HTL LIMITED
Hi-Tech Lubricants Ltd

Hi-Tech Lubricants Limited

ANNUAL REPORT 26



FROM FRICTION TO FLOW



FROM FRICTION **TO FLOW**

Transformation rarely happens overnight; it is forged by addressing root challenges with clarity and resolve. A year ago, we confronted severe sector-wide volatility, supply constraints, and liquidity pressures by making fundamental structural changes rather than temporary adjustments. Today, those decisive actions have reshaped our operational landscape. By redesigning our financial workflows, sharpening internal controls, and fostering a collaborative culture focused on discipline and execution, we removed the structural friction that previously held us back. The turmoil is behind us, and in its place stands a resilient, financially stable, and agile organization. We are no longer merely absorbing shocks or navigating resistance; we are operating with clarity, purpose, and steady velocity. Having turned friction into flow, the company is back on a confident trajectory of sustainable growth and enduring value creation.


SUPER X7
DIESEL X7000
5
STATION
7



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REPORTING FRAMEWORK & BASIS OF PREPARATION

OUR REPORTING **PHILOSOPHY**

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



SCOPE OF THE **REPORT**

Aspect	Coverage
Reporting period	01 July 2025 to 30 June 2026
Stand alone financial information	Hi-Tech Lubricants Limited
Consolidated financial information	Hi-Tech Lubricants Limited and its wholly owned subsidiary company, Hi-Tech Blending (Private) Limited
Non-financial information	Primarily relates to the Hi-Tech Lubricants Limited. Where applicable and material, certain disclosures relating to the subsidiary are included. The Company does not assume responsibility for subsidiary-level non-financial information beyond such specific disclosures.

HI-TECH BLENDING ← HTL → HTL LOGISTIC



REPORTING STANDARDS **AND FRAMEWORKS**

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

ASSURANCE AND **OVERSIGHT**

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

Assurance / Service	External Firm
Review report on Compliance with Code of Corporate Governance	M/S Riaz Ahmad & Company, Chartered Accountants
Independent Auditor's report on the audit of Consolidated Financial Statement	M/S Riaz Ahmad & Company, Chartered Accountants
Independent Auditor's report on the audit of Financial Statement	M/S Riaz Ahmad & Company, Chartered Accountants
Sustainability report prepared on the GRI standards criteria	M/S Z. M. T. & Co. Chartered Accountants


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













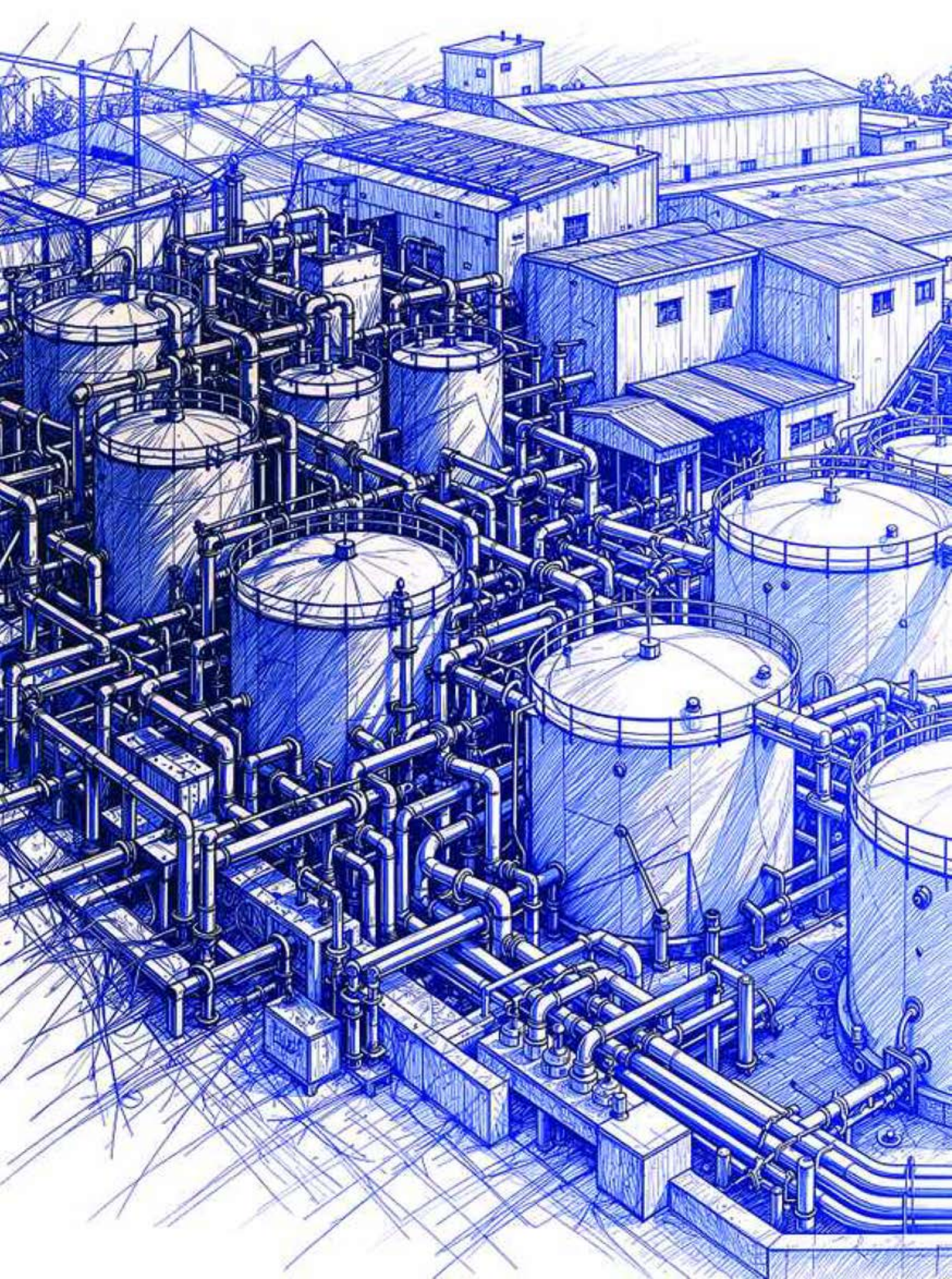
FORWARD-LOOKING **STATEMENT**

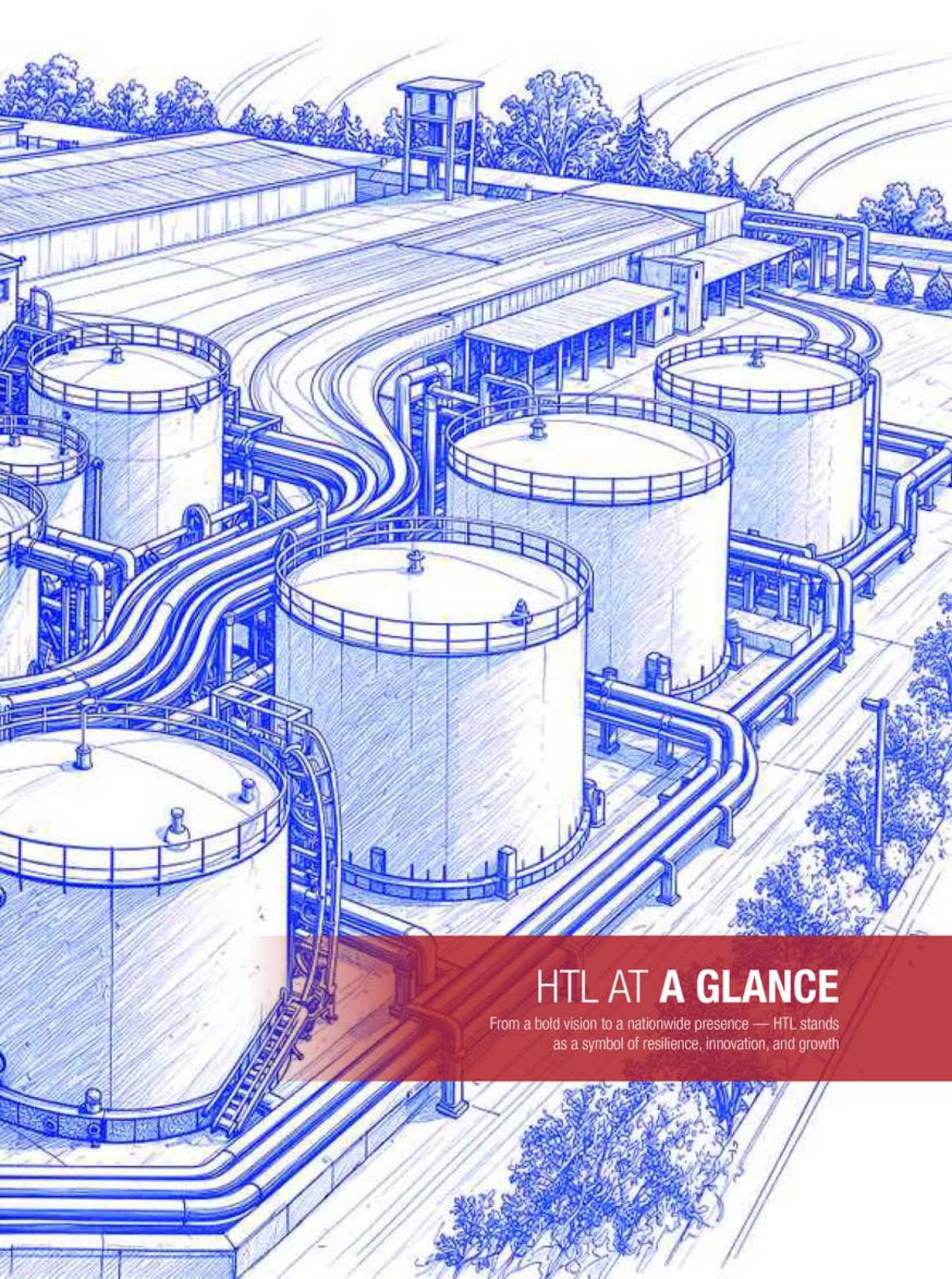
This report contains forward-looking statements, based on current expectations and assumptions, which remain subject to risks and uncertainties

FEEDBACK AND **CONTINUOUS IMPROVEMENT**

We encourage stakeholders to share their feedback to continuously enhance our reporting practices. If you have any queries or suggestions,

Please contact the following:
Name: Mr. Fraz Amjad Khawaja
Position: Company Secretary and Chief Compliance Officer
Phone: +92-42-111-645-645
Fax: +92- 42-3631-18-14





HTL AT **A GLANCE**

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

COMPANY **PROFILE**

Hi-Tech Lubricants Limited (HTL or the Company) has been a pioneer in Pakistan's lubricants and energy sector for over 29 years, consistently setting benchmarks in innovation, quality, and customer service. As the sole authorized distributor of the global ZIC brand, HTL has earned nationwide recognition for delivering premium lubricants to the automotive, industrial, and marine sectors.

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

MILESTONES **& ACHIEVEMENTS**

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

IMPACT **& CONTRIBUTION**

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

Outlook

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

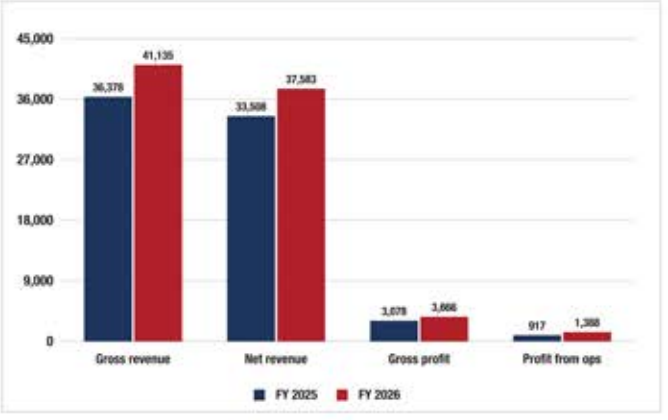


HTL GROUP
FINANCIAL HIGHLIGHTS FY 2026

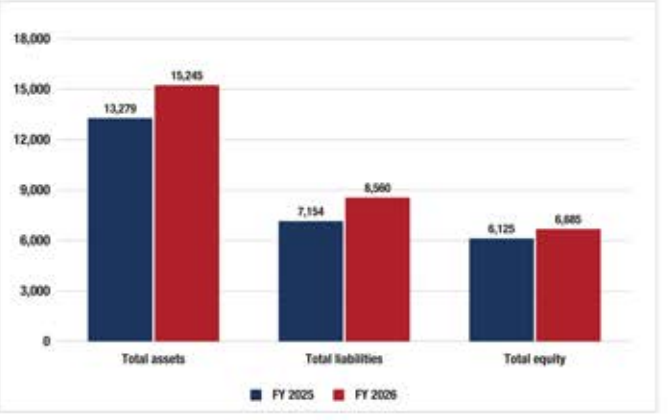


HTL returned firmly to profitability in FY 2026: revenue grew 12%, gross profit 19% and operating profit 51%, while finance cost fell 17%. Profit after tax rose to Rs. 473 million and the Board has recommended a final cash dividend of Rs.1.15 per share.

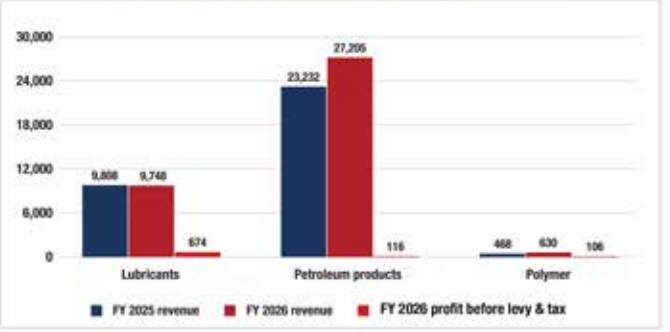
REVENUE AND **PROFIT (RS. MILLION)**



FINANCIAL **POSITION (RS. MILLION)**



SEGMENT **PERFORMANCE (RS. MILLION)**



Petroleum revenue grew 17%, Polymer 35% and reached profitability, and Lubricants profit before levy and tax more than tripled on the back of local blending.

OUR **VISION**

Our Vision is a steadily progressive Pakistan where the wheels of transport and industries are incessantly moving to take the country and its people to greater heights of development, economic wellbeing and a better quality of life.

OUR **MISSION**

Our Mission is to provide the finest quality lubricants, fuels and polymer products to a great variety of our customers, from owners of a single motorcycle to the managers of giant industrial plants, that assist them in attaining their objectives efficiently and economically.

CORE AND **ETHICAL VALUES**

We are guided by our core qualities of integrity, quality, respect and responsibility. We are committed to conducting all our operations ethically, transparently and in strict compliance with all laws striving to maintain a healthy and happy balance between the interests of all our stakeholders including shareholders, employees, business associates and the society at large.





CODE OF BUSINESS **CONDUCT AND ETHICS**

ETHICAL CONDUCT **& PERSONAL MAINTENANCE**

Employees must maintain integrity, honesty, and high personal standards, including proper hygiene, to ensure client satisfaction and support organizational values and goals.

WORK **ETHICS**

Employees should use the STAR method (Stop, Think, Act Responsibly) in decision-making and adhere to HTL values, rules, and regulations, particularly for employment inquiries and attendance.

HEALTH AND **SAFETY**

Employees must maintain a safe, healthy work environment, stay fit, avoid performance-impairing substances, and not take naps or extended breaks, except for prescribed medications used as directed.

As per the job nature, employees observe all the safety rules and instructions provided by supervisor and use safety equipment where required.

ANTI-BULLYING **& ANTI-DISCRIMINATION**

HTL's zero-tolerance policy covers all forms of bullying and discrimination, with supervisors responsible for prevention and resolution to avoid liability.

SEXUAL HARASSMENT **AT WORKPLACE**

HTL has a zero-tolerance policy for sexual harassment, including unwelcome advances, demeaning behavior, and retaliation, with supervisors held accountable for preventing, addressing, or engaging in such conduct.

MEDIA & SOCIAL **NETWORKING**

Only officially designated employees may speak on behalf of HTL in any media; unauthorized statements will result in personal liability for the employee.

ABUSE OF **COMPANY RESOURCES**

HTL equipment is for job use only, must not be used personally or removed without approval, and employees must follow information security policies and standard operating procedures.

CONFIDENTIALITY

Employees and directors must keep all entrusted information confidential, disclosing it only when authorized or legally required.

FRAUD, DECEPTION, DISHONESTY, BRIBERY **& ANTI-CORRUPTION MEASURES**

HTL strictly prohibits fraudulent acts, including bribery and corruption, and ensures that business partners adhere to the same ethical standards.

CONFLICT **OF INTEREST**

HTL upholds uniform standards and ensures honest, fair dealings by addressing any conflicts of interest where personal interests may interfere with the Company's interests.

TRADE **REGULATIONS**

HTL strictly adheres to national trade laws and regulations in its import dealings, ensuring compliance with international trade sanctions and rules.

SOCIALLY **RESPONSIBLE BUSINESS**

HTL is dedicated to fairness, equality, and diversity, respects human rights, and actively contributes positively to the community as a socially responsible business.


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

KEY BRANDS
PRODUCT & SERVICES

ZIC Oil

The Company's product portfolio consists of four major categories:

- Mineral / Classic Oil
- Semi Synthetic Engine Oils
- Synthetic Engine Oils
- Fully synthetic

MINERAL **OIL**

- Refined from crude oil
- Conventional oil

FULLY SYNTHETIC **OIL**

- 100% chemical composition

SEMI **SYNTHETIC OILS**

- Mixture of both mineral and synthetic oil
- Composition
  - 50-90% synthetic oil
  - Remaining mineral traces

SYNTHETIC **OIL**

- Artificially prepared chemically
- Tailored according to the need or requirements of the vehicle





GASOLINE ENGINE OILS (GEO)

ZIC Synthetic Oil is based on Very High Viscosity Index (VHVI) technology offering various grades (issued by SAE). Fully Synthetic Oil provides superior engine protection and is also fuel efficient. ZIC Gasoline Engine Oil is used for vehicles working on Petrol, LPG, and CNG. In Gasoline Engine Oil, ZIC offers a wide series such as ZIC Top, X9, X7, X5, X3 and X1. Among these ZIC TOP, X9, X7 FE and X7 are fully synthetic engine oil and are of premium quality targeting the luxury car market, X5 is synthetic whereas X3 and X1 are classical. All ZIC X 7 ranges has been upgraded to API SP grading this fiscal year. The grading such as ZIC 0W30 and 5W40 are done on the basis of their viscosity. SAE is involved in multi grading of oil considering viscosity and temperature resistance. Both of the above mentioned grades provides better Oil Drain Intervals (ODI), thus keeping the engine protected and fuel efficient in all conditions (temperature and heavy load while driving). Fuel Efficiency benefits up to 10% as compared to conventional motor oils and delivers better performance.



TOP-0W-40
(Fully Synthetic)



X9-5W-40
(Fully Synthetic)



X7-0W-30
(Fully Synthetic)



X7-0W-20
(Fully Synthetic)



X7-5W-20
(Fully Synthetic)



X7-10W-40
(Fully Synthetic)



X5-10W-40
(Synthetic)



X5-20W-50
(Synthetic)



X5-5W-30
(Classic)



X1-20W-50
(Economy)

MOTOR
CYCLE OILS (MCO)

ZIC MCO is offering a wide range of products which includes ZIC M9 and M7 are fully synthetic and M5 is high quality semi synthetic. ZIC Synthetic series provides exceptional lubrication, best performance and protection against piston scuffing and rust. In classic category, the Company provides M3 which is blended with highly refined base oil and selected additives.

M1 is multi viscosity motor oil specially designed for 3 wheeler's engine keeping in mind its requirements. ZIC MCO provides complete lubrication for engine, clutch and gear unlike other conventional oils.


ATF-3


ATF-XP3


CVTF-Multi


DCTF-Multi


DOT-4


M1-20W-50


M3-4T-20W-40


M5-4T-10W-50


M5-4T-20W-40


M7-4T-10W-40


M9-4T-10W-40

DIESEL
ENGINE OILS

Diesel Engine oil is used in vehicles having heavy duty engines like trucks, buses, trawlers etc. Under DEO, ZIC is offering X7000, X5000, X3000 and X1000. X7000 and X5000 are high quality fully synthetic engine oils, X3000 is a classical mineral oil while X1000 is prepared in HTBL. The strength lies that ZIC uses YUBASE (Group III base oil with viscosity index of 120 or higher) with blend of different additives. The use of YUBASE (refined base-III) results in maintaining better viscosity than any other engine of low quality base oil. The enhanced viscosity improver used in ZIC provides ultimate long term protection to diesel engines vehicle. The hydrocarbon grading in DEO such as CI-4, CH-4 and CF-4 is given by American Petroleum Institution which shows the chemical strength of additives. As most of lubricant products in Pakistan are HVI but ZIC has a competitive advantage of offering VHVI technology resulting in engine protection, long oil change intervals and fuel efficiency.


X1000-20W-50
(Economy)


X7000-10W-40
(Synthetic)


X3000-20W-50
(Classic)


SUPER A


X7000-15W-40
(Synthetic)


X7000-10W-40
(Synthetic)


G-5-85W-140


X5000-15W-40

INDUSTRIAL **PRODUCTS**

- ZIC Coolants have high quality long life for radiators that (ethylene glycol based) provides outstanding performance in all cooling systems. ZIC coolants are pre-diluted for customer's convenience mixed (50:50) with water and ethylene glycol.
- ZIC Vega series is a high quality hydraulic oil providing semi anti-wear performance coupled with excellent oxidation stability. It has great low temperature performance by applying SK's proprietary technology, VHVI Tech and holds its viscosity under high temperature operating conditions.
- ZIC Dexron is fully synthetic ATF engineered with SK's proprietary VHVI Tech and advanced additive technology. It meets all the stringent requirements of all kind of automotive transmission requirements and is fully backward / serviceable.
- ZIC Super Gear EP Series is premium quality extreme pressure gear oils. They contain Sulfur / Phosphorous extreme pressure additive system giving load carrying ability and protection against wear. In addition, these oils provide excellent protection against corrosion of steel and copper containing alloys.
- SK Super Freeze refrigeration oil series is made from high quality naphthenic base stock and high quality additive package which is intended to be used in refrigeration compressors.
- SK Super Compressor oil series is formulated from premium quality, high viscosity index base stock combined with selective additives to satisfy the lubrication requirements of all kind of rotary screw / rotary vane compressors used in industrial applications.
- SK Super Therm 300 is formulated from high quality base stock with advance additive package system which provides high stability when heated for heat transfer applications.
- SK Super Brake Fluid is a high quality brake fluid providing outstanding performance for all hydraulics brake systems.
- ZIC Royal Grease series is multipurpose lithium soap-thickened grease available in NLGI grades 0, 1, 2, and 3, formulated with paraffinic mineral oil base oils, and also containing additives to control oxidation and rust formation. ZIC Greases can be used in a wide range of industrial and automotive applications, where there is no requirement for load-carrying properties.

