer softwares

Opening book value	2,710	1,198
Add: Cost of additions during the period / year	-	2,778

Less: Amortization charged during the period / year	(321)	(1,266)
Closing book value	2,389	2,710

9.2 Cost as at 30 September	49,989	49,989
Accumulated amortization	(47,600)	(47,279)
Net book value as at 30 September	2,389	2,710

9.3 Intangible assets - computer softwares have been amortized at the rate of 30% (2025: 30%) per annum.

9.4 Intangible assets costing Rupees 43.552 million (2025: Rupees 43.552 million) are fully amortized and are still in use of the Company.

Un-Audited September 30 2025	Audited June 30 2024
---Rupees in thousand---	

10. STOCK-IN-TRADE

Lubricants and parts (Note 10.1)	242,102	110,126
Less: Provision for slow moving and damaged inventory items	(21,072)	(21,072)
	221,031	89,054

Petroleum products

- Stock in hand	719,986	327,795
- Stock in pipeline system (Note 10.2)	253,991	288,294
	973,976	616,089

Dispensing pumps and other installations (Note 10.3)	25,880	25,880
--	--------	--------

1,220,887	731,023
-----------	---------

10.1 This includes stock amounting to Rupees 136.929 million (2024: Rupees 118.898 million) lying at customs bonded warehouse.

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

For The Quarter Ended 30 September 2025

10.2 This represents the Company's share of pipeline stock of High Speed Diesel and Petroleum Motor Gasoline amounting to Rupees 82.121million (2025: Rupees 93.978 million) and Rupees 171.869 million (2025: Rupees 189.831 million) respectively held by Pak-Arab Pipeline Company Limited.

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

	Un-Audited September 30 2025	Un-Audited September 30 2024
	---Rupees in thousand---	
11. CASH (USED IN) / GENERATED FROM OPERATIONS		
Profit before taxation	59,257	94,558
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	39,483	36,451
Depreciation on right-of-use assets	28,374	37,126
Amortization on intangible assets	321	288
Provision for slow moving and damaged inventory items - net	-	(289)
Provision for doubtful advances to suppliers	-	(613)
Gain on disposal of operating fixed assets	49,871	(199)
Dividend income	(9)	(273)
Profit on bank deposits and term deposit receipt	(65)	(16,578)
Gain on disposal of short term investments	(1,786)	-
Unrealized gain on remeasurement of investments carried at fair value through profit or loss - net	(5,843)	(1,190)
Exchange loss / (gain)	-	(12)
Finance cost	67,400	136,526
Working capital changes (Note 11.1)	(167,740)	(276,431)
	<u>69,263</u>	<u>9,363</u>

11.1 Working capital changes

(Increase) / decrease in current assets:

Stock-in-trade	(489,864)	360,084
Trade debts	(168,431)	437,709
Loans and advances	(55,156)	34,000
Short term deposits and prepayments	11,460	(24,642)
Other receivables	(40,055)	(104,579)
	(742,045)	702,573
Increase in trade and other payables	574,305	(979,004)
	<u>(167,740)</u>	<u>(276,431)</u>

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

For The Quarter Ended 30 September 2025

12. 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:

		Un-Audited September 30 2025	Un-Audited September 30 2024
		---Rupees in thousand---	
i	Transactions		
	Relationship	Nature of transaction	
	Subsidiary company		
	Hi-Tech Blending (Private) Limited	Purchase of lubricants	1,770,216
		Sale of lubricants	41
		Lease rentals paid	750
		Short term loan given	-
		Interest on loan	-
	Associated companies		
	MAS Associates (Pvt) Limited	Share of common expenses	593
	Other related parties		
	SK Enmove Co., Ltd.	Purchase of lubricants	136,929
		Incentive	-
	Provident fund trust	Contribution	8,337
	Sabra Hamida Trust	Donations	4,500
	Key management personnel	Remuneration	120,167
			107,175
		Un-Audited September 30 2025	Audited June 30 2025
		---Rupees in thousand---	
ii	Period end balances		
	Subsidiary company		
	Investment in Hi-Tech Blending (Private) Limited	1,300,001	1,300,001
	Receivable from Hi-Tech Blending (Private) Limited	33	-
	Payable to Hi-Tech Blending (Private) Limited	303,542	622,959
	Associated companies		
	Receivable from MAS Associates (Private) Limited	298	296
	Other related parties		
	Receivable from SK Enmove Co., Ltd. (Formerly SK Lubricants Co., Ltd.)	49,718	49,718
	Payable to SK Enmove Co., Ltd. (Formerly SK Lubricants Co., Ltd.)	104,822	-
	Payable to employees' provident fund trust	5,665	5,703

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

For The Quarter Ended 30 September 2025

14. 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.