Industrial oil



Compressor P Series
Super Therm 300
Super Gear 8P
Compressor RS
Super Freeze
Turbine

Grease



ZIC Royal Grease



ZIC Crown Grease

Hydraulic oil



ZIC VEGA



ZIC VEGA LX



ZIC G-FF-75W-85

POWER GENERATION **GEN-SET OILS**

- ZIC is composed of YUBASE (Group III base oil with a viscosity index of 120 or higher). The use of YUBASE guarantees that ZIC will maintain viscosity better than any other Oil of which viscosity index is artificially enhanced by viscosity index-enhancing agents mixed with low-quality base oil.
- ZIC Diesel Generator Engine oils provide excellent wear protection along with advance fuel economy. ZIC 7000 Power and SD 7000 are synthetic Formula lubricants which provide long drain capability, low emission with exhaust treatments for equipment like catalytic converters and DPF.



7000 Power
ZIC 7000
SD 5000
SD 3000
Natural Gas
Super Martp


ATK-07
CAPACITY-1000 KL
ATK-06

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

Wholly Owned Subsidiary of Hi-Tech Lubricants Limited

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

BLENDING PLANT

At HTBL, our state-of-the-art blending facility—fortified with contamination-free filling lines and uncompromising quality control systems—serves as the cornerstone for a reliable, uninterrupted supply of ZIC lubricants across Pakistan. Through visionary leadership and relentless execution, our recent expansion initiatives have transformed our operational landscape, elevating production capacity from 210,000 to 390,000 liters and driving unprecedented growth.

To cement this trajectory, our additive storage capacity surged over 4.5-fold, expanding from 300,000 to 1,410,000 liters to guarantee supreme operational readiness and flexibility. In a bold stride toward supply chain sovereignty, industrial lubricant blending has been fully internalized: 10 premium engine oil products and 3 advanced hydraulic products are now proudly blended locally rather than imported, fortifying rigorous quality assurance.

This transformation is anchored by powerful infrastructure upgrades, including the seamless integration of 12 high-performance pumps, 9 precision flow meters, 3 robust compressors, 7 advanced filter assemblies, 9 batch controllers, 8 dynamic agitators, 1 homogenizer, and 1 state-of-the-art in-line mixer.

Most notably, HTBL achieved a landmark milestone by attaining IATF 16949 (AQMS) certification (Certificate No. 0595864)—proudly standing as the first and only company in Pakistan to secure this prestigious global standard of automotive quality management.



HI-TECH **TESTING LABORATORY**

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







BOTTLING AND **PACKAGING FACILITY**

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






HTBL
POLYMERS
Bringing your Polymer Ideas to life

HI TECH BLENDING
PRIVATE LIMITED POLYMER SEGMENT:

HTBL is a trusted plastic manufacturing company specializing in HDPE bottles and rigid packaging solutions for the flavor/ fragrances, chemical, and food industries. With a strong focus on quality, innovation, and customer satisfaction, we work closely with our customers to transform their packaging concepts into practical, reliable, and commercially viable solutions. "Bringing Your Polymer Ideas to Life," represents our commitment to turning ideas into high-quality packaging products through technical expertise, modern manufacturing practices, and a customer-focused approach.





OUR PACKAGING **SOLUTIONS**

At HI Tech Blending, we understand that every industry has unique packaging requirements. Our expertise in HDPE bottle manufacturing enables us to provide rigid packaging solutions designed to meet diverse product, functional, and application requirements.
We serve customers across:

- Flavor Industry
- Chemical Industry
- Food Industry
- Industrial & Specialty Applications

Our objective is not simply to manufacture bottles, but to develop packaging solutions that add value to our customers' products and businesses.



BUILDING STRONGER **BUSINESS CONNECTIONS**

As part of our commitment to market development and customer engagement, HI Tech Blending has actively participated in leading industry exhibitions. These platforms have provided us with opportunities to showcase our capabilities, understand emerging market requirements, and connect with potential customers and industry professionals.

Our exhibition journey includes:

3P Pakistan – September 2025
Our participation in 3P Pakistan marked an important step in expanding our market presence and introducing our packaging capabilities to a wider audience.

Pakistan Coating Show – April 2026
Our second major exhibition participation strengthened our connection with the chemical and coating sector and helped us explore new business opportunities.

IFTECH – June 2026
At IFTECH, we further expanded our industry exposure and engaged with businesses looking for reliable and efficient packaging solutions.









GROWING THROUGH **INNOVATION & RELATIONSHIPS**

Every exhibition, customer interaction, and new project contributes to our journey of continuous improvement. The new customers gained through these industry platforms represent more than business growth—they reflect the trust customers place in our products, capabilities, and commitment.

At Hi-Tech Blending, we believe sustainable growth comes from building long-term partnerships, understanding customer requirements, maintaining consistent quality, and continuously improving our products and services.

Hi-Tech Blending is more than a plastic bottle manufacturer. We are a packaging solutions partner, committed to transforming polymer concepts into products that support our customers' brands and businesses.

SUSTAINABILITY – **SOLAR POWER INITIATIVE**

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



STRATEGIC **VALUE CREATION**

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

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

OUTLOOK

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


HTL
STATION
MOVE

HTL FUEL **STATIONS**

HTL Fuel Stations currently operates 61 fuel stations (55 active), serving customers through fuel retail and a growing range of complementary services. Selected locations offer vehicle care through HTL Express Centres and convenience retail. The network also provides retail opportunities for ZIC lubricants, extending the Group's presence across the fuel and lubricants value chain.

HTL aims to expand its network to 250 fuel stations by 2030, subject to site development and commercial approvals. The planned expansion focuses on Punjab and Khyber Pakhtunkhwa, with entry into Sindh also envisaged. Alongside the dealer network, HTL plans to develop Company-Owned, Company-Operated (COCO) sites, drawing on its experience at the Gulberg flagship station. The Company is also evaluating EV charging and other alternative energy services for suitable locations.

Network expansion is expected to create opportunities for dealers, forecourt teams and service providers in the communities HTL serves.
During the year, HTL focused on maintaining product availability across its network amid regional uncertainty and supply disruptions.

DIGITAL **TRANSFORMATION**

HTL is working to digitalise its retail network and storage operations through its Retail Network Management Platform (RNMP). The initiative is intended to improve visibility of stock and operations from depot to forecourt, strengthen controls and support more timely decisions as the network expands.

OIL STORAGE **DEPOTS**

HTL's depots at Sahiwal and Nowshera support fuel supply in Punjab and Khyber Pakhtunkhwa. Their current combined storage capacity is 7,000 MT. The depots apply safety, environmental and product quality procedures from receipt through dispatch to support dependable operations.
The planned Punjab storage expansion and proposed Daulatpur depot in Sindh are intended to support future network growth. Upon completion, the projects are expected to raise combined storage capacity to more than 14,000 MT and extend HTL's supply reach into additional markets. Project timing and final capacity remain subject to execution.









HTL EXPRESS **CENTERS**

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

Equipped with advanced diagnostic tools, the Centers enable preventive maintenance and long-term vehicle durability, reflecting HTL's commitment to international service standards. As of June 30, 2026, the Company operates 21 Express Centers – 13 in the Central region, 7 in the South and 1 in the North. In addition, Express Centers are also located at dealer-operated HTL Fuel Stations, offering customers the convenience of fuelling, retail shopping, and vehicle maintenance at a single destination.











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

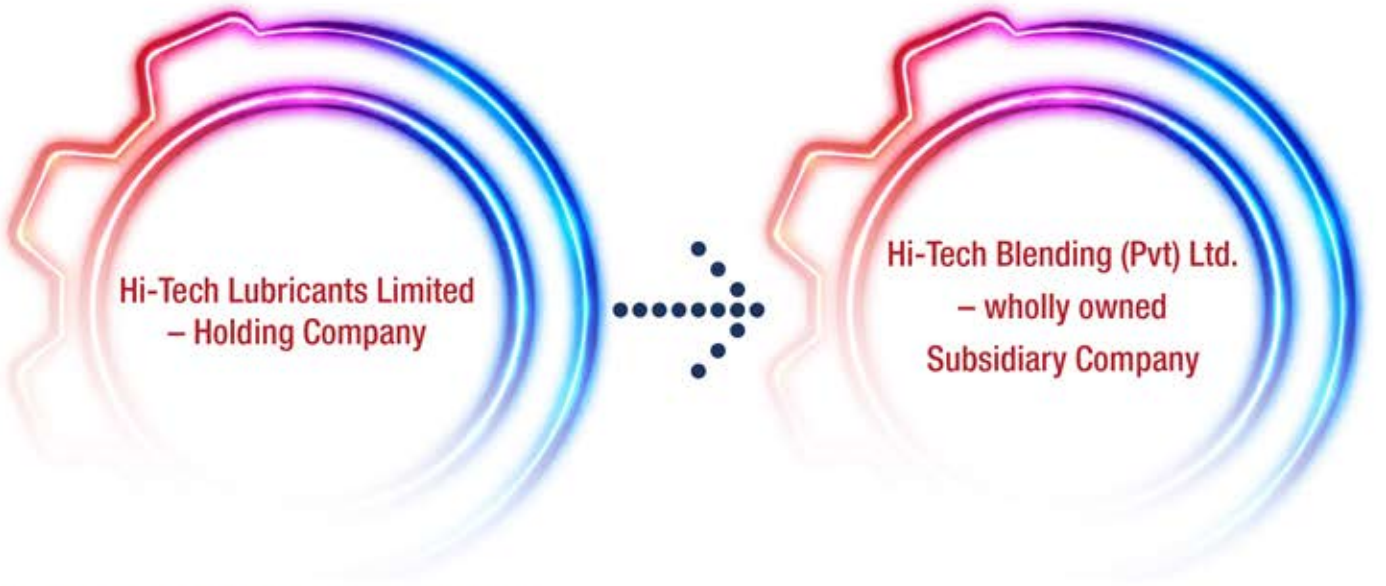
Hi-Tech Lubricants Limited (HTL) is a part of the Hi-Tech Group, which currently comprises two companies:

Hi-Tech Lubricants Limited

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

Hi-Tech Blending (Private) Limited (HTBL)

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



Foreign Holding / Subsidiaries

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

Significant Change from Prior Year

There has been no significant change in the ownership or operating structure of the Company during the year ended June 30, 2026.



HTL LIMITED
HI-Tech Lubricants Ltd



KOREA'S NO.1

SK ZIC

PERFORMANCE WITH FUEL ECONOMY

MARKETING **EXCELLENCE**

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



Brand



*AS PER KOREAN BRAND POWER INDEX
*TERMS & CONDITIONS APPLY



KOREA's No 1 Brand (Mannequins on hoardings — attention-led OOH Campaign)

To break through the clutter of conventional outdoor advertising, ZIC introduced an unconventional 3D OOH execution featuring physical mannequins placed on hoardings, supported by the campaign message "Korea's No. 1." The unexpected visual element immediately captured the attention of consumers on the move, encouraging them to pause, look again, and engage with the communication.

The simplicity and novelty of the execution generated significant curiosity, conversation, and social media buzz, extending the campaign's impact beyond its physical placements and creating additional organic visibility for the brand. The initiative demonstrated ZIC's ability to challenge conventional OOH formats with simple yet distinctive creative ideas that drive attention, engagement, and brand visibility, while reinforcing its positioning as Korea's No. 1.











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



ZIC Lifts Up Your Engine — OOH Campaign

To communicate the performance benefit of a ZIC engine oil change in a simple and engaging manner, ZIC launched the "ZIC Lifts Up Your Engine" OOH campaign. Building on the insight that an engine feels lighter and runs more smoothly after an oil change, the campaign used a distinctive visual metaphor of neon-green balloons lifting engine-shaped cut-outs.



The campaign was introduced through a curiosity-led pre-hype message, "Aur kaisi chal rahi hai? Bhari?", before revealing the core idea. The activation was extended across malls, roundabouts, and consumer engagement stations, with QR-based contests offering chances to win free fuel. Branded balloons distributed to children further extended the campaign's visibility into homes.





Through its playful and unconventional execution, the campaign transformed a technical product benefit into a memorable consumer experience, driving attention, engagement, and brand recall across multiple touchpoints





ANNUAL DISTRIBUTION
CONFERENCE-CELEBRATING 30 YEARS OF ZIC IN PAKISTAN

Marking 30 years of ZIC in Pakistan, the Annual Distribution Conference brought together our key distributors for a two-day celebration at PC Muzaffarabad, with the entire property exclusively acquired for the event.

Designed to recognize and appreciate our distribution partners, the conference went beyond a traditional business gathering to create a premium and engaging brand experience. From luxurious accommodation and hospitality to entertainment and interactive activities, every element was curated to make our distributors feel valued and celebrated.

A key highlight was the ZIC Games, featuring a series of fun and competitive Minute-to-Win-It challenges. Participants earned ZIC Coins through their performance, with the accumulated coins unlocking a range of exciting gifts—turning engagement into a rewarding and memorable experience.

The celebrations culminated in a magical Qawali night, bringing everyone together through music, culture, and shared celebration. The event successfully combined recognition, entertainment, and brand engagement, reinforcing ZIC's strong relationship with its distribution network while commemorating three decades of the brand's journey in Pakistan.













STRENGTHENING CHANNEL **PARTNERSHIPS THROUGH AN ELEVATED MALAYSIA & THAILAND EXPERIENCE**

Recognizing the vital role of channel partners in driving business growth, HTL ZIC hosted an international incentive trip to Malaysia for over 100 valued partners, designed to recognize performance, strengthen relationships, and deepen brand engagement.

The experience featured premium hospitality, seamless travel arrangements, coordinated transfers, and a curated itinerary covering Kuala Lumpur's iconic landmarks, Sunway Lagoon, and Genting Highlands. Accommodation at Berjaya Times Square further enhanced the overall experience.

Brand integration was thoughtfully incorporated through customized HTL ZIC apparel, personalized room table tops, and bespoke in-room branding, creating a cohesive and memorable brand experience.

The initiative received strong appreciation and positive feedback, reinforcing channel loyalty and demonstrating HTL ZIC's commitment to building lasting partnerships through meaningful experiences.









International Customer Incentive Trip – Phuket

ZIC hosted an international incentive trip to Phuket for over 150 participants, including Sales and OMC teams, key customers, and retailers, as part of its commitment to strengthening relationships and driving brand engagement.

Participants stayed at the Marriott Hotel, Patong Beach, and enjoyed a curated itinerary featuring iconic landmarks, local cuisine, recreational activities, and networking opportunities.

ZIC created a strong and consistent brand presence throughout the journey through branded luggage tags and strategic branding across restaurants, water parks, and an entire ferry. These high-impact touchpoints ensured distinctive visibility, particularly alongside competing brands on the same flight. The programme received exceptionally positive feedback and high customer satisfaction, strengthening loyalty and stakeholder relationships. Its success also prompted the Sales team to begin planning the next incentive programme within the same week of returning.



WOMEN'S DAY - **WOMEN EMPOWERMENT DVC**

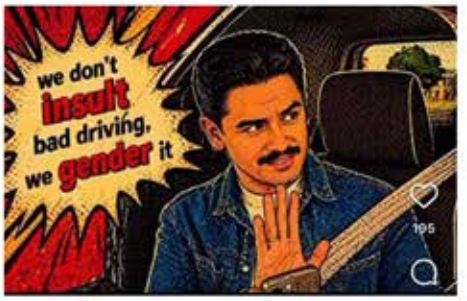
For Women's Day, ZIC launched a Women Empowerment DVC built around a thought-provoking social insight: while women are often stereotyped or discriminated against when it comes to driving, their contribution to society extends far beyond the road. Women consistently perform across countless roles—as breadwinners, caregivers, doctors, professionals, and pillars of support within their families and communities.

The campaign challenged these perceptions by highlighting the strength, capability, and everyday performance of women. At its core was a simple brand truth: ZIC is all about performance—and performance does not discriminate.

By connecting the brand's performance credentials with a meaningful social message, the DVC resonated strongly with audiences and generated significant traction and conversation across social media, creating positive engagement and amplifying ZIC's voice around women's empowerment.







STRATEGIC RETAIL EXPANSION **& HIGH-IMPACT BRAND ACTIVATIONS ACROSS TOUCH POINTS**

At HTL ZIC, we recognize that a robust retail network paired with strategic visibility platforms is fundamental to building brand equity and driving consumer purchase decisions across Pakistan. Over the years, we have consistently scaled our retail footprint, achieved steady year-on-year growth and reinforced our presence across high-traffic locations like oil change hubs and service centers. To maximize this expanding network, we aggressively deploy high-impact in-shop branding assets, including custom shop boards and prominent in-store displays. These initiatives position the brand directly at the point of purchase, significantly enhancing consumer brand recall while simultaneously elevating the market presence and commercial identity of our retail partners. Complementing this commercial retail expansion, HTL ZIC strategically activated key transport hubs (truck addas) in Lahore and Sargodha as durable, long-term transit media platforms. This initiative transformed high-frequency transport environments into continuous marketing touchpoints through resilient, hand-painted wall murals. By embedding public safety messages directly into the vibrant artwork, the activation successfully blends localized brand communication with corporate social responsibility. This unified approach delivers sustained brand exposure, fosters goodwill, and deepens our connection with truck drivers, transporters, mechanics, and local retailers. Through this combined strategy of aggressive retail distribution growth and targeted transit activations, HTL ZIC continues to build a wider, highly effective commercial footprint that delivers long-term value nationwide.








جان ہے تو
جہان ہے
ZIC
SK
ZIC
ڈلواؤ ڈیزل
بچاؤ
ٹریفک قوانین کی
پابندی کریں
FOLLOW TRAFFIC
RULES - DRIVE SAFE
STOP AT
RED LIGHT

RAMADAN HAMPERS: NURTURING **COMMUNITY CONNECTIONS AND STRENGTHENING BRAND AFFINITY**

Every Ramadan, HTL ZIC carries forward a tradition of giving back by extending thoughtful support to the people and partners who form an integral part of our wider community. Through the distribution of Ramadan Ration Hampers at our distribution centers and retail oil change locations across Pakistan, we turn the values of generosity and solidarity into meaningful action, bringing the ZIC family closer during this special time of the year.

The initiative reflects our belief that a strong brand is built not only through products and performance, but also through the relationships it creates and the communities it touches. By providing essential support during Ramadan, HTL ZIC creates moments of appreciation and connection with our retail partners, influencers, and industry stakeholders, strengthening the relationships that continue to contribute to our journey and encouraging a shared association with the values ZIC stands for.

Through these efforts, HTL ZIC continues to extend its role beyond the marketplace. Our Ramadan initiative reflects a commitment to being a brand that gives back, values its people, and remains connected to the communities around it—reinforcing trust, goodwill, and a sense of belonging while creating an enduring impact that extends well beyond the holy month.











GEOGRAPHICAL **PRESENCE**

A nationwide footprint ensuring accessibility and customer service across Pakistan. For detailed geographical presence, refer to Note 1.1 of the Unconsolidated Financial Statements.

129 Distributors

21 Express Centers

61 Fuel Stations (55 active)

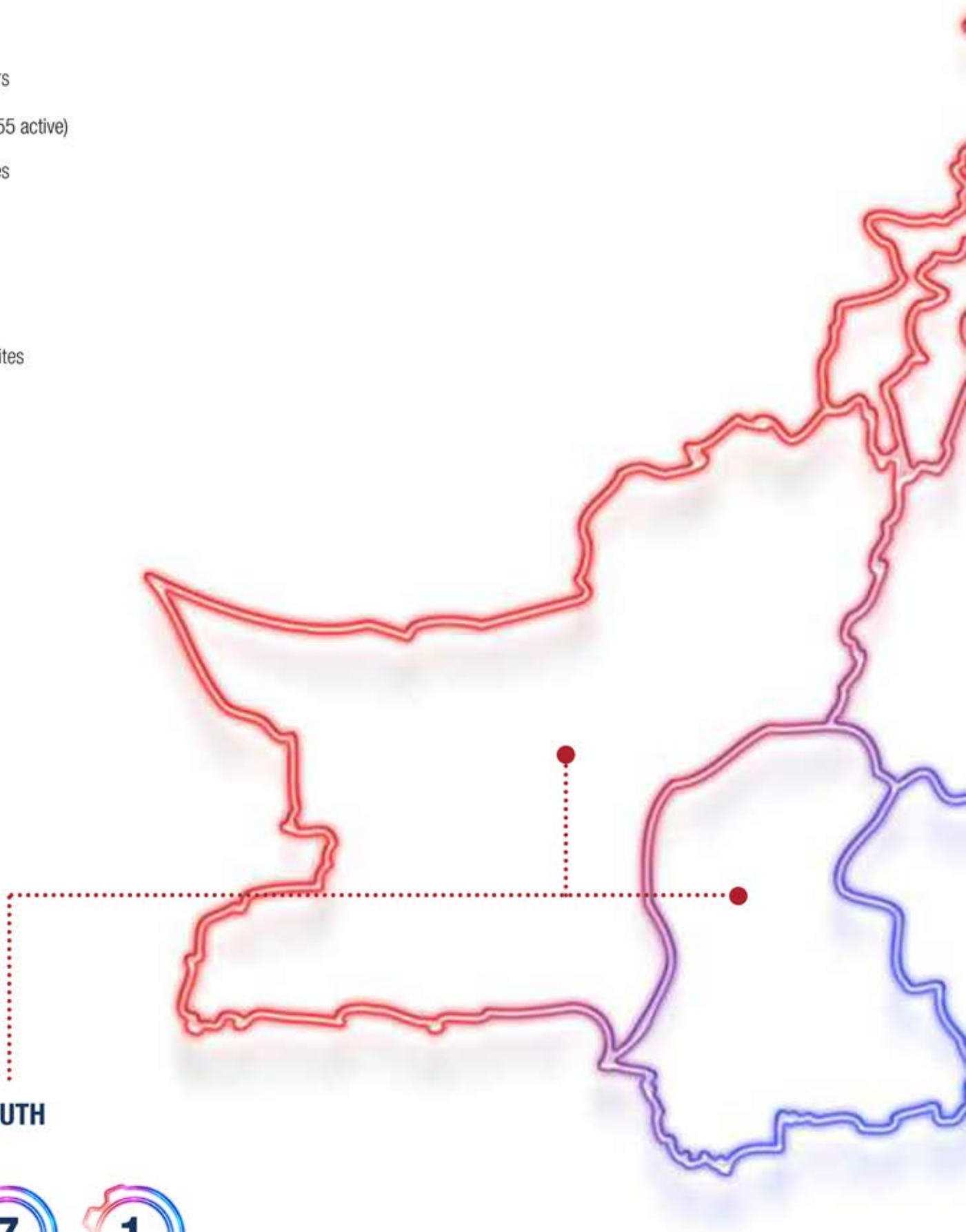
04 Regional Offices

03 Warehouses

02 Oil Depots

01 Head Office

01 OMC Project Sites

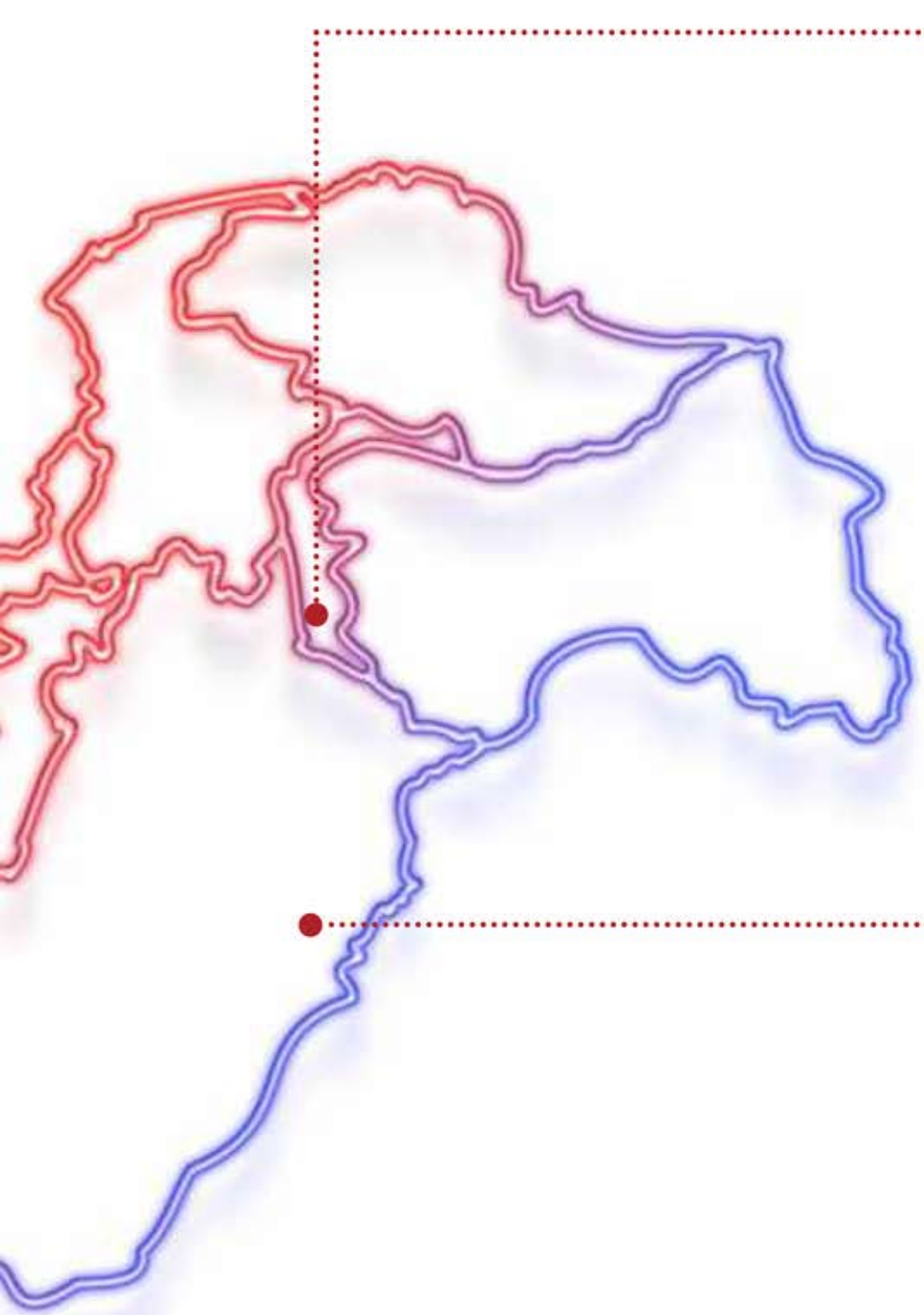


SOUTH

35 Distributors

7 HTL Express Centers

1 Regional Offices



NORTH

39 Distributors

1 HTL Express Centers

33 HTL Fuel Stations (27 active)

2 Regional offices

1 Oil depot

CENTRAL

28 HTL Fuel Stations

55 Distributors

13 HTL Express Centers

1 Registered and Head Office

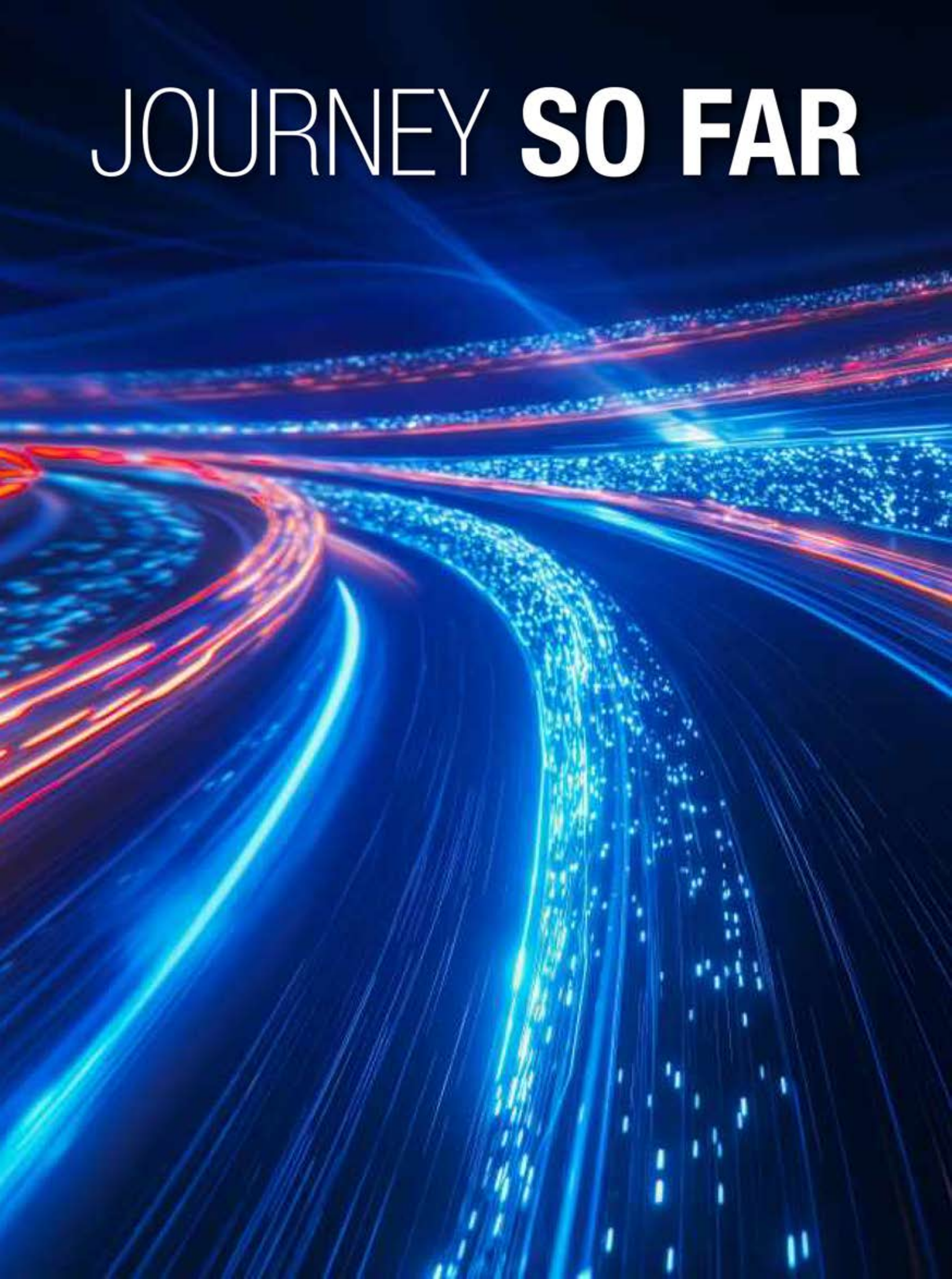
1 OMC Project Office

1 Regional Offices

3 Warehouses

1 Oil Depot

JOURNEY **SO FAR**



1997 BUSINESS **ESTABLISHED**

- In March 1997, Hi-Tech Lubricants (HTL) started its journey as an Association of Persons (AOP). The main business was to import the lubricants from YU Kong Ltd. (now known as SK Lubricants Ltd.) and market the same in Pakistan.

2000 EXPANSION **YEAR**

- After the struggle of three (03) years, HTL succeeded to create its brand name in the lubricants industry, hence expanded its distribution network in other cities of Pakistan.

2006 CUSTOMIZED **ERP IMPLEMENTATION**

- In the year 2006, HTL purchased customized ERP Software and Online Customer Web Portal. This customized ERP software helped HTL to record and support its business activities.

2007 ESTABLISHMENT OF **SEPARATE PRODUCT SEGMENTS**

- In order to boost sales revenue, HTL introduced Mid-Tier products. This establishment of new product segment and separate reporting lines helped HTL to focus deeply on both the categories through a dedicated sales force.

2010 ISO **CERTIFICATION**

- In 2010, HTL got ISO 9001:2008 certifications to ensure excellent quality management system.

2011 CONVERSION OF AOP **INTO PUBLIC UNLISTED COMPANY**

- In 2011, HTL management decided to go one-step further and got a status of a Pvt Ltd. company by fulfilling the legal requirements. In the same year, HTL got converted into a public unlisted company.

2013 INVESTMENT **IN BLENDING PLANT**

- In 2013, HTL devised the strategy of diversification and decided to invest in a wholly owned subsidiary, Hi-Tech Blending (Pvt.) Limited (HTBL), a state of the art blending plant in Bhai Kot adjacent to Sunder Industrial Estate, Lahore.

2014 IMPLEMENTATION ORACLE **FINANCIAL AND BUSINESS INTELLIGENCE TOOLS**

- In 2014, HTL implemented Oracle software and Business Intelligence Tool for its core business operations. This implementation was completed in a record time of 6 months.

2016 TAKING HTL **TO CAPITAL MARKETS**

- In 2016, HTL stepped into capital markets through an Initial public Offering (IPO). HTL issued 29,001,000 ordinary shares of Rs.10 each.

2017 COMMENCEMENT OF HTL **EXPRESS CENTERS (RETAIL SERVICES)**

- In 2017, HTL launched a new project named "HTL Express" and established its first retail center at Dharampura, Lahore.

2020 PETROLEUM **SEGMENT OPERATIONS**

- Start of marketing and sale of petroleum products through HTL Fuel Stations in Punjab Province
- Successfully implemented Oracle system for petroleum segment operations

2021 ENTRANCE INTO **PLASTIC PACKAGING INDUSTRY**

- Successful completion of Oil Storage Facility situated at Nowshera, Khyber Pakhtunkhwa Province.
- Started expansion of HTBL's blending facilities.
- Through HTBL, entrance into plastic packaging industry by venturing into the production of plastic products for external customers.

2023 POLYMER SEGMENT **OPERATIONAL**

- Successfully started Polymer Segment Operations through Hi-Tech Blending (Pvt) Ltd-wholly owned subsidiary company
- Received formal authorizations from OGRA to commence operations at its storage facility situated in Nowshera, KPK Province.
- Received permission from OGRA to initiate the sale and marketing of petroleum products through a network of thirty-five HTL Fuel Stations in Khyber Pakhtunkhwa Province.

2024 DIGITAL **TRANSFORMATION**

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

2025 STARTED LOCAL **PRODUCTION**

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

2026 STRATEGIC **GROWTH INITIATIVES**

- The Board approved the rearrangement of the Polymer business segment into a separate entity, subject to all regulatory approvals (July 2026).
- Acquired a new site at Daulatpur for the Company's next oil storage facility (August 2026).

CALENDAR OF **MAJOR EVENTS**

24 OCT 2025
17th Annual General Meeting
Held at LCCI Lahore and via Zoom; shareholders approved all agenda items including FY 2025 accounts and related party transactions.

27 OCT 2025
Board meeting – Q1 results
Approval of un-audited accounts for the quarter ended 30 September 2025.

14 DEC 2025
Corporate Briefing Session
Corporate / analyst briefing on FY 2025 results held for shareholders and analysts.

30 DEC 2025
OGRA licence extension
OGRA extended the Company's provisional OMC licence up to 31 December 2027.

16 FEB 2026
Long-term financing
Group obtained new long-term financing of Rs. 500 million for projects.

25 FEB 2026
Board meeting – half-year results
Approval of reviewed accounts for the half year ended 31 December 2025.

27 APR 2026
Board meeting – Q3 results
Approval of un-audited accounts for the quarter ended 31 March 2026.

13 JUN 2026
Disposal of non-core assets
Disposal of land held for sale (Rs.250 million proceeds) and of the Shikarpur storage facility.

30 JUN 2026
Financial year end
55 active fuel stations and 21 HTL Express Centres in operation.

10 JUL 2026
Polymer segment rearrangement
The Board approved the rearrangement of the Polymer business segment into a separate entity, subject to all regulatory approvals.

12 AUG 2026
Daulatpur site
Acquisition of a new site for an oil storage facility.

18 SEP 2026
Board meeting – annual results
Approval of FY 2026 audited accounts and recommendation of final cash dividend of Rs. 1.15 per share (11.5%).



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 On Co., Ltd.)
Non Executive Director

SENIOR **MANAGEMENT**

Chief Financial **Officer**

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

Company Secretary & **Chief Compliance Officer**

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

External **Auditors**

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

Share **Registrar**

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

Legal **Advisor**

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

Stock **Symbol**

HTL

Registered **/ Head Office**

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

REGIONAL **OFFICES**

Karachi **Office:**

Bungalow No. F-4/1, Block-4, KDA Scheme No. 5,
Kehkashan, Clifton, Karachi
Phone: +92-21-35290674

Islamabad **Office:**

Pak Land Tower 2, Unit #501, 5th Floor,
New Blue Area, Islamabad
Phone: +92-51-2813054

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

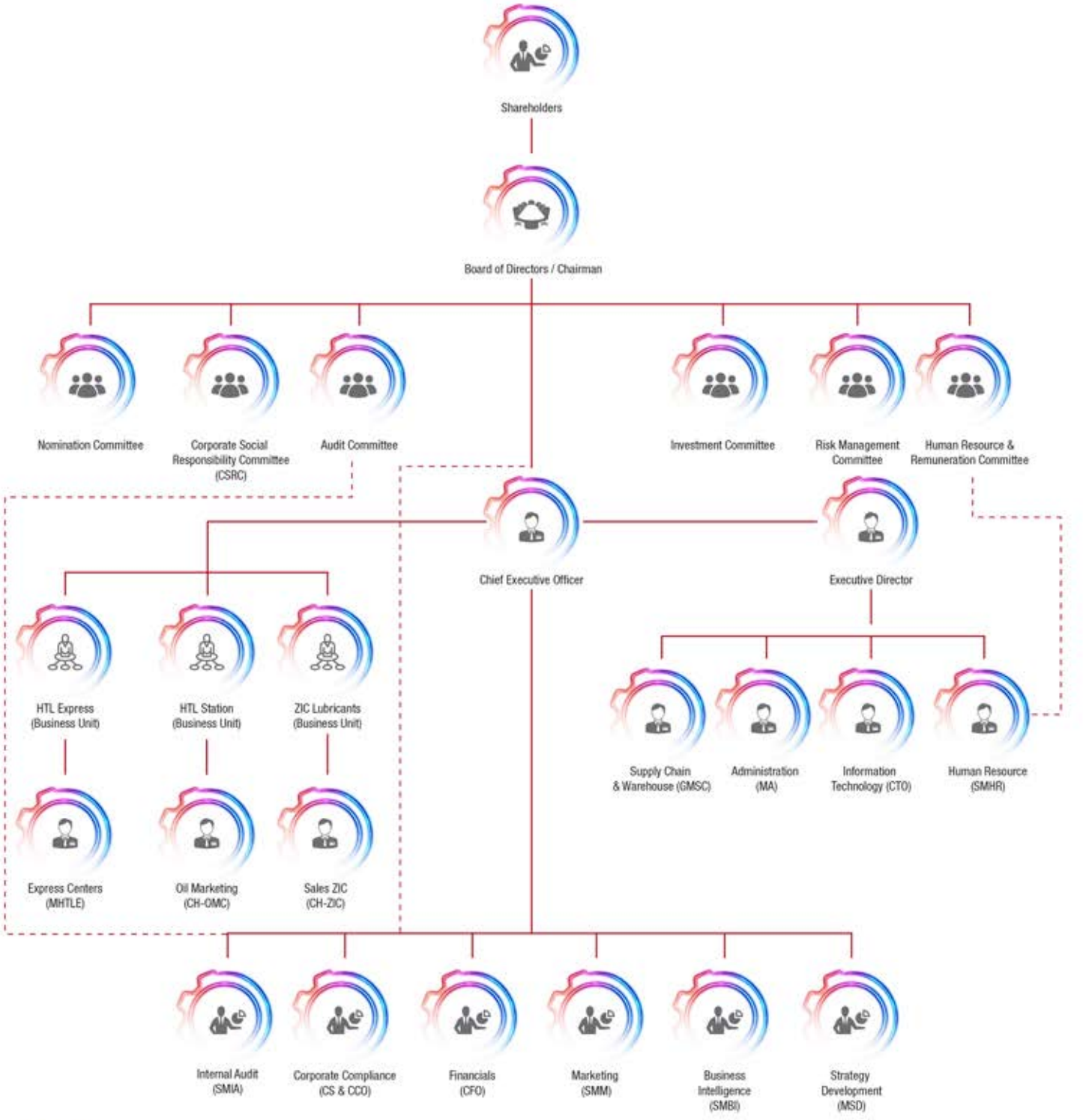


BANKERS

Soneri Bank
Meezan Bank The Premier Islamic Bank
Bank Alfalah


HTI

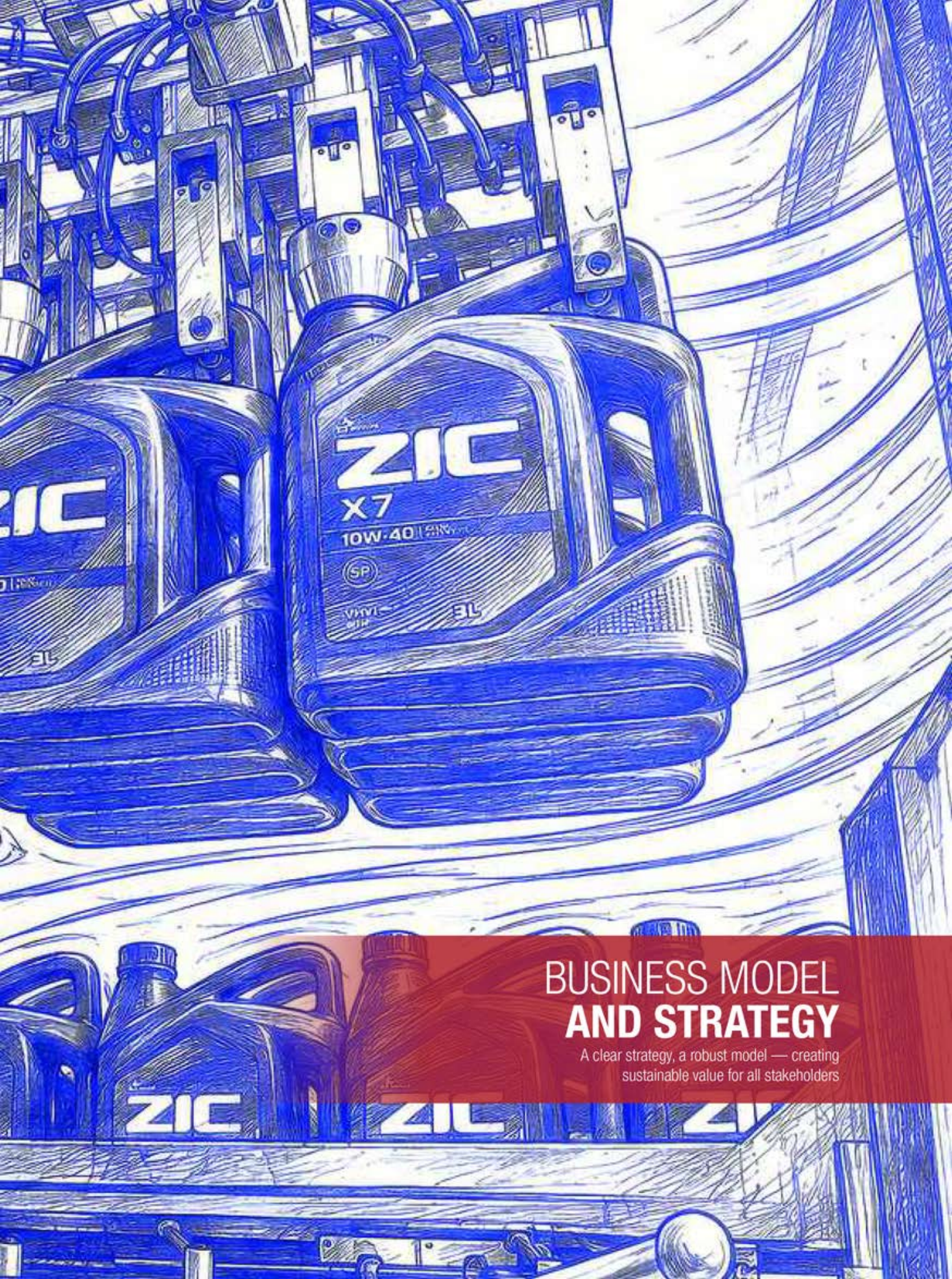
ORGANIZATIONAL **STRUCTURE**



LEGEND

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


ZIC
X7
10W-40
ZIC
ZIC
ZIC
ZIC



BUSINESS MODEL **AND STRATEGY**

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

BUSINESS **MODEL**

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

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

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

BUSINESS SEGMENTS **OVERVIEW**

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

OUTPUTS LINKED TO **STRATEGIC OBJECTIVES**

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

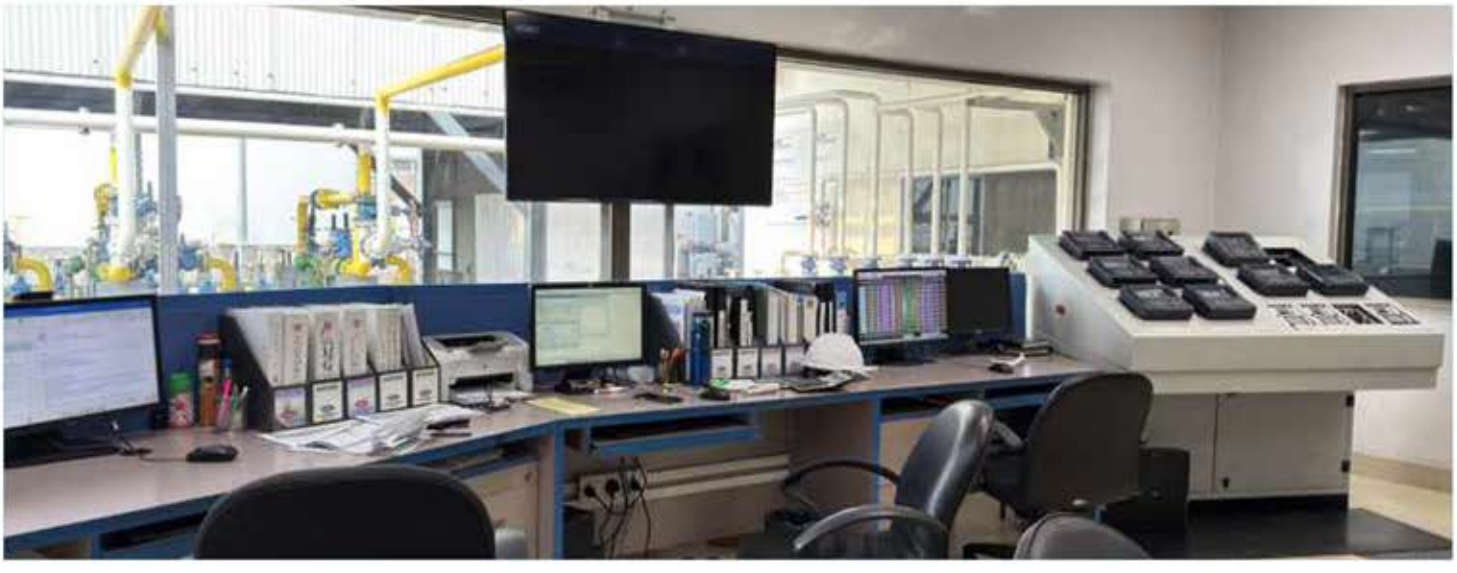
SUSTAINABILITY AND **ESG INTEGRATION**

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

MATERIAL CHANGES **IN FY 2026**

HTL's business model remained unchanged in FY 2026. The benefits of the local-blending model introduced in FY 2025 came through fully, and the Company reshaped its storage infrastructure:

Aspect	FY 2025	FY 2026	Impact
Local blending (SK On Co., Ltd.)	Scale-up started	First full year; most of portfolio blended at HTBL	Lubricants gross margin 26.1% (24.4%)
Storage infrastructure	Shikarpur facility under construction	Shikarpur disposed; Daulatpur site acquired after year end	Better-located storage for network growth
Polymer segment	Loss-making	Profitable (PBT Rs. 106 million)	Diversified earnings



LUBRICANTS **SEGMENT VALUE CHAIN**



Finished Product is imported from SK Lubricants in ISO sealed containers for few Products

Bottles and caps are manufactured under controlled environment at HTBL

Local Blending with Imported Additives

The product is then filled in Bottles and packed at HTBL with 99% automation

Up Stream

Mid Stream

Manufacturing

Regions

North

Center

South

Baluchistan

Retail Network

Down Stream

PETROLEUM **SEGMENT VALUE CHAIN**



Refinery

Import

Up Stream

Purchase of HSD

Pipeline System

Tank lorry

Mid Stream

Purchase of PMG

Tank lorry

Reporting at Government depot

Down Stream

Decanting at Sahiwal & Taru Jabba Depots

HTL Fuel Station

The sealed cartons are then distributed nationwide

HTL Fuel Station

HTL Express Centers

Nationwide Distribution Network

Mid Stream

Sales Funnels

100% Imported by HTL from SK Lubricants

Finished product in Packed cartons

Handlers

Oil Changers

Zic Authorised shops

Car Wash/Service Stations

Retail Network



POLYMER **SEGMENT**

Raw Material

Up Stream

Manufacturing

Mid Stream

Output for External Customers

Down Stream

STRENGTHS



1. Integrated supply chain through HTBL.
2. Local blending capabilities enhancing cost efficiency and product customization.
3. Strategic partnership with SK On Co., Ltd.
4. Extensive nationwide distribution network: 129 distributors, 21 Express Centers, 55 fuel stations.
5. Strong brand recognition and recall for ZIC, with presence in over 12,000 outlets.
6. Diversified segments including polymer operations through HTBL.
7. Premium quality products.
8. Visionary top management.
9. Healthy and growing customer base.