	LUBRICANTS		PETROLEUM PRODUCTS		UNALLOCATED		TOTAL - COMPANY	
	Un-Audited September 30 2025	Audited September 30 2024	Un-Audited September 30 2025	Audited September 30 2024	Un-Audited September 30 2025	Un-Audited September 30 2024	Un-Audited September 30 2025	Audited September 30 2024
-----Rupees in thousand-----								
Revenue from contracts with customers - net	2,237,470	1,760,002	6,118,301	5,228,834	-	-	8,355,770	6,988,836
Cost of sales	(1,865,603)	(1,265,201)	(5,871,497)	(5,125,289)	-	-	(7,737,101)	(6,390,489)
Gross profit	371,866	494,802	246,803	103,545	-	-	618,670	598,347
Distribution cost	(164,952)	(160,392)	(131,737)	(101,084)	-	-	(296,689)	(261,475)
Administrative expenses	(124,413)	(189,998)	(62,943)	(7,121)	-	-	(187,356)	(197,119)
Other expenses	(29,564)	(2,482,963)	(26,005)	(7,307)	-	-	(55,569)	(4,824)
Other income	(318,929)	(347,907)	(220,685)	(115,512)	-	-	(539,614)	(463,418)
Profit / (loss) from operations	3,591	75,140	44,010	21,016	-	-	47,601	96,156
Finance cost	56,529	222,035	70,128	9,050	-	-	126,657	231,084
Profit / (loss) before taxation and levy	(41,288)	(112,786)	(26,111)	(23,740)	-	-	(67,400)	(136,526)
Levy	15,240	109,249	44,017	(14,691)	-	-	59,257	94,558
Profit / (loss) before taxation	15,240	109,249	44,017	(14,691)	(41,779)	(31,340)	(41,779)	(31,340)
Taxation	-	-	-	-	(41,779)	(31,340)	17,478	63,218
Profit / (loss) after taxation	15,240	109,249	44,017	(14,691)	(910)	18,592	(910)	18,592
					(42,689)	(12,748)	16,568	81,810

14.1 Reconciliation of reportable segment assets and liabilities:

	LUBRICANTS		PETROLEUM PRODUCTS		TOTAL - COMPANY	
	Un-Audited September 30 2025	Audited June 30 2025	Un-Audited September 30 2025	Audited June 30 2025	Un-Audited September 30 2025	Audited June 30 2025
-----Rupees in thousand-----						
Total assets for reportable segments	5,604,671	5,453,619	2,506,782	2,282,249	8,111,453	7,735,867
Unallocated assets					322,769	322,769
Total assets as per statement of financial position					8,434,222	8,058,637
Total liabilities for reportable segments	1,774,884	1,647,360	1,410,145	1,168,631	3,185,029	2,815,991
Unallocated liabilities					1,544,835	1,554,855
Total liabilities as per statement of financial position					4,729,864	4,370,846

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

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

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

For The Quarter Ended 30 September 2025

13. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

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

Recurring fair value measurements at 30 September 2025	Level 1	Level 2	Level 3	Total
----- Rupees in thousand-----				

Financial assets

Financial assets at fair value through profit or loss	247,987	-	-	247,987
---	---------	---	---	---------

Recurring fair value measurements at 30 June 2025	Level 1	Level 2	Level 3	Total
----- Rupees in thousand-----				

Financial assets

Financial assets at fair value through profit or loss	240,352	-	-	240,352
---	---------	---	---	---------

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 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.

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

For The Quarter Ended 30 September 2025

15. 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 in thousand)	Total amount utilized till 30 June 2017 (Rupees in thousand)
Investment in HTLL		
Land	470,000	60,618
Building	128,000	12,486
Plant, machinery and equipment	139,000	2,719
Pre-operating costs	33,000	250
Working capital	842,563	739,126
	<u>1,612,563</u>	<u>815,200</u>
Investment in 100% owned subsidiary		
Additional filling lines for blending plant, Hi-Tech Blending (Private) Limited	200,000	0
Total	<u>1,812,563</u>	<u>815,200</u>
IPO proceeds (A)	1,812,563	
Amount un-utilized (A – B)	997,363	

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

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

For The Quarter Ended 30 September 2025

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

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

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

During the year ended on 30 June 2020, the Company started its OMC operations and expediently worked on completion of its Nowshera oil storage. During the year ended 30 June 2021, Company has completed its oil storage at Nowshera. On 09 August 2021, OGRA acknowledged the satisfactory completion of Nowshera oil storage based on third party inspection report. During the period ended 30 September 2025, 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 eight operational HTL Express Centers, four in Lahore, three in Karachi and one in Rawalpindi. Further, the Company has sixty one retail outlets operational for sale of petroleum products as on 30 June 2025. Detail of payments out of IPO proceeds during the year ended 30 September 2025 is as follows:

	Rupees in thousand
Un-utilized IPO proceeds as at 01 July 2025	186,687
Add: Profit on bank deposits	5
Add: Dividend on investment in mutual funds	26
Add: Proceeds from HTLL for OMC Project Payment	44,502
Add: Gain on disposal of investment in mutual fund	
Add: Unrealised gain on investment in mutual funds	5,838
Less: Withholding tax on profit	(8)
Un-utilized IPO proceeds as at 30 September 2025	<u>237,048</u>

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

16. 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 2025.

17. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 27 October 2025 by the Board of Directors of the Company.

18. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant rearrangements have been made in these financial statements.

19. GENERAL

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



Chief Executive



Director



Chief Financial Officer



Corporate Office:

1-A, Danepur Road, G.O.R-1, Lahore.

UAN: +92 42 111 645 942

Phone: +92 42 36311881-3

Fax: +92 42 36311884

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

www.httechlubricants.com