WEAKNESSES



1. Low industrial sales
2. Dependence on promotional schemes
3. Limited international export presence

OPPORTUNITIES



1. Expansion of HTL Fuel Stations, especially in Khyber Pakhtunkhwa
2. Growth in retail through HTL Express Centers franchise model
3. Exploration of export markets with SK On support
4. Polymer segment growth through HTBL
5. Technological innovation and digitalization

THREATS



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

PESTEL AND SEASONAL **VARIANCE ANALYSIS**

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

SEASONAL **VARIATION**

CONTEXT **(EXTERNAL ENVIRONMENT)**

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

HTL RESPONSE **(STRATEGIC ACTION)**

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



STRATEGIC OVERVIEW AND RESOURCE ALLOCATION

EXECUTIVE SUMMARY

In FY 2026, HTL consolidated the strategic foundations laid in previous years across its Lubricants, Polymer and Petroleum Product segments and the HTL Express franchise network, and returned to profitability in every quarter.

Key highlights include the first full year of local blending in partnership with SK On Co., Ltd. (formerly SK Enmove Co., Ltd.), which lifted lubricant margins; the Polymer segment becoming profitable; 55 active fuel stations and 21 HTL Express Centres in operation; the disposal of non-core assets and acquisition of a new storage site at Daulatpur; and continued preservation of IPO funds for petroleum infrastructure, pending regulatory approvals.

STRATEGIC OBJECTIVES AND RESOURCE ALLOCATION

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

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



RESOURCE **ALLOCATION**

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

CAPABILITIES AND **SUSTAINABLE COMPETITIVE ADVANTAGE**

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

STRATEGIC **FRAMEWORK**



STAKEHOLDER **VALUE CREATION:**

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

STAKEHOLDER **VALUE CREATION**



MARKET AND **PRODUCT DEVELOPMENT**

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

MARKET AND **PRODUCT DEVELOPMENT**





FACTORS AFFECTING STRATEGY **AND RESOURCE ALLOCATION**

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

KEY PERFORMANCE **INDICATORS**

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

ALIGNMENT WITH **MISSION AND VISION**

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

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

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

BOARD **STATEMENTS**

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




ZIC
X7
10W-40
ZIC
X7
ZIC

RISKS AND **OPPORTUNITIES**

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

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

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



PRINCIPAL RISKS **AND UNCERTAINTIES**

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

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

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



RISK MANAGEMENT **FRAMEWORK**

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

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

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



SUPPLY-CHAIN **ESG RISKS**

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

Mitigation Measures:

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

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

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

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

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

COMPETITIVE LANDSCAPE **AND MARKET POSITIONING**

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

KEY COMPETITIVE **FACTORS**

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

LEGISLATIVE AND **REGULATORY ENVIRONMENT**

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

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

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

FUTURE **OUTLOOK**

"Hi-Tech Lubricants Limited (HTL) enters FY2027 with confidence and resilience, guided by its long-term strategic priorities of localization, operational excellence, market expansion, innovation, and sustainability. The successful execution in FY2026 — including the scale-up of local blending, disciplined growth in the Petroleum Products Segment, strengthening of the Polymer Segment, and integration of Express Centres — provides a strong platform for delivering sustainable growth and stakeholder value."

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

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

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

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

Petroleum Products Segment (Strategic Goal: Strengthen Market Footprint).
The petroleum retail network stood at 55 active fuel stations at the end of FY2026 (FY2025: 61) across Punjab, Khyber Pakhtunkhwa, Islamabad and AJK, and a new site for an oil storage facility was acquired at Daulatpur in August 2026. The segment remained profitable, positioning the business for sustainable growth. Looking ahead, the network will continue to expand steadily, subject to regulatory approvals, ensuring greater accessibility for customers.

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

Polymer Segment (Strategic Goal: Diversify & Innovate).
Since becoming operational in 2023, the Polymer Segment has continued to show encouraging momentum. With rising sales and improving margins, the segment turned profitable in FY2026 and is expected to play a greater role in HTL's diversified growth profile.

Global Outreach & EV Transition (Strategic Goal: Lead Technological Change).
Through SK On's international network spanning more than 50 regions, HTL is preparing to launch export initiatives in priority markets, including MENA. In parallel, HTL is positioned to pioneer EV-ready lubricants in Pakistan, leveraging SK On's ZIC e-FLO line in collaboration with global OEMs and Tier-1 suppliers.

STATUS OF **PROJECTS VS PREVIOUS OUTLOOK**

Commitment in 2025 Outlook	Actual Progress in FY2026
Scale up local blending and filling	First full year of blending at HTBL with SK On Co., Ltd.; Lubricants gross margin rose to 26.1% (FY2025: 24.4%) and profit before levy and taxation to Rs. 674 million.
Expand the petroleum retail network	55 active outlets at year end (FY2025: 61); segment remained profitable. New Daulatpur storage site acquired in August 2026; further expansion subject to regulatory approvals.

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

FUTURE PLANS **FOR AI ADOPTION**

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

FUTURE RESEARCH AND **DEVELOPMENT INITIATIVES**

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

SOURCES OF **INFORMATION & ASSUMPTIONS**

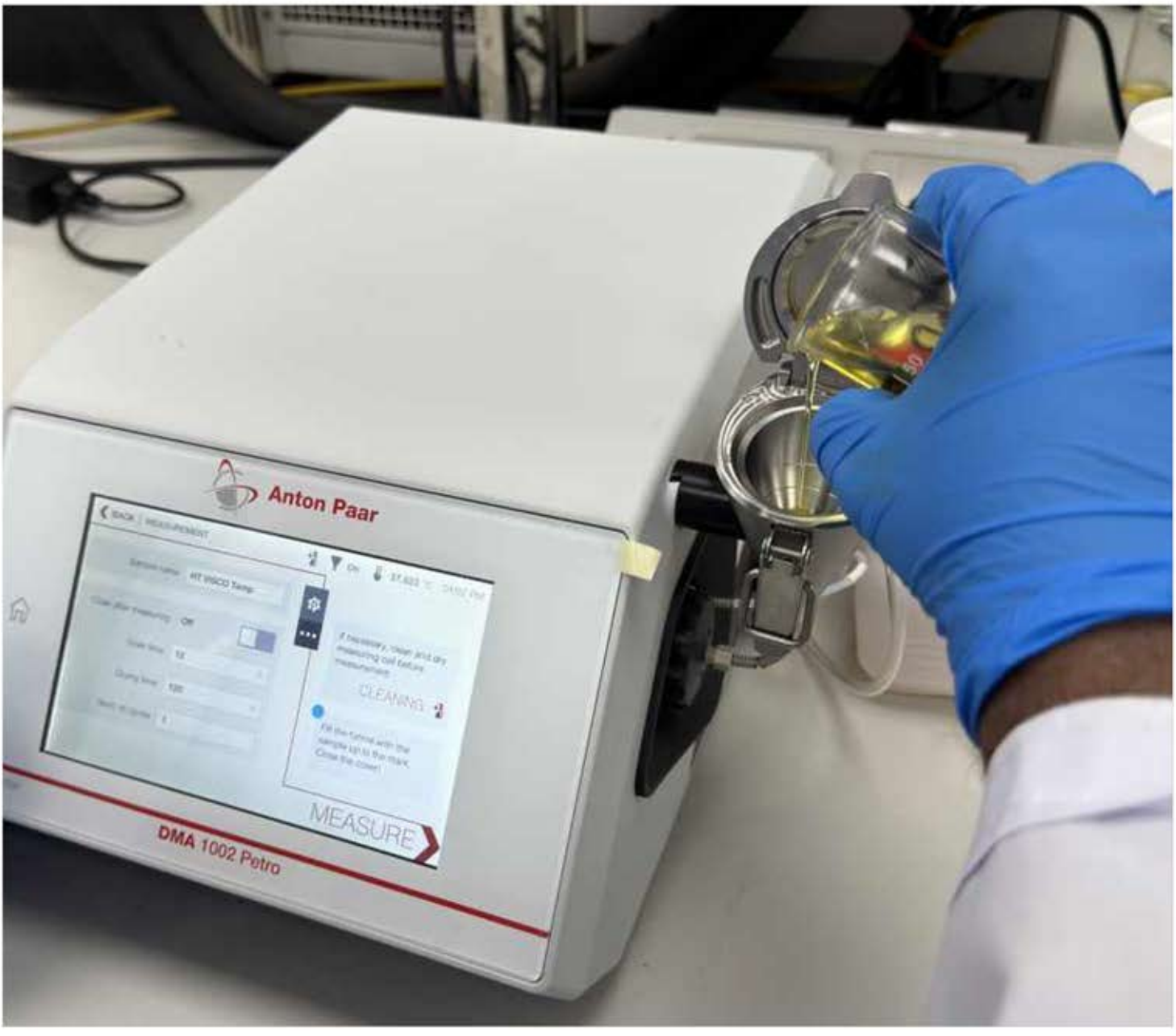
HTL's forward-looking plans are based on a robust planning and governance framework:

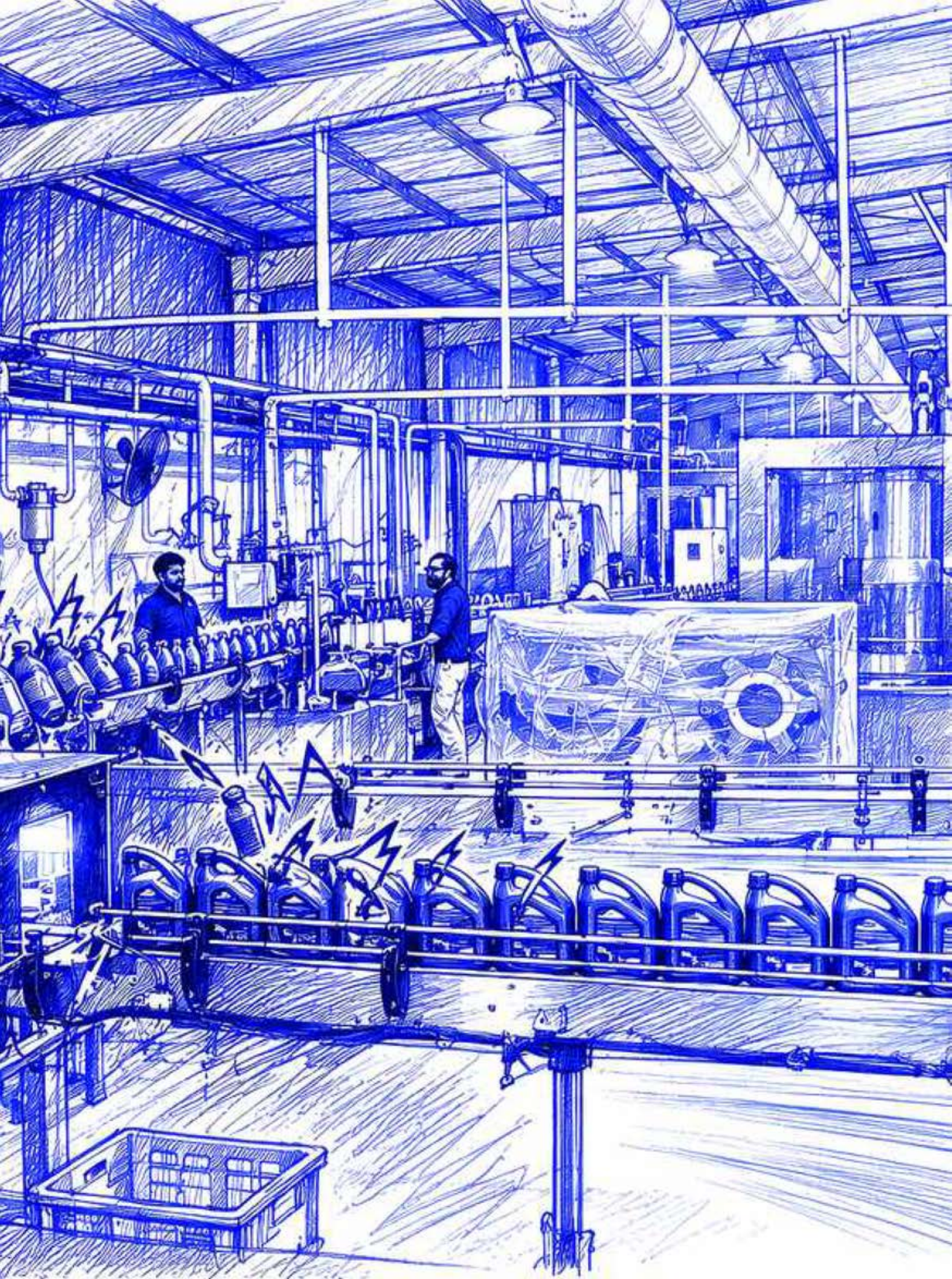
- **External sources:** Macroeconomic forecasts, monetary policy updates, and fiscal data from the State Bank of Pakistan and the Finance Division (Economic Adviser's Wing), complemented by global oil price outlooks and industry benchmarks.
- **Internal inputs:** Historical sales performance, operational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

OUTLOOK **SUMMARY**

- Local blending delivered margin uplift: Lubricants gross margin 26.1% (FY2025: 24.4%), reducing duties and conserving FX.
- Petroleum Products Segment remained profitable, with 55 active outlets and a new storage site acquired at Daulatpur.
- Polymer Segment turned profitable in FY2026, with sales up 35%; to be rearranged into a separate entity, subject to regulatory approvals.
- HTL Express Centres expanding, enhancing customer service and preventive maintenance solutions.
- Exports in preparation, leveraging SK On's global presence.
- AI adoption and R&D investments to drive innovation, efficiency, and readiness for EV transition.

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







LEADERSHIP **MESSAGES**

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



CHAIRMAN'S **REVIEW**

On the overall performance of the Company and the effectiveness of the Board for the year ended June 30, 2026

BOARD AT A GLANCE

10	3	2	6	1	Separate
Directors on the Board	Independent Directors	Female Directors	Board Committees	Nominee of technical partner SK On	Roles of Chairman and CEO

"Our aim is to build an HTL that is efficient, well governed and ready to compete in a deregulated market—creating lasting value for shareholders and every stakeholder we serve."

Dear Shareholders,

It is my privilege to present the Chairman's Review for FY2026—a year in which Hi-Tech Lubricants returned firmly to profitability on both a standalone and consolidated basis, strengthened its balance sheet and, for the first time since FY2023, recommended a cash dividend to you. These results came in a year that tested every part of our industry, and they show the value of the long-term choices your Board has made.

A YEAR OF RESILIENCE

FY2026 began with macroeconomic stability and ended with a global energy shock. For three quarters, easing inflation, a lower policy rate and improving business confidence supported demand. From March 2026, the conflict in the Middle East drove international oil prices sharply higher, domestic fuel prices reached record levels, inflation returned to double digits and the State Bank raised the policy rate to 11.5%. Fuel demand in Pakistan fell by around a fifth year-on-year in May and June, leaving industry sales for the full year broadly flat at about 16.2 million tonnes.

In these conditions, the priorities your Board set for management were clear: keep supplies uninterrupted for our customers and dealers, protect margins, control costs and preserve liquidity. I am pleased that HTL met these tests and was profitable in every quarter of the year.

THE CHANGING OIL MARKETING LANDSCAPE

Pakistan's downstream petroleum sector is entering a period of reform. During the year the Government introduced a daily petroleum pricing mechanism, and after the year end it raised dealers' margins and set June 2027 as a likely target for deregulating petrol prices. The regulator has also been asked to recommend measures on the consolidation and performance of oil marketing companies. At the same time, the regulated OMC margin has not been revised since September 2023, while stock-cover requirements, financing costs and compliance obligations have increased, and fuel smuggling continues to distort the market.

The Board's view is that these reforms will reward companies that are efficient, well capitalised, digitally enabled and trusted by their customers. HTL's strategy is designed for that future: an integrated model that combines our SK ZIC lubricant brand and local blending, a growing polymer packaging business and a retail fuel network supported by our own storage infrastructure. We will continue to engage constructively with the Petroleum Division, OGRA and the industry through the Oil Companies Advisory Council on fair margins, a level playing field and the transition to deregulation.

REVIEW OF AFFAIRS AND PERFORMANCE

The Group's net revenue grew by 12% to PKR 37.58 billion, gross profit by 19% to PKR 3.67 billion and operating profit by 51% to PKR 1.39 billion. Profit after tax rose to PKR 473 million (FY2025: PKR 102 million) and earnings per share to PKR 3.40 (FY2025: PKR 0.73). On a standalone basis, the Company earned a profit after tax of PKR 413 million (EPS PKR 2.97), a clear turnaround from the loss of PKR 319 million last year.

The strength of our integrated model was visible across the business. Local blending at Hi-Tech Blending (Private) Limited lifted lubricant margins and more than tripled the Lubricants segment's profit before levy and taxation to PKR 674 million. The Polymer segment reached profitability, as the Board expected, and our petroleum business grew revenue by 17% in a flat market. The Chief Executive Officer's Message and the Directors' Report provide further details of segment performance.

The Board is equally mindful of what needs to improve. Growth in inventories and receivables meant that operating cash flow was negative for the year, and borrowings increased. The Board has asked management to make cash conversion and working-capital efficiency a top priority for FY2027.

CREATING VALUE FOR SHAREHOLDERS

Group equity increased by 9% to PKR 6.68 billion, the break-up value per share rose to PKR 48.02 and return on equity improved to 7.1% (FY2025: 1.7%). Reflecting the return to profitability, the Board has recommended a final cash dividend of PKR 1.15 per share (11.5%), amounting to PKR 160 million. In setting the dividend, the Board balanced a fair return to shareholders with the Company's need to fund working capital and growth, and it remains committed to a sustainable dividend policy linked to earnings and cash flow.

STRATEGIC DECISIONS AND CAPITAL ALLOCATION

During the year, the Board reviewed and approved the Company's strategy, Annual Operating Plan (AOP) and major investments. Key decisions included:

- Capital expenditure of PKR 696 million across the Group, mainly in blending and polymer machinery, fuel station infrastructure and vehicles.
- Recycling capital from non-core assets, including disposal of freehold land previously held for sale and of the under-construction Shikarpur storage facility, generating PKR 485 million of disposal proceeds.
- Acquisition, after the year end, of a new site at Daulatpur for the Company's next oil storage facility, strengthening supply-chain resilience for the retail network.
- New long-term financing of PKR 500 million for the Group's projects, supported by corporate guarantees of the Company to HTBL's lenders.
- Recommendation of the final cash dividend for FY2026.

OGRA's extension of the Company's provisional OMC licence up to December 31, 2027 provides regulatory continuity for our petroleum business.

BOARD EFFECTIVENESS AND GOVERNANCE

The Board is committed to the highest standards of corporate governance in line with the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019. The Board comprises ten directors—three independent directors, five other non-executive directors (including two female directors) and two executive directors—bringing together diverse commercial, financial and industry experience, as well as the perspective of our technical partner SK On Co., Ltd. through its nominee director. The roles of the Chairman and the Chief Executive Officer are separate and clearly defined.

The Board met four times during the year and was supported by its Audit, Human Resource and Remuneration, Nomination, Risk and Sustainability, Corporate Social Responsibility and Investment Committees, each of which operated under Board-approved terms of reference. The Board devoted particular attention to strategy, the impact of the oil-price shock on liquidity, sector reforms, capital allocation, related party transactions and succession planning.

In accordance with Rule 28(1)(vi) of the Regulations, the performance of the Board, its members, its Committees, the Chairman and the Chief Executive Officer for FY2026 was evaluated internally as on 30 June 2026; the previous evaluation, for FY2025, was conducted by an independent external consultant, M/s Nazeer Shaheen & Associates. The evaluation covered the Board's composition, strategic oversight, quality of deliberations, the effectiveness of its Committees and ethical conduct. I am pleased to report that the Board and its Committees performed effectively and played a meaningful role in achieving the Company's objectives, and the evaluation provided useful insights that we are acting upon.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board maintained close oversight of the principal risks facing the Company: oil-price and exchange-rate volatility, interest-rate and liquidity risk, credit risk on receivables, and regulatory and tax developments. Supported by the Audit Committee and the Risk and Sustainability Committee, the Board reviewed the effectiveness of the internal control and risk management framework throughout the year. These reviews, the work of the internal audit function and the external auditors' unqualified opinions give the Board comfort that HTL's financial reporting, operational controls and compliance processes are sound. The Board continues to monitor tax and customs matters, including a show-cause notice received after the year end, on which management, with legal advice, is confident of a favourable outcome.

SUSTAINABILITY AND CORPORATE RESPONSIBILITY

Our responsibility extends beyond financial results. Guided by environmental, social and governance principles and the United Nations Sustainable Development Goals, the Group contributed PKR 18 million through the Sabra Hamida Trust to education, healthcare and community welfare, continued to use solar energy and promote low-emission products, and maintained a strong focus on health and safety across our sites. The Board is also overseeing the Company's preparation for sustainability and climate-related disclosures under IFRS S1 and S2.

ENGAGING WITH OUR STAKEHOLDERS

The Board values an open dialogue with shareholders, including minority shareholders. We will again hold our Annual General Meeting in a hybrid format and conduct a Corporate Briefing Session to explain our performance and strategy, and all key information is available on the Company's website.

THE ROAD AHEAD

The Board approaches FY2027 with confidence tempered by prudence. Oil prices, inflation, interest rates and the pace of sector reform will shape the operating environment, and demand may take time to recover fully from the recent price shock. Within that environment, the Board's priorities for management are clear: convert profits into cash and reduce borrowings; grow lubricant volumes on the back of local blending; scale the polymer business; expand the retail network and storage infrastructure in a measured way; and prepare HTL to compete successfully in a deregulated market. With a stronger balance sheet, a proven integrated model and a committed team, I am confident that HTL is well positioned to deliver sustainable growth and rising returns to shareholders.

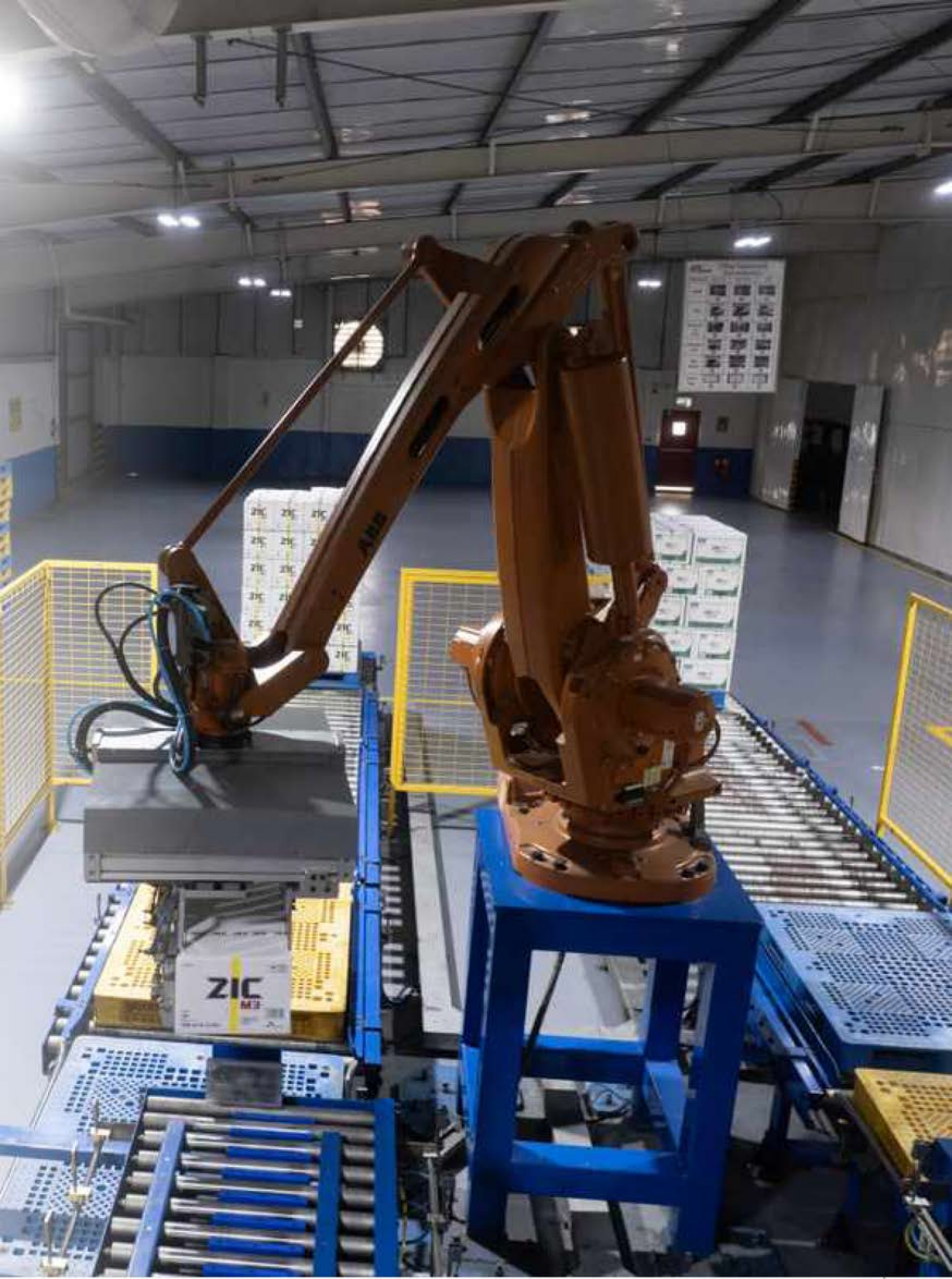
ACKNOWLEDGEMENTS

On behalf of the Board, I thank our shareholders for their continued trust, and our customers, dealers and distributors for their loyalty. I thank our technical partner SK On Co., Ltd. for its long-standing support, and our bankers, the Petroleum Division, OGRA, the Securities and Exchange Commission of Pakistan and the Pakistan Stock Exchange for their cooperation. I commend Mr. Hassan Tahir, Chief Executive Officer, the management team and all our employees for their dedication in a demanding year, and I thank my fellow Directors for their wisdom and commitment. Together, we will continue to build a stronger, more resilient and sustainable HTL.



SHAUKAT HASSAN
Chairman

Sector data: Oil Companies Advisory Council (OCAC) data as reported by brokerage houses and the financial press; economic data: Pakistan Bureau of Statistics and State Bank of Pakistan.


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CEO'S **MESSAGE**

Consolidated results for the year ended June 30, 2026

Net Revenue	Gross Profit	Operating Profit	Profit after Tax	Earnings per Share	Final Cash Dividend
PKR 37.58 bn	**PKR 3.67 bn**	**PKR 1.39 bn**	**PKR 473 m**	**PKR 3.40**	**PKR 1.15 / share**
+12%	+19%	+51%	FY25: PKR 102 m	FY25: PKR 0.73	11.5%

Dear Shareholders,

FY2026 was the year in which the investments of recent years—local blending, the polymer business and our fuel network—came together to deliver consistent profits. The Group was profitable in every quarter, net revenue crossed PKR 37.5 billion and profit after tax rose more than four-fold to PKR 473 million. I am particularly pleased that, after two years without a payout, the Board has recommended a final cash dividend of PKR 1.15 per share (11.5%).

THE OPERATING ENVIRONMENT

Economy

Pakistan's economy continued to stabilise, with provisional GDP growth of 3.7% in FY2026 (FY2025: 3.2%), a recovery in large-scale manufacturing and stronger foreign-exchange reserves under the IMF programme. The first nine months were supportive: inflation stayed within the State Bank's 5–7% target range and the policy rate was cut to 10.5% in December 2025. The final quarter was very different. The conflict in the Middle East pushed global oil prices sharply higher, headline inflation returned to double digits in April–May 2026, and the State Bank raised the policy rate to 11.5% in April, where it remained at year end.

Pakistan's Oil Marketing Sector

For the oil marketing industry, FY2026 was a year of two halves. Industry sales grew by about 5% in the first nine months, helped by economic recovery and stronger action against fuel smuggling. From April, record retail prices—petrol averaged around PKR 402 per litre in May 2026, about 59% higher than a year earlier—and a higher Petroleum Development Levy cut demand sharply: industry volumes fell 23% year-on-year in May and 20% in June. As a result, total OMC sales for the year were broadly flat at 16.2 million tonnes. Petrol volumes grew only about 1%, diesel came under pressure in the final quarter, and furnace oil continued its structural decline (down 26%) as power generation shifted to other fuels.

The sector's economics also remained tight. The regulated OMC margin of PKR 7.87 per litre was last revised in September 2023, and the approved increase of PKR 1.22 per litre is still pending, while OMCs carried higher stock-cover obligations, higher financing costs and the operational demands of the new daily pricing mechanism. The industry continued to maintain uninterrupted supplies through the geopolitical turmoil despite these pressures.

After the year end, the Government raised the petroleum dealers' margin by PKR 1.34 to PKR 9.98 per litre from September 1, 2026, which should support the financial health of our fuel station partners, and the Petroleum Pricing Committee set June 2027 as a likely target for deregulating petrol prices. We welcome the move towards market-based pricing: in a deregulated market, OMCs with efficient supply chains, their own storage and strong retail brands will be best placed to compete.

Lubricants Market

The lubricants market remains highly competitive, with strong multinational and local brands. Demand is supported by the growing vehicle and motorcycle parc, the recovery in automobile sales and rising consumer preference for high-performance synthetic oils for modern and hybrid engines. Cost competitiveness—driven by base-oil prices, the exchange rate and duties on imported finished products—is the key to winning share, which is why local blending is central to our strategy.

HTL'S PERFORMANCE IN FY2026

Against this backdrop, the Group's net revenue grew by 12.2% to PKR 37,583 million. Gross profit rose by 19.1% to PKR 3,666 million and the gross margin improved to 9.75% (FY2025: 9.19%). Operating profit increased by 51.3% to PKR 1,388 million, and finance cost fell by 17.3% to PKR 492 million on lower average interest rates. Profit after tax reached PKR 473 million (FY2025: PKR 102 million) and earnings per share PKR 3.40 (FY2025: PKR 0.73). On a standalone basis, Hi-Tech Lubricants Limited returned to profit, earning PKR 413 million (EPS PKR 2.97) against a loss of PKR 319 million last year.

Our quarterly results reflected the industry trend. Q3 was our strongest quarter, with profit after tax of PKR 271 million, while Q4 profit was lower as the price shock reduced margins and demand.

Lubricants (HTBL Production – HTL Distribution)

FY2026 was the first full year in which most of our SK ZIC lubricant portfolio was blended locally at HTBL, under the technical collaboration with SK On Co., Ltd. (formerly SK Enmove Co., Ltd.). Replacing imports of finished lubricants with local blending of base oils and additives reduced our exposure to customs duties, shortened lead times and improved inventory management. Segment revenue was broadly stable at PKR 9.75 billion, but gross margin improved to 26.1% (FY2025: 24.4%) and profit before levy and taxation more than tripled to PKR 674 million (FY2025: PKR 198 million). The margin gain was smaller than the ~10% uplift we projected last year because part of the savings is being reinvested in the brand to regain market share. Growing volumes is now our main focus in this segment.

Petroleum Segment (HTL Fuel Stations)

In a year when industry volumes were flat, our petroleum revenue grew by 17% to PKR 27.20 billion and gross profit by 64% to PKR 1,028 million, reflecting disciplined supply planning and uninterrupted product availability across our network. Profit before levy and taxation was PKR 116 million (FY2025: PKR 131 million), as higher stock levels during the price spike increased the segment's finance cost. We operated 55 active fuel stations at year end. We disposed of the under-construction Shikarpur storage facility and, after the year end, acquired a new site at Daulatpur for our next oil storage facility, which will strengthen our supply chain and support the network's growth.

Polymer Segment (HTBL)

The polymer business delivered on last year's commitment to reach profitability. Sales grew by 35% to PKR 630 million, gross margin improved to 15.4% (FY2025: 12.0%), and the segment earned a profit before levy and taxation of PKR 106 million against a loss of PKR 7 million last year. Demand for quality, hygienic packaging from the FMCG, pharmaceutical and e-commerce sectors gives this business strong growth potential.

HTL Express Centers

FY2026 was a breakthrough year for HTL Express. We expanded the network from 8 to **21 Express Centers**, adding **13 new centers** during the year—more than doubling our footprint in a single year. The network now spans 13 centers in the Central region, 7 in the South and 1 in the North, with centers located both as stand-alone sites and at dealer-operated HTL fuel stations, where customers can refuel, shop and service their vehicles at one destination.

Each center offers preventive maintenance, oil changes with genuine SK ZIC lubricants and diagnostic services delivered by trained technicians to a consistent HTL standard. This gives motorists confidence that they are receiving authentic products and professional service, protecting them from counterfeit lubricants—a persistent problem in Pakistan's aftermarket.

Beyond the service revenue and lubricant volumes they generate, the Express Centers are one of our most powerful brand-building platforms. Every visit is a direct, hands-on experience of the HTL and ZIC brands, building **brand credibility** through quality and transparency, and strengthening **brand awareness** through visible, uniformly branded sites in high-traffic locations. The centers also give us direct relationships with motorists, insights into customer needs and a showcase for our premium and synthetic lubricants, supporting both our retail fuel

network and our lubricant sales. While the network finished slightly below our FY2026 Annual Operating Plan target of 25 centers, we will continue to expand it in FY2027.

FINANCIAL DISCIPLINE AND BALANCE SHEET

The Group's equity increased by 9.1% to PKR 6.68 billion and the break-up value per share rose to PKR 48.02. Interest cover improved to 2.82 times (FY2025: 1.54 times) and the current ratio to 1.09 times (FY2025: 0.93 times).

Our main shortfall was cash generation. Higher inventories and receivables—partly reflecting higher oil prices in the final quarter—absorbed working capital, and operating cash flow was negative at PKR 726 million. We invested PKR 696 million in capital expenditure, funded partly by PKR 485 million of proceeds from asset disposals, and raised PKR 500 million of long-term financing for projects. Total borrowings rose to PKR 4.23 billion. Converting profit into cash and reducing borrowings is my first financial priority for FY2027.

REWARDING OUR SHAREHOLDERS

Reflecting the return to profitability, the Board has recommended a final cash dividend of PKR 1.15 per share (11.5%), a total payout of PKR 160 million, representing about 39% of the Company's standalone earnings. This balances a fair return to shareholders with the need to fund working capital and growth.

OUR PEOPLE

Our results are the work of 800 colleagues across the Group, including 542 at Hi-Tech Lubricants Limited. We continued to invest in training, internships, succession planning and workplace safety, and we remain committed to a diverse and inclusive workplace.

GOVERNANCE, RISK AND SUSTAINABILITY

We benefit from an experienced Board of ten directors, including three independent and two female directors, and from active Board committees overseeing audit, risk, sustainability and remuneration. Our risk management framework is focused on the risks that matter most today: oil-price and exchange-rate volatility, interest rates and liquidity, credit risk on higher receivables, and regulatory and tax changes.

Guided by ESG principles, we contributed PKR 18 million through the Sabra Hamida Trust to education, healthcare and community welfare, and continued our environmental initiatives, including solar energy at our facilities, rainwater harvesting and recycling, while promoting low-emission products.

OUTLOOK FOR FY2027

Sector: Industry sales improved month-on-month in June as prices eased, and demand could recover further if Middle East tensions subside, inflation eases and the FY2027 budget supports growth. The sustainability of this recovery will depend on continued enforcement against fuel smuggling. Implementation of the pending OMC margin revision and progress on deregulation would improve the industry's returns, while daily pricing and deregulation will reward efficient, well-capitalised operators.

HTL's priorities:

- **Lubricants:** grow volumes and product mix—especially synthetics—by leveraging HTBL's blending capacity and our nationwide dealer and distribution network.
- **Petroleum:** measured expansion of the retail network and development of the Daulatpur storage facility, subject to regulatory approvals, with a focus on high-throughput sites.
- **Polymer:** scale capacity and diversify the customer base beyond lubricant packaging.
- **Cash and costs:** tighter inventory and receivable management, lower borrowing costs and continued cost discipline.
- **HTL Express and digitisation:** strengthen our service platform and support the industry's digitisation of the supply chain.

We remain mindful of the risks: oil-price volatility, the direction of inflation and interest rates, exchange-rate movements and regulatory changes. With a stronger business model and a clear set of priorities, I am confident that HTL is well positioned to build on this year's performance.

ACKNOWLEDGEMENTS

On behalf of the management, I thank our employees for their dedication, our customers, dealers and business partners—particularly SK On Co., Ltd.—for their trust, our bankers and regulators for their support, and our shareholders for their continued confidence. I also thank the Board of Directors for their guidance and extend special appreciation to Mr. Muhammad Ali Hassan, Executive Director, for his support during the year. Together, we remain focused on building a stronger, more efficient and sustainable HTL.

HASSAN TAHIR
Chief Executive Officer

Sector data: Oil Companies Advisory Council (OCAC) data as reported by brokerage houses and the financial press; economic data: Pakistan Bureau of Statistics and State Bank of Pakistan.

WATCH THE CEO'S VIDEO MESSAGE

Mr. Hassan Tahir, Chief Executive Officer, presents HTL's performance in FY2026, our strategy and outlook. Scan the QR code or visit:
www.hitechlubricants.com/annual-review/ceo-review.mp4

GROUP CHIEF FINANCIAL OFFICER'S REVIEW

Financial performance, position and priorities of the Hi-Tech Lubricants Group for the year ended June 30, 2026

Dear Shareholders,

I am pleased to present, for the first time in our Annual Report, a review of the Group's financial performance from the finance function's perspective. My aim is to explain not only what our numbers were in FY2026, but what drove them, how we funded the business, and where we will focus our financial management in FY2027.



FY2026 AT A GLANCE

FY2026 was a year of strong earnings recovery but weaker cash generation. The Group's net revenue grew by 12.2% to PKR 37,583 million, operating profit by 51.3% to PKR 1,388 million and profit after tax to PKR 473 million (FY2025: PKR 102 million). Earnings per share were PKR 3.40 (FY2025: PKR 0.73). On a standalone basis, Hi-Tech Lubricants Limited earned PKR 413 million (EPS PKR 2.97) against a loss of PKR 319 million last year, enabling the Board to recommend a final cash dividend of PKR 1.15 per share (11.5%).

Key indicators (consolidated)	FY2026	FY2025
Gross profit margin	9.75%	9.19%
EBITDA margin	4.92%	4.13%
Net profit margin	1.26%	0.30%
Return on equity	7.08%	1.66%
Earnings per share (PKR)	3.40	0.73
Break-up value per share (PKR)	48.02	44.00
Dividend per share (PKR)	1.15	0.00
Current ratio (times)	1.09	0.93
Quick ratio (times)	0.62	0.46
Interest cover (times)	2.82	1.54
Borrowings to equity (times)	0.63	0.55
Total asset turnover (times)	2.47	2.52

REVENUE AND MARGINS

Revenue growth came mainly from the Petroleum segment (+17%) and the Polymer segment (+35%), while Lubricants revenue was broadly stable. The more important story was margins: gross profit grew faster than revenue, by 19.1%, lifting the gross margin to 9.75% (FY2025: 9.19%). Local blending at HTBL improved the Lubricants gross margin, petroleum gross profit rose on better supply planning, and the Polymer business moved into profit.

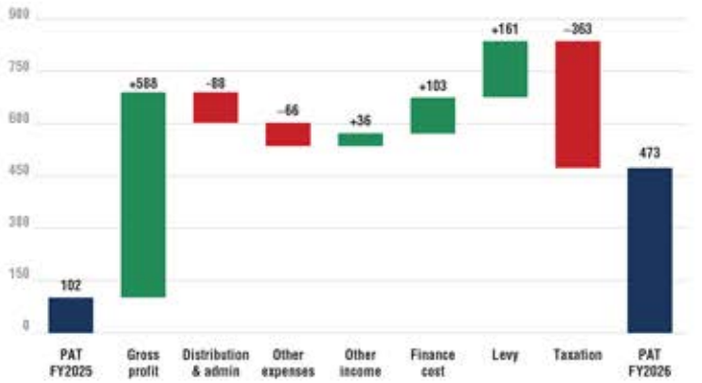
PKR million	Lubricants	Petroleum	Polymer
Net revenue FY2026	9,748	27,205	630
Growth	-0.6%	17.1%	34.6%
Gross margin FY2026	26.1%	3.8%	15.4%
Gross margin FY2025	24.4%	2.7%	12.0%
Profit before levy & tax FY2026	674	116	106
Profit before levy & tax FY2025	198	131	(7)

Because petroleum products carry thin, regulated margins and now make up about 72% of Group revenue, the mix of our business matters as much as its growth. The lubricants and polymer businesses, although smaller in revenue, generated most of the Group's segment profit in FY2026.

FROM REVENUE TO PROFIT

The profit bridge below shows how profit after tax moved from PKR 102 million to PKR 473 million.

Profit after tax bridge – FY2025 to FY2026 (PKR million)



Higher gross profit (+PKR 588 million) was the main driver. Distribution and administrative expenses grew by only 3.8%, well below revenue growth, reflecting cost discipline. Other expenses increased, mainly due to one-off items: losses on the disposal and write-off of capital work-in-progress and assets held for sale, a fair value loss on property held for sale, and advances written off. Finance cost fell by 17.3% to PKR 492 million, as average interest rates were lower than in FY2025.

TAXATION

The combined levy and income tax charge was PKR 423 million, an effective rate of 47.2% of profit before levy and taxation (FY2025: 68.4%). The rate remains high because of minimum and turnover-based taxes, super tax and non-deductible items. The Company and HTBL have opted for group taxation, which allows losses and profits within the Group to be offset. Beyond income taxes, the Group contributed more than PKR 10.7 billion to the national exchequer through sales tax, the Petroleum Development Levy, the Climate Support Levy, income tax and workers' funds.

QUARTERLY PERFORMANCE

Quarterly net revenue and profit after tax – FY2026



The Group was profitable in every quarter. Q3 was the strongest, with profit after tax of PKR 271 million on a gross margin of 12.2%. In Q4, the oil-price shock raised costs and reduced demand, the gross margin fell to 8.0% and profit after tax was PKR 38 million.

FINANCIAL POSITION

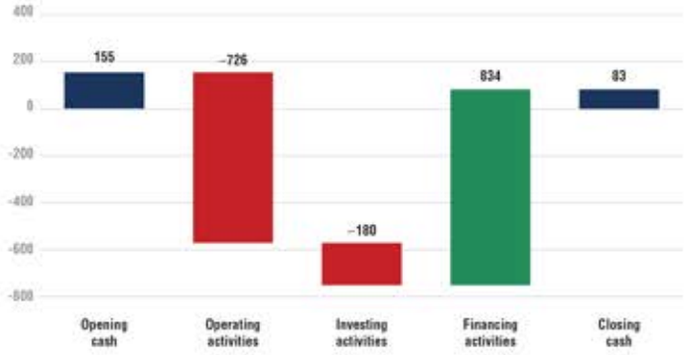
Total assets increased by 14.8% to PKR 15,245 million and equity by 9.1% to PKR 6,685 million, raising the break-up value per share to PKR 48.02. Current assets now exceed current liabilities, with the current ratio improving to 1.09 times.

Working capital (PKR million)	30 Jun 2026	30 Jun 2025	Change
Stock-in-trade	3,251	2,792	+16%
Trade debts	1,988	1,315	+51%
Loans and advances	1,069	448	+139%
Trade and other payables	3,892	3,425	+14%
Operating cycle (days)	9.2	Inventory 32.5 + receivables 16.0 – payables 39.4 days	

Working capital was the main call on our resources. Inventories rose with higher product prices and volumes, trade debts grew faster than sales, and advances to suppliers increased. Higher supplier credit funded part of this increase, but the balance was financed through borrowings.

CASH FLOWS

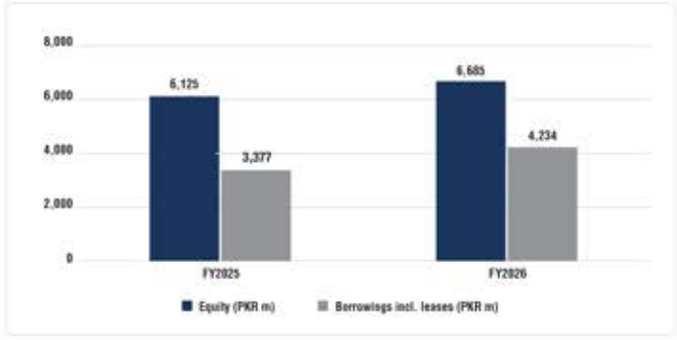
Movement in cash and cash equivalents – FY2026 (PKR million)



Although cash generated from operations before working-capital changes was strong, the increase in working capital, finance cost, taxes and payments to the workers' funds resulted in a net operating cash outflow of PKR 726 million. We invested PKR 696 million in capital expenditure, funded partly by PKR 485 million of proceeds from asset disposals, and raised PKR 500 million of long-term financing and additional short-term borrowings. Cash and bank balances ended the year at PKR 83 million. Improving cash conversion is our top financial priority.

CAPITAL STRUCTURE AND FUNDING

Equity and borrowings (PKR million)



Total borrowings, including lease liabilities, increased to PKR 4,234 million (FY2025: PKR 3,377 million), mainly short-term running finance for working capital and long-term financing for HTBL's projects, including concessionary State Bank refinance schemes. Borrowings to equity rose modestly to 0.63 times, while interest cover improved to 2.82 times because of higher operating profit. The Company has provided corporate guarantees of PKR 4,059 million to banks for HTBL's financing, and we continue to use Shariah-compliant financing where available. Our facilities are adequate for current operations and planned investments.

SHAREHOLDER RETURNS

The proposed final cash dividend of PKR 1.15 per share amounts to PKR 160 million, a payout of about 39% of standalone earnings. The Board's approach is to pay dividends that are sustainable from earnings and cash flow while retaining enough capital to fund working capital and growth. Return on equity improved to 7.1% (FY2025: 1.7%).

RISK AND TREASURY MANAGEMENT

- **Oil-price and inventory risk:** managed through stock planning, supply contracts and monitoring of price movements under the daily pricing regime.
- **Currency risk:** imports of base oils and additives are exposed to PKR movements; local blending and timely procurement reduce this exposure.
- **Interest-rate risk:** most borrowings are KIBOR-linked; a 1% change in KIBOR would change annual finance cost on year-end short-term borrowings by about PKR 29 million.
- **Liquidity and credit risk:** managed through rolling cash-flow forecasts, diversified bank lines, credit limits and security deposits.
- **Tax and regulatory risk:** pending tax matters are monitored with our advisers; no provision is considered necessary where favourable outcomes are expected.

REPORTING, CONTROLS AND GOVERNANCE

The financial statements were prepared in accordance with IFRS as applicable in Pakistan and the Companies Act, 2017, and the external auditors, M/s Riaz Ahmad & Co., issued unqualified opinions on both the standalone and consolidated financial statements. The finance function works closely with the Audit Committee and internal audit on internal controls, related party transactions and risk management. We are preparing for IFRS 18, which will change the presentation of the statement of profit or loss, and for sustainability and climate-related disclosures under IFRS S1 and S2.

FINANCIAL PRIORITIES FOR FY2027

- **Cash conversion:** reduce inventory and receivable days and return operating cash flow to a healthy positive level.
- **Lower funding costs:** reduce short-term borrowings and optimise the mix of conventional, Islamic and concessionary financing.
- **Margin protection:** support pricing and product-mix decisions with better profitability analytics by segment, product and channel.
- **Disciplined investment:** allocate capital to projects with clear returns, including the Daulatpur storage facility, and continue recycling non-core assets.
- **Digital finance:** strengthen ERP-based reporting, forecasting and controls to support the industry's move to digitisation and deregulation.

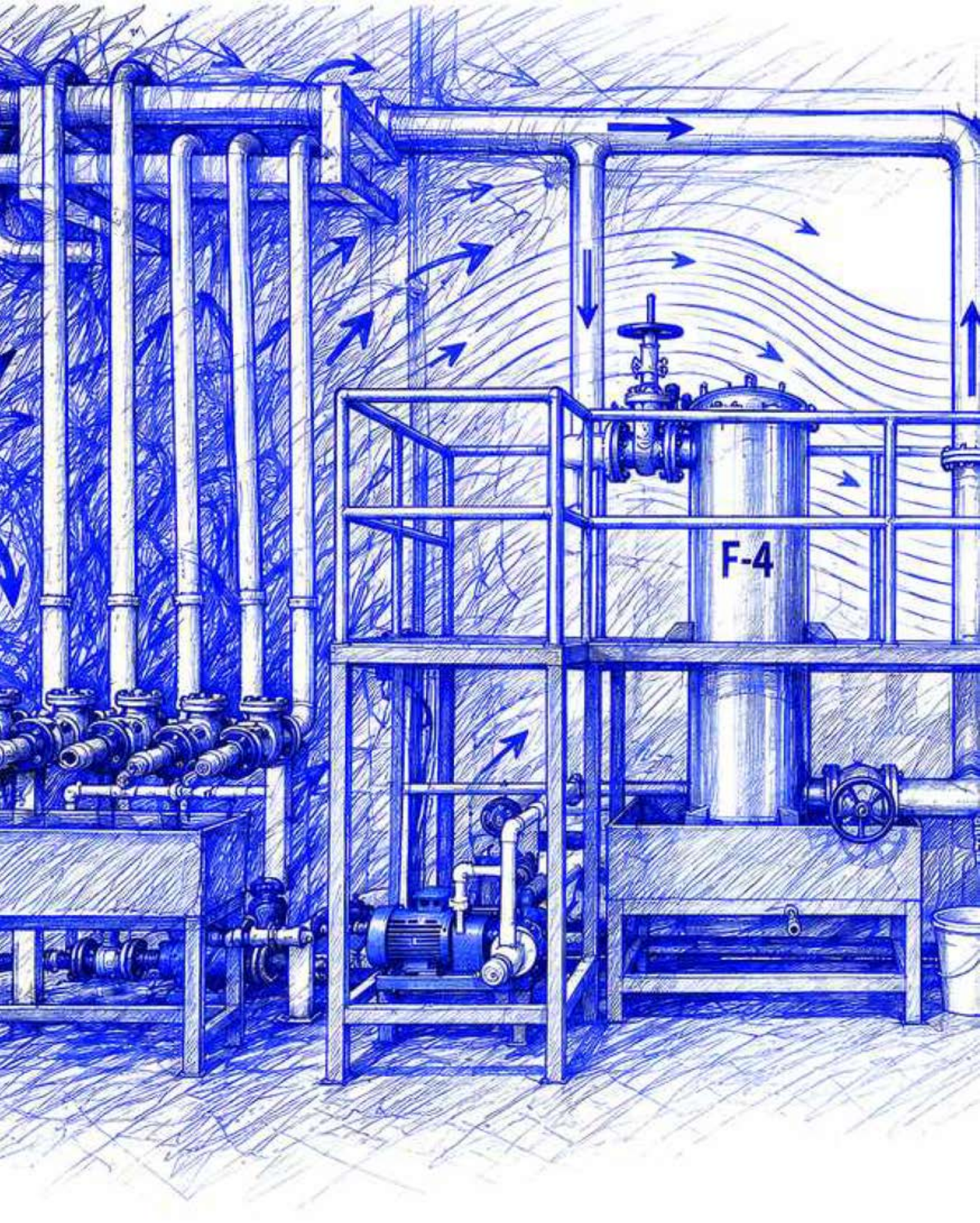
ACKNOWLEDGEMENTS

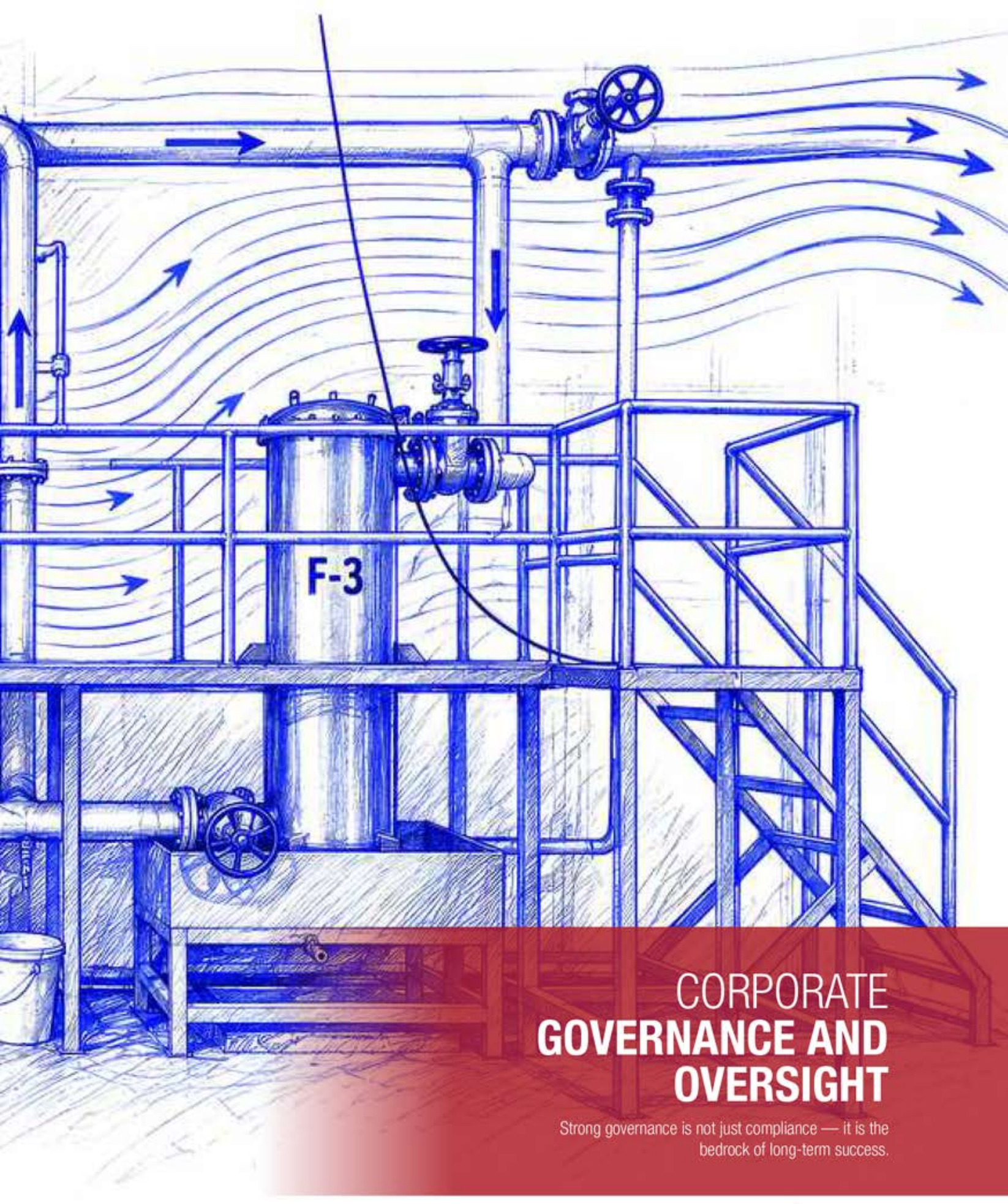
I thank the Board and the Audit Committee for their guidance, the Chief Executive Officer for his leadership, our bankers and auditors for their support, and my colleagues in finance across HTL and HTBL for their hard work in a demanding year.

SAEED ULLAH KHAN NIAZI

Group Chief Financial Officer

All figures are consolidated unless otherwise stated and are derived from the audited financial statements for the year ended June 30, 2026. Borrowings include long-term financing, lease liabilities and short-term borrowings.


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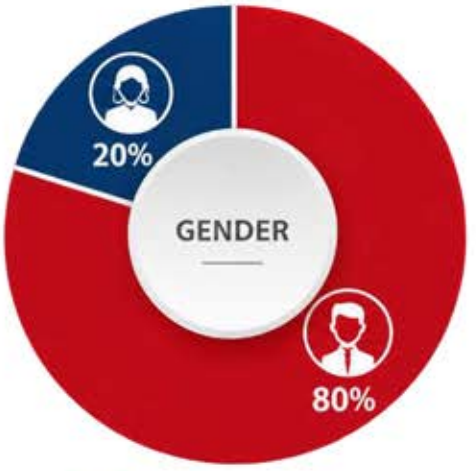


CORPORATE **GOVERNANCE AND OVERSIGHT**

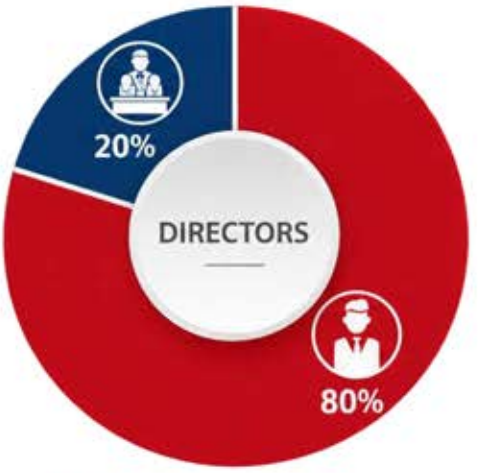
Strong governance is not just compliance — it is the bedrock of long-term success.

BOARD AT **A GLANCE**

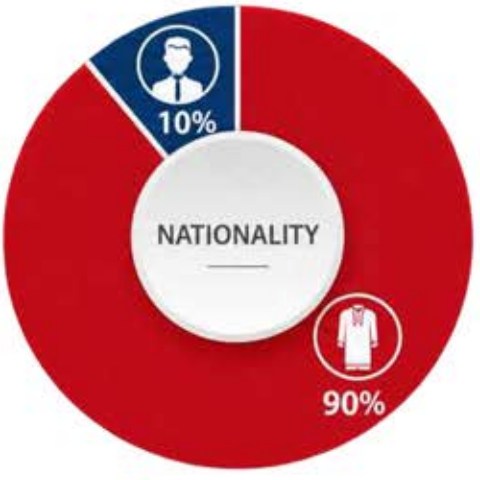
In FY 2026, the Board strengthened its oversight of strategy, liquidity and sustainability, guided the return to profitability and ensured effective leadership for long-term growth.



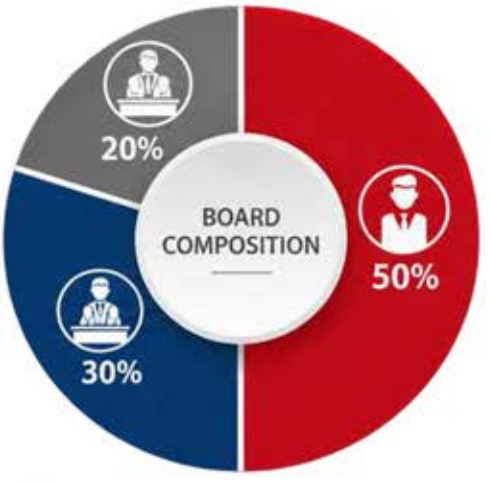
- Male **80%**
- Female **20%**



- Non Executive Director **80%**
- Executive Director **20%**



- Pakistani **90%**
- Non Pakistani **10%**

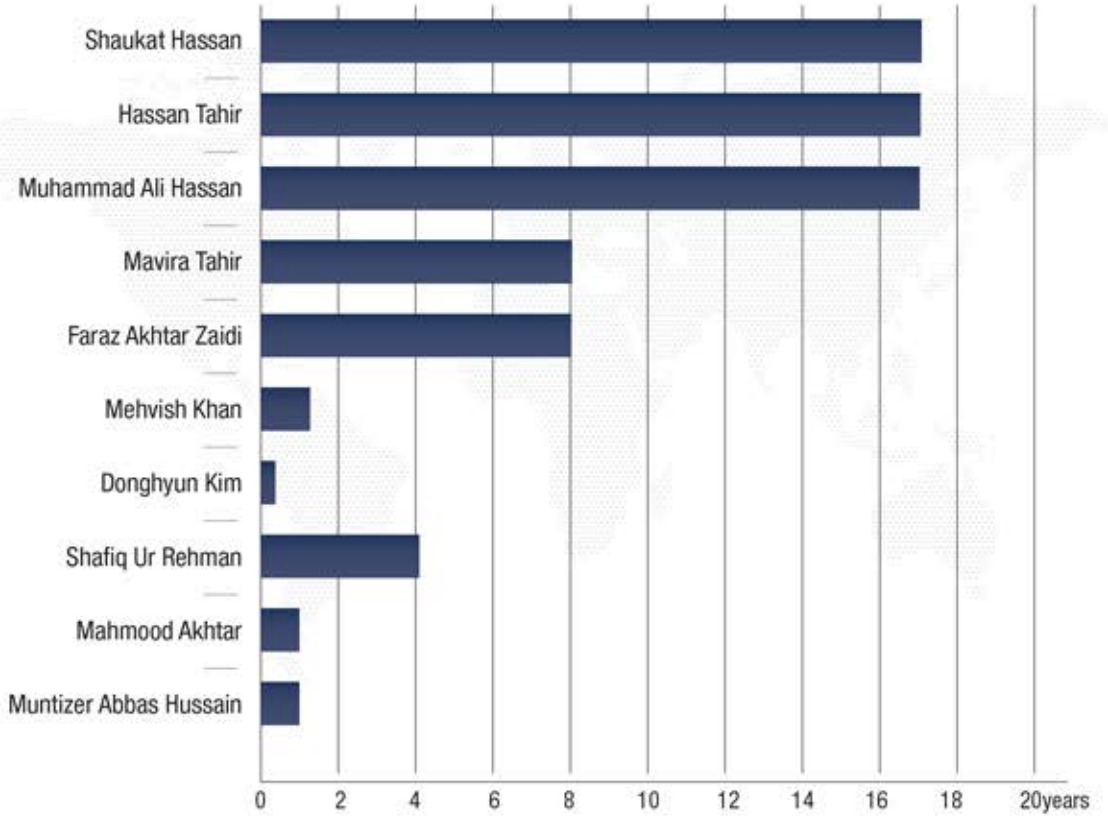


- Non Executive Director **50%**
- Non Executive Independence **30%**
- Executive Director **20%**

Areas of Expertise of Directors



Board Service Duration



BOARD OF DIRECTORS' **PROFILE**



MR. SHAUKAT HASSAN

Chairman — Non-Executive Director

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

OTHER POSITIONS HELD

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



MR. HASSAN TAHIR

Chief Executive Officer & Executive Director

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

OTHER POSITIONS HELD

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



MR. MUHAMMAD ALI HASSAN

Executive Director

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

OTHER POSITIONS HELD

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



MS. MAVIRA TAHIR

Non-Executive Director

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

OTHER POSITIONS HELD

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



MR. FARAZ AKHTAR ZAIDI

Non-Executive Director

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

OTHER POSITIONS HELD

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



MS. MEHVISH KHAN

Non-Executive Director

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



DONG-HYUN KIM (Ryan)

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

Ryan Kim is a global sales and marketing expert with approximately 20 years of experience in the field.

He has been responsible for SK On's B2B lubricants business and led its expansion into the European market. He currently serves as the Team Leader of the Global Business team.



MR. SHAFIQ UR REHMAN

Independent Director

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

OTHER POSITIONS HELD

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



MR. MAHMOOD AKHTAR

Independent Director

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

OTHER POSITIONS HELD

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



MR. MUNTIZER ABBAS HUSSAIN

Independent Director

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

OTHER POSITIONS HELD

Director – Retail Direct (Private) Limited

Name of Director	Board Meeting Participation
Mr. Shaukat Hassan	4/4
Mr. Hassan Tahir	4/4
Mr. Muhammad Ali Hassan	4/4
Mr. Faraz Akhtar Zaidi	4/4
Ms. Mavira Tahir	4/4
Mr. Mahmood Akhtar	4/4
Mr. Shafiq Ur Rehman	4/4
Mr. Muntizer Abbas Hussain	3/4
Mr. Donghyun Kim	2/4
Ms. Mehvish Khan	Leave Granted



CORPORATE **GOVERNANCE**

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

BOARD **LEADERSHIP**

ROLE OF THE CHAIRMAN

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

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

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

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

Key responsibilities include:

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

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

INDEPENDENT DIRECTORS **– ELIGIBILITY AND COMPLIANCE**

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

DECISIONS AND **DELEGATIONS**

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

Management is responsible for:

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

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

BOARD ORIENTATION **AND DEVELOPMENT**

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

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

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

BOARD MEETINGS **AND AGM PRESENCE**

- No Board meeting was held outside Pakistan during the reporting year.
- The Chairman of the Audit Committee attended the last Annual General Meeting held on 24 October 2025.

STATEMENT ON **MANAGEMENT RESPONSIBILITY**

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

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

CHAIRMAN'S COMMITMENTS

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

EXTERNAL SEARCH **CONSULTANCY**

No external consultancy was engaged for the appointment of directors during FY2026.


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Fuel Efficiency
SAVE F
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COMMITTEES **OF THE BOARD**

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

These committees assist the Board in discharging its oversight responsibilities in specific areas. The composition, objects, salient features of Terms of Reference, and the number of meetings held during the financial year ended June 30, 2026 are presented below:

BOARD COMMITTEES – COMPOSITION, **OBJECTS, SALIENT FEATURES, AND MEETINGS (FY2026)**

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

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





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

On behalf of the Board's Audit Committee (BAC), I am pleased to present BAC's report for the year ended 30 June 2026, for information and further guidance of Board of Hi-Tech Lubricants Limited (the company).

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

TERMS OF **REFERENCE**

Following are key TORs for BAC:

- Review effectiveness of internal controls.
- Review integrity of financial information.
- Review internal and external audit reports, and where necessary recommend appropriate action.
- Oversee compliance with applicable laws relating to company's operations and disclosure requirements.
- Ensure conformity of management decisions with company's objectives
- Review related party transactions to ensure their transparency and proper disclosure
- Assess accounting estimates, going concern assumption, changes in accounting policies and compliance with accounting standards.
- Make recommendation(s) on external auditors' appointment, based on independence, integrity and satisfactory rating with the Institute of Chartered Accountants of Pakistan.

COMPOSITION AND **ATTENDANCE:**

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

During financial year 2025-26, the BAC held four meetings, including one mandatory meeting in each quarter of the financial year

Name of Director	Directorship Type	Status in BAC	No. of meetings attended in financial year 2025-26
Mr. Shafiq Ur Rehman	Independent Director	Chairman	4
Mr. Shaukat Hassan	Non-Executive Director	Member	4
Mr. Faraz Akhtar Zaidi	Non-Executive Director	Member	4
Ms. Mavira Tahir	Non-Executive Director	Member	4

SUMMARY OF KEY **ACTIVITIES:**

The BAC has concluded its annual review of the financial year ended June 30, 2026, and we hereby report that:

COMPLIANCE WITH **REGULATIONS:**

The Company adhered to the mandatory provisions of the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Companies Act, 2017 and the Company's own Code of Conduct and Values throughout the year, and to the non-mandatory provisions except as explained in the Statement of Compliance. The BAC separately met the external and internal auditors independently at least once in the year and the Chairman BAC remained present in the last Annual General Meeting held on 24 October 2025.

STATEMENT OF **COMPLIANCE:**

The Company has issued a Statement of Compliance with the Regulations, which has been reviewed and certified by the external auditors of the Company.

ACCOUNTING POLICIES AND **DISCLOSURE:**

Appropriate accounting policies were consistently applied and financial statements of the Company have been prepared on a going concern basis, which present fairly the state of affairs, results of operations, cash flows and changes in equity of the Company.

ACCOUNTING ESTIMATES AND **RECORDS:**

The BAC satisfied itself and advised the Board about its opinion that all accounting estimates have been made based on reasonable and prudent judgment. The Company has maintained proper and adequate accounting records in accordance with applicable laws, and its financial reporting is consistent with management processes and sufficient to meet the needs of shareholders.

FINANCIAL **STATEMENTS:**

The financial statements for the year ended June 30, 2026, have been prepared on a going concern basis in accordance with approved accounting standards applicable in Pakistan. The approved accounting standards comprise International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and notified under the Companies Act, 2017 (the Act), and the Act's provisions and directives. In case of any conflicts, the provisions of or directives under the Act take precedence.

REVIEW OF **FINANCIAL STATEMENTS:**

The BAC has reviewed the quarterly, half-yearly, and annual financial statements of the Company and recommended them for approval by the Board of Directors with observations / comments and / or suggestions, where deemed necessary. Additionally, it has reviewed preliminary announcements of results prior to publication.

ATTENDANCE OF **CEO AND CFO:**

The CFO and internal auditors were regularly invited to the meetings for explanation / elaboration on accounts and other relevant issues. The Chief Executive Officer and Executive Director attended BAC meetings by invitation, when deemed necessary.

ENDORSEMENT OF **FINANCIAL STATEMENTS:**

The CEO, Executive Director and CFO have duly endorsed the Company's financial statements, acknowledging their responsibility for a true and fair presentation in accordance with approved accounting standards applicable in Pakistan.

FAIR AND UNDERSTANDABLE **ANNUAL REPORT:**

The BAC has reviewed the Annual Report and confirms that it provides a fair, balanced, and understandable representation of the Company. The Annual Report discloses information necessary for shareholders to assess the Company's position, performance, business model, and strategy and presents fairly the integrated performance during the year, and future prospects to various stakeholders of the Company. Because of meeting the aforesaid objectives, the Company was able to secure the 2nd position in the 'Fuel & Energy' sector for its Annual Report for the year ended June 30, 2025 in the Best Corporate & Sustainability Report Awards jointly conducted by the Institute of Chartered Accountants of Pakistan and the Institute of Cost and Management Accountants of Pakistan.

RELATED PARTY **TRANSACTIONS:**

The BAC has reviewed and, where appropriate, made recommendations for the approval of all significant related party transactions to the Board.

REVIEW OF **ANNUAL BUDGET:**

The BAC reviewed and discussed the Annual Operating Plan (AOP) and plans of the Company for the year and, where appropriate, made recommendations to the Board for consideration and approval of the same.

COMPLIANCE MECHANISM OF **REPORTED ISSUES:**

The BAC has also set up a formal mechanism to ensure compliance with the recommendations given by the BAC to the management of the Company. With every meeting, a compliance status of the recommendations is reviewed by the BAC and the management provides appropriate explanation as to any impediment in its compliance in the Internal Audit's compliance reports.

EVALUATION OF **COMMITTEES AND MEMBERS:**

The Board is satisfied with the Performance of the BAC in its annual performance review of BAC for the year ending 30th June 2026.

INTERNAL AUDIT AND **RISK MANAGEMENT**

ROLE OF INTERNAL **AUDIT:**

The Internal Audit function plays a vital role in enhancing the overall control environment of the Company.

INDEPENDENT **AUDITS:**

The Internal Audit function has carried out independent audits in accordance with audit plan, formulated by the BAC and approved by the Board of Directors. The BAC has reviewed all material internal audit findings, making appropriate recommendations to the relevant operational managers, and/or bringing the matters to the Board's/ other Committees of the Board for their attention/action, where required.

HEAD OF **INTERNAL AUDIT (HIA):**

The HIA attended all Audit Committee meetings and also served as the Secretary to the Audit Committee. Listed Companies (Code of Corporate Governance) Regulations, 2019 defines the mandate of internal audit function as well as the responsibilities of HIA. BAC has ensured the compliance thereto.

ACCESS TO **CHAIRMAN AND STAFFING:**

The HIA has direct access to the Chairman of the Audit Committee, and the Committee has ensured the presence of personnel with sufficient internal audit expertise.

REVIEW OF INTERNAL **AUDIT REPORTS:**

The Audit Committee reviewed the internal audit reports presented by the HIA, which encompass audit findings, opportunities for process improvement, control weaknesses, and recommendations. A risk rating system based on likelihood and impact was utilized, resulting in the assignment of high to low-risk ratings. Through the internal audit reports, the BAC and the Board kept a regular watch on safeguarding the assets of the Company and the shareholders' wealth at all levels within the Company. The annual internal audit cycle comprises risk assessment, audit planning, audit execution, audit reporting, management action plan and monitoring.

INTERNAL CONTROL AND **RISK MANAGEMENT SYSTEMS:**

The Company's internal control systems, including financial and operational controls, accounting systems, and reporting structure, are designed to manage and mitigate the risk of not achieving some of the business objectives. However, these systems can only provide reasonable assurance, not absolute certainty, against material misstatement or loss. The BAC has determined that the risk management and internal control systems are adequate and effective. The independent Internal Audit function of the Company regularly monitors the implementation of financial and operational controls, whereas the BAC reviews the effectiveness of the internal control framework.

EXTERNAL **AUDIT**

ACCESS TO **EXTERNAL AUDITORS:**

The External Auditors have been allowed direct access to the BAC, thereby

ensuring the effectiveness, independence and objectivity of the Auditors. The External Auditors attended all the BAC meetings where their reports were discussed and the External Auditors also attended General Body Meetings of the Company during the year.

KEY AUDIT MATTERS AND **MANAGEMENT LETTER:**

The BAC has reviewed and discussed the audit process, the Key Audit Matters (revenue recognition, and existence and valuation of stock-in-trade) and other audit observations identified during the external audit, including compliance with applicable regulations and the draft Management Letter with the External Auditors. The final Management Letter is required to be submitted within 45 days of the date of the Audit Report on the financial statements under the Code of Corporate Governance and shall accordingly be discussed in the next BAC meeting.

RETIRING AND REAPPOINTMENT OF **EXTERNAL AUDITORS:**

The present auditors, M/s Riaz Ahmad & Co., Chartered Accountants, will retire at the conclusion of the upcoming Annual General Meeting and, being eligible, offer themselves for reappointment, and have confirmed attendance of the upcoming Annual General Meeting. The BAC discussed the appointment of external auditors and fixing of their audit fee and recommended to the Board the re-appointment of M/s Riaz Ahmad & Co., Chartered Accountants, as external auditors for the year 2026-27.

TAX **CONSULTANTS:**

The Company has obtained taxation-related services from M/s A.F. Ferguson & Co., Chartered Accountants, as it is among the most reputed firms in the provision of such services and has sufficient professional competence to ensure quality of tax advice and compliance with independence requirements.

ON BEHALF **OF BAC**

SHAFIQ UR REHMAN

Chairman, Board's Audit Committee



REPORT OF THE HUMAN RESOURCE & **REMUNERATION COMMITTEE**

The Human Resources and Remuneration Committee (HRRC) of Hi-Tech Lubricants Limited ("HTL" or the "Company") is pleased to present its report for the fiscal year ended June 30, 2026. Constituted under the Listed Companies (Code of Corporate Governance) Regulations, 2019, and operating under the oversight of the Board of Directors, the HRRC supports the Board on matters relating to Human Resources Management Policy and provides regular oversight of workforce performance, remuneration, training and development, and succession planning, ensuring effective governance of the Company's human resource function.

COMPOSITION **OF HRRC**

The HRRC comprises five members of the Board of Directors, constituted in accordance with applicable regulatory requirements and the Company's governance framework. Collectively, the Committee brings expertise in corporate governance, strategic management, and human resources, enabling it to provide informed oversight and recommendations to the Board.

Sr. No.	Name	Designation	Role
1	Mr. Mahmood Akhtar	Independent Director	Chairman
2	Mr. Shaukat Hassan	Non-Executive Director	Member
3	Ms. Mavira Tahir	Non-Executive Director	Member
4	Mr. Faraz Akhtar Zaidi	Non-Executive Director	Member
5	Ms. Mehvish Khan	Non-Executive Director	Member

The Head of HR Functions serves as a non-voting member of the Committee and as Secretary to the HRRC, facilitating its proceedings and coordination.

a. **Compliance:** Ensuring compliance with human resource policies, procedures, and frameworks prescribed by the CCG/SECP, as well as the Company's internal policies and protocols.

b. **Organizational Structure and Job Classification:** Periodically reviewing the Company's organizational structure and job classifications to ensure their continued relevance and alignment with business requirements.

c. **Training and Development:** Overseeing the implementation of training programs and development initiatives to enhance employee knowledge, skills, and competencies across all organizational levels.

KEY HIGHLIGHTS OF THE HRM **DIVISION'S ACTIVITIES**

This section summarizes the key activities, initiatives, and achievements of the Human Resources Management (HRM) Division between July 2025 and June 2026, carried out under the guidance and oversight of the HRRC — spanning strategic HR initiatives, employee engagement and development, talent management, and the overall performance of the Division during the period.

a. Training & Development:

During the reporting period, the Company conducted 17 training and development programs, covering 207 employees and delivering a total of 1,668 training hours — strengthening employees' professional, technical, and leadership capabilities in support of the Company's organizational and strategic objectives.

1. International Financial Reporting Standards
2. Leadership Development Program
3. Mastering the New Global Internal Audit Standards 2024
4. Neuro-Linguistic Programming
5. NOVA
6. Process Audit Expert Course
7. Software Quality Assurance (SQA)
8. Sustainability – Driving Impact, Delivering Value
9. FSSC 22000 Awareness & Audit Preparation Training
10. Environmental, Social & Governance (ESG) and Sustainable Development Goals (SDGs)
11. Awareness Session on Halal Audit
12. One-Day Awareness Session on Occupational Safety & Health
13. Awareness Session on HR Manual / Policies / WMC / HSE Committee
14. Quality Assurance Fundamentals
15. Instrument & Process Control
16. Awareness Session on the Supplier Qualification Program (SQP)
17. HR Orientation Session for GTE / MTO

b. Management Trainee & Internship Programs

The Management Trainee and Internship Programs remain key talent-development initiatives at Hi-Tech Group, providing fresh graduates and emerging professionals with structured, rotational exposure to the Company's operations across departments and functional areas.

Beyond practical experience, the programs support the identification and development of high-potential talent for future career opportunities within the organization. During the reporting period, 4 Management Trainees and 3 Interns were inducted across various departments of the Company.

c. Key Performance Indicators

Sr. No.	Indicator	Value
1	Head Count	293
2	Employee Turnover (all levels)	2.77%
3	Training Programs Conducted	17
4	Employees Trained	207

d. Employee Engagement & Wellbeing

Details of these activities are provided in the Human Resource Department section of this report.

1. Independence Day Celebration – Region-Wide
2. Women's Day Celebration – Lahore
3. Medical Test Camp – Lahore
4. Health & Wellness Camp – Bone Mineral Density Testing – Lahore
5. Blood Donation Camp – Lahore
6. Medical Camp – Nowshera, KPK

MEETINGS OF **THE HRRC**

The HRRC convened once during the fiscal year, in January 2026. The members listed above were the active HRRC members throughout the fiscal year, which ran from July 2025 to June 2026. Attendance at the meeting is summarized below.

Sr. No.	Member	Designation	Status
1	Mr. Mahmood Akhtar	Chairman, HRRC	Present
2	Mr. Shaukat Hassan	Non-Executive Director, Chairman HTL	Present
3	Mr. Faraz Akhtar Zaidi	Non-Executive Director, HTL	Present
4	Ms. Mavira Tahir	Non-Executive Director, HTL	Present
5	Ms. Mehvish Khan	Non-Executive Director, HTL	Absent

In addition to formal presentations delivered during Committee meetings, the HR Department issues a monthly activity report to all HRRC members, keeping them informed of ongoing HR matters within the organization.

Mahmood Akhtar
Chairman, HRRC



DISCLOSURE UNDER CIRCULAR 10 OF 2024

REF. NO. SECP/CS/MC/17 DATED APRIL 17, 2024

Statement on Gender Pay Gap as on June 30, 2026

Category	Male (PKR/hour)	Female (PKR/hour)	Gender Pay Gap
Mean	955	1,513	-58% (Females earn more)
Median	542	500	8% (Males earn more)

INTERPRETATION

Metric	Male	Female	Gap	Direction
Mean hourly rate	PKR 955	PKR 1,513	-58%	Favors Female
Median hourly rate	PKR 542	PKR 500	8%	Favors Male

KEY TAKEAWAY

The mean and median gender pay gap point in opposite directions for FY2026. The mean shows a gap favoring female employees, driven by a higher concentration of women in senior or specialized roles, while the median shows a gap favoring male employees at the midpoint of the pay distribution. HTL continues to monitor pay equity as part of its Diversity & Inclusion (D&I) policy.



Chief Executive Officer / Executive Director




1000
900
800
700
600
300
200
100

DIRECTORS' REPORT **TO THE SHAREHOLDERS**

The Directors of Hi-Tech Lubricants Limited ("HTL" or the "Company") are pleased to present the Annual Report along with the standalone and consolidated audited financial statements for the year ended June 30, 2026.

Principal activities: The principal activity of the Company is to procure and distribute lubricants and petroleum products through its lubricants business (SK ZIC brand) and its oil marketing business (HTL fuel stations). Its wholly owned subsidiary, Hi-Tech Blending (Private) Limited ("HTBL"), operates a lubricating oil blending plant and manufactures plastic bottles (Polymer). There has been no change in the nature of the business of the Company or the Group during the year.

PAKISTAN'S **ECONOMIC REVIEW**

Pakistan's economy recorded provisional GDP growth of 3.7% in FY 2025-26 (FY 2024-25: 3.2%), supported by a recovery in large-scale manufacturing and services, and foreign exchange reserves strengthened under the IMF-supported programme. Inflation remained within the State Bank of Pakistan's medium-term target range of 5–7% for most of the year but rose to double digits in April–May 2026 as the Middle East conflict pushed up energy prices. The Monetary Policy Committee reduced the policy rate to 10.5% in December 2025 and raised it to 11.5% in April 2026, where it remained at the year end.

Government policies relevant to our business: The Climate Support Levy on petroleum products introduced from July 2025 (in addition to the Petroleum Development Levy), government measures to curb fuel smuggling, and OGRA's extension of the Company's provisional OMC licence up to December 31, 2027 were the key policy developments for the sector. The Company incorporates these macroeconomic and regulatory dynamics into its strategic planning and operational decisions.

FINANCIAL PERFORMANCE ON A **CONSOLIDATED BASIS**

The Group, comprising Hi-Tech Lubricants Limited and its wholly owned subsidiary, Hi-Tech Blending (Private) Limited, delivered a significantly stronger performance during the year ended 30 June 2026. Gross Revenue increased to PKR 41,135 million (FY2025: PKR 36,378 million), a growth of 13.07%, while Net Revenue rose to PKR 37,583 million (FY2025: PKR 33,508 million), an increase of 12.16%. Segment-wise, the Petroleum segment grew by 17% and the Polymer segment by 35%, while Lubricants revenue remained broadly stable (-0.6%). Local blending and a better product mix lifted Gross Profit by 19.11% to PKR 3,666 million, improving the gross margin to 9.75% of Net Revenue (FY2025: 9.19%).

The Group's Operating Profit increased by 51.28% to PKR 1,388 million. Finance costs decreased by 17.30% to PKR 492 million (FY2025: PKR 595 million), mainly due to lower average interest rates during the year compared with FY2025.

Consequently, the Group recorded a Profit before Levy and Taxation of PKR 896 million (FY2025: PKR 322 million) and a Net Profit after Taxation of PKR 473 million (FY2025: PKR 102 million), translating into Earnings per Share of PKR 3.40 (FY2025: PKR 0.73). Detailed consolidated financial performance of your Group is presented below:

Particulars	Consolidated Year ended 30 June		Variance (+/-)
	2026	2025	
	PKR IN MILLION		% age
Gross Revenue	41,135	36,378	13.07%
Net Revenue	37,583	33,508	12.16%
Gross Profit	3,666	3,078	19.11%
% of Net Revenue	9.75%	9.19%	
Operating Profit	1,388	917	51.28%
Finance Cost	492	595	-17.30%
Profit / (Loss) before levy and taxation	896	322	177.84%
Profit / (Loss) after taxation	473	102	364.56%
Earnings / (Loss) Per Share (PKR)	3.40	0.73	365.75%

FINANCIAL PERFORMANCE ON **A STANDALONE BASIS**

On a standalone basis, the Company's Net Revenue increased by 11.89% to PKR 36,973 million and Gross Profit rose by 52.23% to PKR 3,104 million. Operating Profit increased to PKR 1,072 million (FY2025: PKR 262 million) and finance cost fell by 30.69%. As a result, the Company turned around from a loss after tax of PKR 319 million in FY2025 to a profit after tax of PKR 413 million, with Earnings per Share of PKR 2.97 (FY2025: Loss per Share of PKR 2.29).

Particulars	Standalone Year ended 30 June		Variance (+/-)
	2026	2025	
	PKR IN MILLION		% age
Gross Revenue	40,413	35,828	12.80%
Net Revenue	36,973	33,043	11.89%
Gross Profit	3,104	2,039	52.23%
% of Net Revenue	8.40%	6.17%	
Operating Profit	1,072	262	308.44%
Finance Cost	281	405	-30.69%
Profit / (Loss) before levy and taxation	791	(143)	Turnaround
Profit / (Loss) after taxation	413	(319)	Turnaround
Earnings / (Loss) Per Share (PKR)	2.97	(2.29)	Turnaround

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

HTBL, the Company's wholly owned subsidiary, blends the Company's lubricants locally with SK On Co., Ltd. (formerly SK Enmove Co., Ltd.). Local blending reduced imports of finished products and improved cost competitiveness, lifting the Lubricants segment gross margin to 26.1% (FY2025: 24.4%) and its profit before levy and taxation to PKR 674 million (FY2025: PKR 198 million). HTBL also manufactures HDPE bottles and caps.

POLYMER **SEGMENT THROUGH HTBL**

The Polymer Segment, operational since 2023, grew its sales by 35% to PKR 630 million during FY 2026. The gross profit margin improved to 15.4% (FY2025: 12.0%) and the segment recorded a profit before levy and taxation of PKR 106 million, compared with a loss of PKR 7 million last year—its first full year of profitability, in line with last year's outlook.

PETROLEUM SEGMENT **(HTL FUEL STATIONS)**

The Petroleum segment's revenue increased by 17% to PKR 27,205 million on higher volumes, and gross profit rose by 64% to PKR 1,028 million. Profit before levy and taxation was PKR 116 million (FY2025: PKR 131 million), as higher operating profit was offset by increased finance cost on working capital. The retail network comprised 55 active fuel stations as at June 30, 2026 (FY2025: 61), and the Company operates 21 HTL Express Centres, supported by 129 distributors, 3 warehouses, 2 oil depots and 4 regional offices. During the year, the Company disposed of the under-construction Shikarpur oil storage facility and, subsequent to the year end, acquired a new site at Daulatpur for a new oil storage facility.

MANAGEMENT OF **LIQUID RESOURCES** CASH **MANAGEMENT & STRATEGIC DECISION MAKING**

Effective cash management and prudent liquidity control remain central to the Company's strategic framework, supported by a robust Annual Operating Plan (AOP), forecasting and internal control systems. Higher sales volumes increased the Group's investment in inventories and receivables during the year; this was funded through new long-term financing of PKR 500 million and short-term borrowing lines. The Group's current ratio improved to 1.09 times (FY2025: 0.93 times), and management remains focused on converting profits into operating cash flows.

CAPITAL **EXPENDITURE**

The Board confirms that there are no financial constraints that may impede the Company's ability to pursue long-term strategic projects. Capital expenditures are evaluated for alignment with profitability and risk management objectives, with oversight from the Internal Audit Department and the Audit Committee. For the year ended 30 June 2026, the Group incurred capital expenditure of PKR 696 million (FY2025: PKR 538 million), mainly on blending and polymer machinery, fuel station infrastructure and vehicles.

CONTRIBUTION TO **NATIONAL EXCHEQUER**

The Group contributed more than PKR 10.7 billion to the national exchequer in FY 2025-26 through sales tax, the Petroleum Development Levy and Climate Support Levy, income tax, and payments to the Workers' Profit Participation Fund and Workers' Welfare Fund, in addition to customs duties on imports of PKR 465 million. This reflects the Group's continued commitment to the country's economic development and regulatory compliance.

APPROPRIATION OF **PROFITS**

The Board of Directors, in its meeting held on 18 September 2026, has proposed a final cash dividend of PKR 1.15 per share, i.e. 11.5%, amounting to PKR 160.09 million for the year ended June 30, 2026 (FY2025: Nil), subject to the approval of members at the Annual General Meeting. The standalone appropriation is summarised below:

Particulars	Rupees '000
Un-appropriated profit brought forward	24,975
Profit after taxation for the year	413,222
Transfer from surplus on revaluation on disposal of freehold land	225,000
Un-appropriated profit carried forward	663,197
Proposed final cash dividend @ PKR 1.15 per share (11.5%) – after the reporting period	(160,086)
Un-appropriated profit after proposed dividend	503,111

Earnings per share for the year were PKR 2.97 on a standalone basis and PKR 3.40 on a consolidated basis.

FUTURE **OUTLOOK**

Progress against last year's outlook: Local blending through HTBL has improved lubricant margins as expected; the Polymer Segment achieved profitability; and the Group returned to a healthy profit. Growth of the fuel station network was slower than planned, with 55 active stations at year end.

Looking ahead: The Company expects continued benefits from local blending and a richer product mix in lubricants, further growth in the Polymer Segment from packaging demand in FMCG, pharmaceutical and e-commerce sectors, and prudent expansion of the fuel station network and storage infrastructure (including the new Daulatpur site), subject to regulatory approvals. Key uncertainties include oil price volatility linked to the Middle East situation, inflation and interest-rate direction, exchange-rate movements and working-capital funding costs. Management will prioritise margin protection, cost discipline and cash conversion to sustain performance and long-term shareholder returns.

MATERIAL CHANGES AND **COMMITMENTS**

- There have been no material changes or commitments affecting the financial position of the Company or its Group company between the end of the financial year ended June 30, 2026 and the date of this report, except as disclosed in the unconsolidated and consolidated financial statements, including: (i) the proposed final cash dividend of PKR 1.15 per share (11.5%); (ii) the Board's approval on July 10, 2026 of the rearrangement of the Polymer business segment into a separate entity, subject to all regulatory approvals; (iii) a show cause notice received on July 21, 2026 from the Collector of Customs (Adjudication) involving PKR 116.753 million, against which the Company is filing its reply and, based on legal advice, expects a favourable outcome; and (iv) acquisition of a new oil storage site at Daulatpur on August 12, 2026.
- There has been no modification in the Auditor's Report in relation to any group company at any stage.
- There has been no default in payment of any debt by any of the group companies during the year.

CORPORATE AND **FINANCIAL REPORTING FRAMEWORK**

In compliance with the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Directors confirm that:

i. The financial statements prepared by the management present fairly the state of affairs of the Company and the Group, the results of their operations, cash flows and changes in equity.
ii. Proper books of account of the Company have been maintained.
iii. Appropriate accounting policies have been consistently applied in the preparation of the financial statements, and accounting estimates are based on reasonable and prudent judgment.
iv. International Financial Reporting Standards (IFRSs) issued by the IASB as notified under the Companies Act, 2017 and the provisions of and directives issued under the Companies Act, 2017 have been followed; where these differ, the provisions of the Act have been followed.
v. The system of internal control is sound in design and has been effectively implemented and monitored.
vi. There are no significant doubts upon the Company's ability to continue as a going concern.
vii. There has been no material departure from the best practices of corporate governance, as detailed in the Listing Regulations and the Listed Companies (Code of Corporate Governance) Regulations, 2019.
viii. Key operating and financial data for the last six years is given elsewhere in this annual report.
ix. There are no outstanding statutory payments on account of taxes, duties, levies and charges, other than those disclosed in the financial statements.
x. The value of investments of the Employees' Provident Fund Trust as at June 30, 2026 was PKR 238 million (based on its audited financial statements).
xi. The Auditors have expressed unqualified opinions on the financial statements of each of the group companies.

Details of trading in the shares of the Company by the Directors, CEO, CFO, Company Secretary, Head of Internal Audit, other executives and their spouses and minor children during the year are given below:

Name and description	Date	Nature	No. of shares	Rate (PKR)
Mr. Shaukat Hassan (Non- Executive Director)	19-12- 2025	Gift out	1,500,000	Nil
Ms. Amna Zaidi (spouse of Non-Executive Director Mr. Faraz Akhtar Zaidi)	19-12- 2025	Gift in	1,500,000	Nil
Mr. Saeed Ullah Khan Niazi (Executive)	06-04- 2026	Buy	4,000	35.09
After the year end				
Ms. Mavira Tahir (Non-Executive Director)	10-07- 2026	Sell	435,000	46.00
Mr. Faraz Akhtar Zaidi (Non- Executive Director)	10-07- 2026	Buy	435,000	46.00

All transactions were disclosed to the Pakistan Stock Exchange under PSX Regulation 5.6.4.

COMPLIANCE WITH THE CODE OF **CORPORATE GOVERNANCE**

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

BOARD MEETINGS AND **ATTENDANCE**

During the year, four meetings of the Board of Directors were held, all in Pakistan. Attendance was as follows:

Name of Director	Meetings attended
Mr. Shaukat Hassan	4/4
Mr. Hassan Tahir	4/4
Mr. Muhammad Ali Hassan	4/4
Ms. Mavira Tahir	4/4
Mr. Faraz Akhtar Zaidi	4/4
Ms. Mehvish Khan	Leave granted
Mr. Shafiq ur Rehman	4/4
Mr. Muntizer Abbas Hussain	3/4
Mr. Mahmood Akhtar	4/4
Mr. Donghyun Kim	2/4

AUDITORS

The present auditors M/s Riaz Ahmad & Co., Chartered Accountants, retire and offer themselves for re-appointment. They have confirmed achieving satisfactory rating by the Institute of Chartered Accountants of Pakistan (ICAP) and compliance with the Guidelines on the Code of Ethics of the International Federation of Accountants (IFAC) as adopted by ICAP. As suggested by the Audit Committee, the Board of Directors has recommended their reappointment as Auditors of the Company for the year ending June 30, 2027, at a fee to be mutually agreed.

PATTERN OF **SHAREHOLDING**

A statement of the pattern of shareholding of certain class of shareholders as of June 30, 2026, whose disclosure is required under the reporting framework, is included in the annexed Annual Report 2026 in the format of Form 20 as specified in the Companies Regulations, 2024. The Company's holding company status is unchanged; the Company has no holding company.

BOARD **COMMITTEES**

The Board oversees the risk management process primarily through its committees. The Audit Committee ensures transparency and accountability by focusing on financial, regulatory, and compliance risks, meeting quarterly or more frequently as required. The Human Resource and Remuneration Committee addresses risks in its domain, including succession planning and the evaluation of compensation structures. The Risk and Sustainability Committee monitors and reviews material controls—financial, operational, and compliance—while recommending appropriate mitigation measures. The Investment Committee is responsible for formulating investment policies and strategies, including risk management in relation to investments.

ADEQUACY OF **INTERNAL CONTROLS**

The Board is committed to maintaining sound governance and a robust system of internal controls, integrated across all functions, effectively implemented, and regularly monitored. The Audit Committee reviews these controls to safeguard assets, ensure compliance with laws and regulations, and maintain the reliability of financial reporting. The Internal Audit Department provides independent evaluations of corporate governance, risk management, and internal controls, reporting directly to the Audit Committee.

RISK **MANAGEMENT FRAMEWORK**

The Company has a comprehensive Risk Management Policy that clearly defines the roles and responsibilities of the Board of Directors, the Audit Committee, and the Risk and Sustainability Committee. These bodies regularly review the risk matrix in terms of impact and likelihood, while senior management develops mitigation strategies for consideration by the Board. The Board and its Committees carry out a robust assessment of principal risks, including those that could threaten the business model, future performance, solvency or liquidity.

PRINCIPAL RISKS AND UNCERTAINTIES

Commodity and price risk: volatility in international oil and base-oil prices and regulated petroleum margins – mitigated through inventory planning, local blending and product-mix management.
Currency risk: PKR depreciation on imported raw materials – mitigated through local blending and timely procurement.
Interest rate and liquidity risk: reliance on short-term borrowings for working capital – mitigated through cash-flow forecasting, diversified banking lines and longterm financing for capital projects.
Credit risk: higher trade receivables – mitigated through credit limits, security deposits and regular monitoring.
Regulatory and tax risk: changes in levies and taxes and pending tax matters – mitigated through legal and tax advisory and active engagement with regulators

The Company's activities expose it to market risks (currency, price and interest rate), credit risk and liquidity risk, managed under policies approved by the Board. Detailed disclosures are provided in Note 49 to the unconsolidated financial statements.

GOVERNANCE **POLICIES AND PROCEDURES**

Comprehensive policies and procedures, approved by the Board, guide the management of financial, operational, and compliance risks. The Board is committed to establishing a high level of ethics and compliance across the Company; these policies, together with the Code of Conduct, reinforce a culture of integrity and delegate appropriate authority to senior management for effective implementation.

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

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

On the CSR front, HTL sustained its long-standing commitment to education, healthcare, and community well-being. Through the Sabra Hamida Trust, recognized by the Pakistan Centre for Philanthropy (PCP) and accredited under the Income Tax Ordinance, the Company continued to invest in improving access to quality education. In FY 2026, the Company contributed PKR 18 million towards charitable initiatives. Further details are presented in the Sustainability Section of this Annual Report.

ENVIRONMENT, **HEALTH & SAFETY**

HTL places the highest priority on environmental sustainability, health, and safety across its operations. The Company promotes eco-friendly practices through products with low emissions and reduced environmental impact, and maintains robust health and safety protocols supported by regular training. Further details are presented in the Sustainability section of this Annual Report

CONTRACTS WITH **RELATED PARTIES**

All transactions with related parties during the year were carried out in the normal course of business on an arm's length basis, reviewed by the Audit Committee and approved by the Board in accordance with the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019. Details of related party transactions, including the interest of directors, are disclosed in Note 43 to the unconsolidated financial statements.

THRESHOLD FOR **CONSIDERATION AS EXECUTIVES**

The Board has fixed the threshold of employees for consideration as Executives of the Company which includes CEO, CFO, Company Secretary, Head of Internal Audit, all the Heads of Departments and such other employees as may be specified by Human Resource and Remuneration Committee keeping in view their scope of performance affecting the organization's key objectives and drawing monthly salary package of PKR 750,000/- or above.

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

- Mr. Shaukat Hassan (Chairman BOD & Non-Executive Director)
- Mr. Hassan Tahir (CEO & Executive Director)
- Mr. Muhammad Ali Hassan (Executive Director)
- Ms. Mavira Tahir (Non-Executive Director)
- Mr. Faraz Akhtar Zaidi (Non-Executive Director)
- Ms. Mehvish Khan (Non-Executive Director)
- Mr. Shafiq ur Rehman (Non-Executive Independent Director)
- Mr. Muntizer Abbas Hussain (Non-Executive Independent Director)
- Mr. Mahmood Akhtar (Non-Executive Independent Director)
- Mr. Donghyun Kim (Nominee of SK On Co., Ltd.) (Non-Executive Director)

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

The total number of directors is 10: Male 08; Female 02. The composition of the Board on the basis of type of directorship held is: (a) Independent Directors:

03; (b) Other Non-executive Directors: 05 (including 02 female directors); (c) Executive Directors: 02.

COMMITTEES OF **THE BOARD DURING THE FINANCIAL YEAR ENDED JUNE 30, 2026**

Board's Audit Committee (BAC): Mr. Shafiq ur Rehman (Chairman), Mr. Shaukat Hassan, Mr. Faraz Akhtar Zaidi, Ms. Mavira Tahir.

Human Resources and Remuneration Committee (HR&RC): Mr. Mahmood Akhtar (Chairman), Mr. Shaukat Hassan, Ms. Mavira Tahir, Ms. Mehvish Khan, Mr. Faraz Akhtar Zaidi.

Board's Nomination Committee (BNC): Mr. Shaukat Hassan (Chairman), Ms. Mavira Tahir, Ms. Mehvish Khan, Mr. Muntizer Abbas Hussain.

Risk and Sustainability Committee (RSC): Mr. Faraz Akhtar Zaidi (Chairman), Ms. Mavira Tahir, Mr. Shafiq ur Rehman.

Board's CSR Committee: Mr. Shaukat Hassan (Chairman), Ms. Mavira Tahir, Mr. Hassan Tahir, Mr. Muhammad Ali Hassan, Mrs. Sana Sabir (Director of HTBL).

Board's Investment Committee (BIC): Mr. Shaukat Hassan (Chairman), Mr. Faraz Akhtar Zaidi, Mr. Hassan Tahir, Mr. Muhammad Ali Hassan.

There was no change in the composition of the Board committees during FY 2026.

DIRECTORS **TRAININGS**

Nine of the ten directors of the Company have acquired the Directors' Training Program (DTP) certification, including Ms. Mehvish Khan, who completed it during FY 2026. The Company plans to arrange DTP certification for the remaining director before 30 June 2027, and DTP for a female executive during FY 2027.

EVALUATION OF **PERFORMANCES**

In compliance with Rule 28(1)(vi) of the Listed Companies (Code of Corporate Governance) Regulations, 2019, the evaluation of the performance of the Board, its Members, Committees, the Chairman, and the Chief Executive Officer for the year ended June 30, 2026 was conducted internally by June 30, 2026. The previous evaluation, for FY2025, was carried out by an independent external consultant, M/s Nazeer Shaheen & Associates, in line with the requirement for an external evaluation at least once every three years. The assessment confirmed that the performance of the Board and its leadership was satisfactory.

DIRECTORS' REMUNERATION **POLICY**

The Human Resources and Remuneration Committee (HR&RC) has been authorized by the Board to design and oversee the implementation of the Company's Directors' Remuneration Policy. The objectives of the policy are (a) to attract, motivate and retain directors of the highest caliber with broad commercial experience, and (b) to comply with all relevant laws, rules and regulations applicable to directors' remuneration. The policy considers the Company's strategic aims, CSR and business integrity, market conditions for talent, and remuneration of directors in similar businesses. Remuneration of Independent Directors is restricted to meeting fees only. During the year, meeting fees of PKR 3.65 million were paid to three directors (FY2025: PKR 4.4 million to five directors), and aggregate remuneration of the Chief Executive and executive directors is disclosed in Note 44 to the unconsolidated financial statements.

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

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

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

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

The Board recognizes the pivotal role of Information Technology (IT) and Management Information Systems (MIS) in ensuring operational resilience across HTL. The IT function maintains the availability and efficiency of the Company's computing systems while enforcing strict information security policies, access controls, and compliance with recognized standards and best practices. To safeguard business continuity across all core domains—including financials, supply chain, procurement, sales, HR, marketing, OMC, and HTL Express—the Company has deployed a comprehensive Business Continuity and Disaster Recovery (BCP/DR) framework. Key servers are hosted in a state-of-the-art data center with clustered architecture and a dedicated disaster recovery site, designed to achieve zero data loss and real-time protection of critical systems. Robust cybersecurity measures, coupled with continuous oversight by trained professionals, ensure resilience against external threats and rapid recovery in the event of disruptions.

BOARD'S EFFORTS TOWARDS UNDERSTANDING **THE VIEWS OF SHAREHOLDERS**

The Board recognizes its responsibility to all shareholders, including minority shareholders. Board members and the management team engage with institutional investors and brokerage houses to understand shareholders' priorities and address their concerns. During the Annual General Meeting held on 24 October 2025, members of the Board interacted with shareholders both physically and virtually. The Board intends to continue this practice at the upcoming AGM in a hybrid format, and the Company plans to hold at least one Corporate Briefing Session based on the audited financial statements for the year ended June 30, 2026, as required under the PSX regulations.

COMPANY'S **WEBSITE**

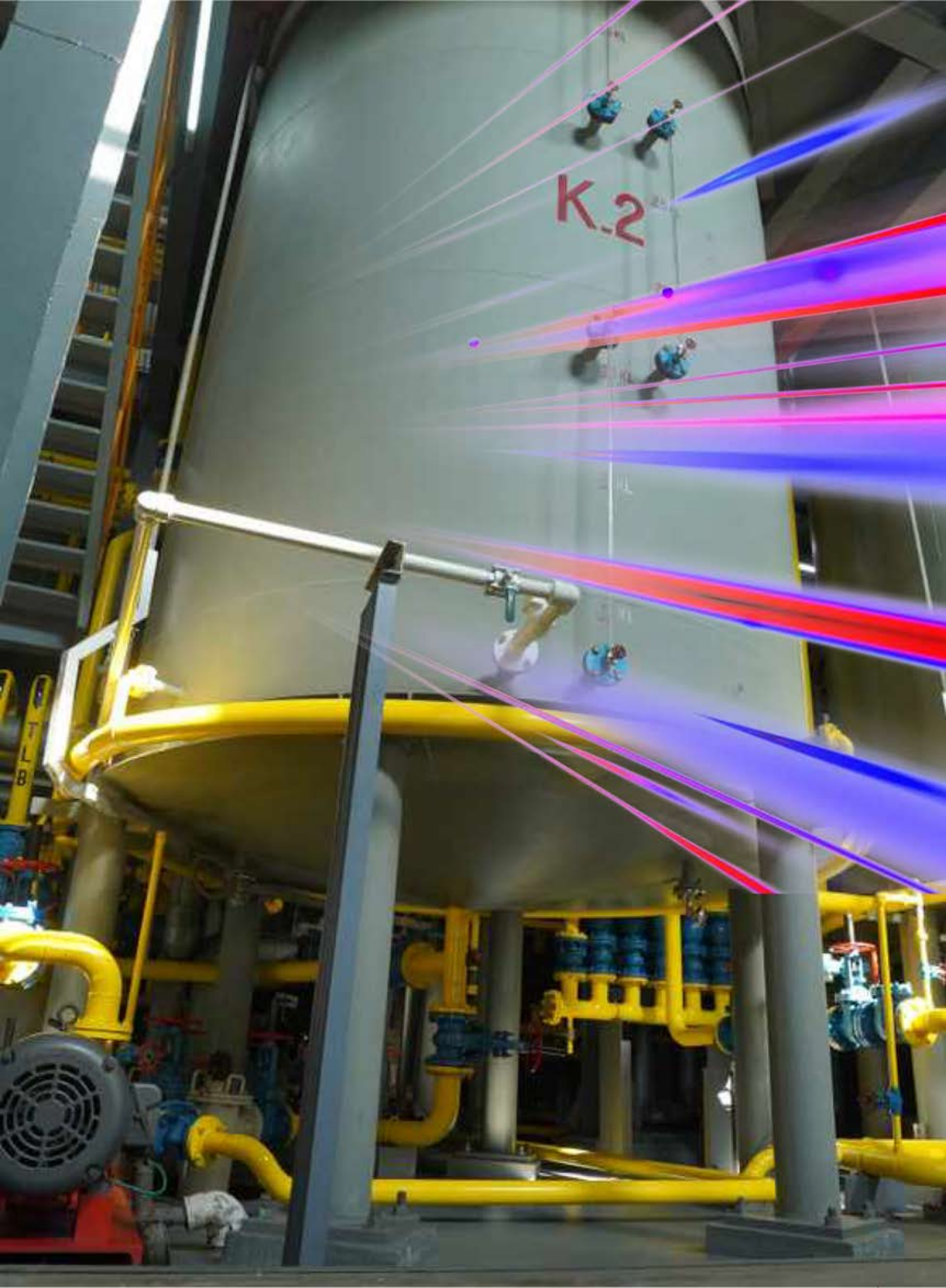
In accordance with statutory and regulatory requirements, all relevant information pertaining to the Company has been duly placed on its official website at www.hitechlubricants.com for easy access by stakeholders.

COMPANY'S STAFF **AND CUSTOMERS**

The Company had 542 employees as at June 30, 2026 (FY2025: 529), and the Group had 800 employees (FY2025: 774). The Board extends its sincere appreciation to all employees for their dedication, hard work, and commitment towards achieving the Company's objectives. We also acknowledge with gratitude the continued trust and support of our stakeholders, particularly our valued customers, business partners, bankers and regulators, whose confidence in our products and services remains a cornerstone of our success.

MR. HASSAN TAHIR
(Chief Executive Officer)
Lahore, 18 September 2026

MR. SHAUKAT HASSAN
(Chairman)


K.2

STATEMENT OF **COMPLIANCE**

WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 ("THE REGULATIONS")

NAME OF COMPANY: **HI-TECH LUBRICANTS LIMITED**

YEAR ENDED: **JUNE 30, 2026**

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of Directors are ten (10) as per the following:
   a) Male: 08
   b) Female: 02
2. The composition of the Board is as follows:

Category	Names
Independent Directors	Mr. Shafiq-ur-Rehman Mr. Mahmood Akhtar Mr. Muntizer Abbas Hussain
Non-Executive Directors	Mr. Shaukat Hassan Ms. Mehvish Khan (Female Director) Mr. Faraz Akhtar Zaidi Ms. Mavira Tahir (Female Director) Mr. Donghyun Kim [Nominee SK On Co., Ltd. (Formerly SK Enmove Co., Ltd.)]
Executive Directors	Mr. Hassan Tahir (Chief Executive Officer) Mr. Muhammad Ali Hassan

3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this company;

4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;

5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and the Regulations;

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and the Regulations;

9. Following Directors have attained the directors training program certification:

Names of Directors
Mr. Mahmood Akhtar
Mr. Shafiq-ur-Rehman
Mr. Shaukat Hassan
Mr. Faraz Akhtar Zaidi
Ms. Mavira Tahir
Mr. Hassan Tahir (Chief Executive Officer)
Mr. Muhammad Ali Hassan
Mr. Muntizer Abbas Hussain
Ms. Mehvish Khan

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below:

a) Audit Committee

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

b) HR and Remuneration Committee

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

c) Nomination Committee

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

d) Risk & Sustainability Committee

Names	Designation held
Mr. Faraz Akhtar Zaidi	Chairman
Ms. Mavira Tahir	Member
Mr. Shafiq-ur-Rehman	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings (quarterly / half yearly / yearly) of the committee were as per following:

a) Audit Committee

Four meetings were held during the financial year ended 30 June 2026.

b) HR and Remuneration Committee

One meeting of HR and Remuneration Committee was held during the financial year ended 30 June 2026.

c) Nomination Committee

No meeting of Nomination Committee was held during the financial year ended 30 June 2026.

d) Risk and Sustainability Committee

One meeting of Risk and Sustainability Committee was held on 30 June 2026, attended by all members.

15. The board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with;

19. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr. No.	Requirement	Explanation of Non-Compliance	Regulation Number
1	**Responsibilities of the Board and its members** The Board is responsible for adoption of corporate governance practices by the Company.	Non-mandatory provisions of the Regulations are partially complied. The Company is deliberating on full compliance with all the provisions of the Regulations.	10(1)
2	**Role of the Board and its members to address Sustainability Risks and Opportunities** The board is responsible for governance and oversight of sustainability risks and opportunities within the Company by setting the Company's sustainability strategies, priorities and targets to create long term corporate value.	The Securities and Exchange Commission of Pakistan (SECP) introduced a new regulation 10A in the Regulations on 12 June 2024. The implications of this amendment are currently under review by management. Compliance, where applicable, will be ensured in due course.	10(A)
3	**Directors' Training** It is encouraged that by 30 June 2022, all directors on the Board have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.	Nine directors of the Company have acquired Directors' Training Program certification. The Company has planned to arrange Directors' Training Program certification for remaining one director before 30 June 2027.	19(1)
4	**Directors' Training** Companies are encouraged to arrange training for at least one female executive every year under Directors' Training Program from year July 2020.	The Company is in the process of complying with this nonmandatory provision of the Regulations for arranging Directors' Training Program for its female staff during the year ending on 30 June 2027.	19(3)

20. The three elected independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. As they fulfill the necessary requirements as per applicable laws and regulations, hence, appointment of a fourth independent director is not warranted.



SHAUKAT HASSAN
Chairman

18 September 2026
Lahore

INDEPENDENT AUDITOR'S **REVIEW REPORT**

TO THE MEMBERS OF HI-TECH LUBRICANTS LIMITED

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Hi-Tech Lubricants Limited (the Company) for the year ended 30 June 2026 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

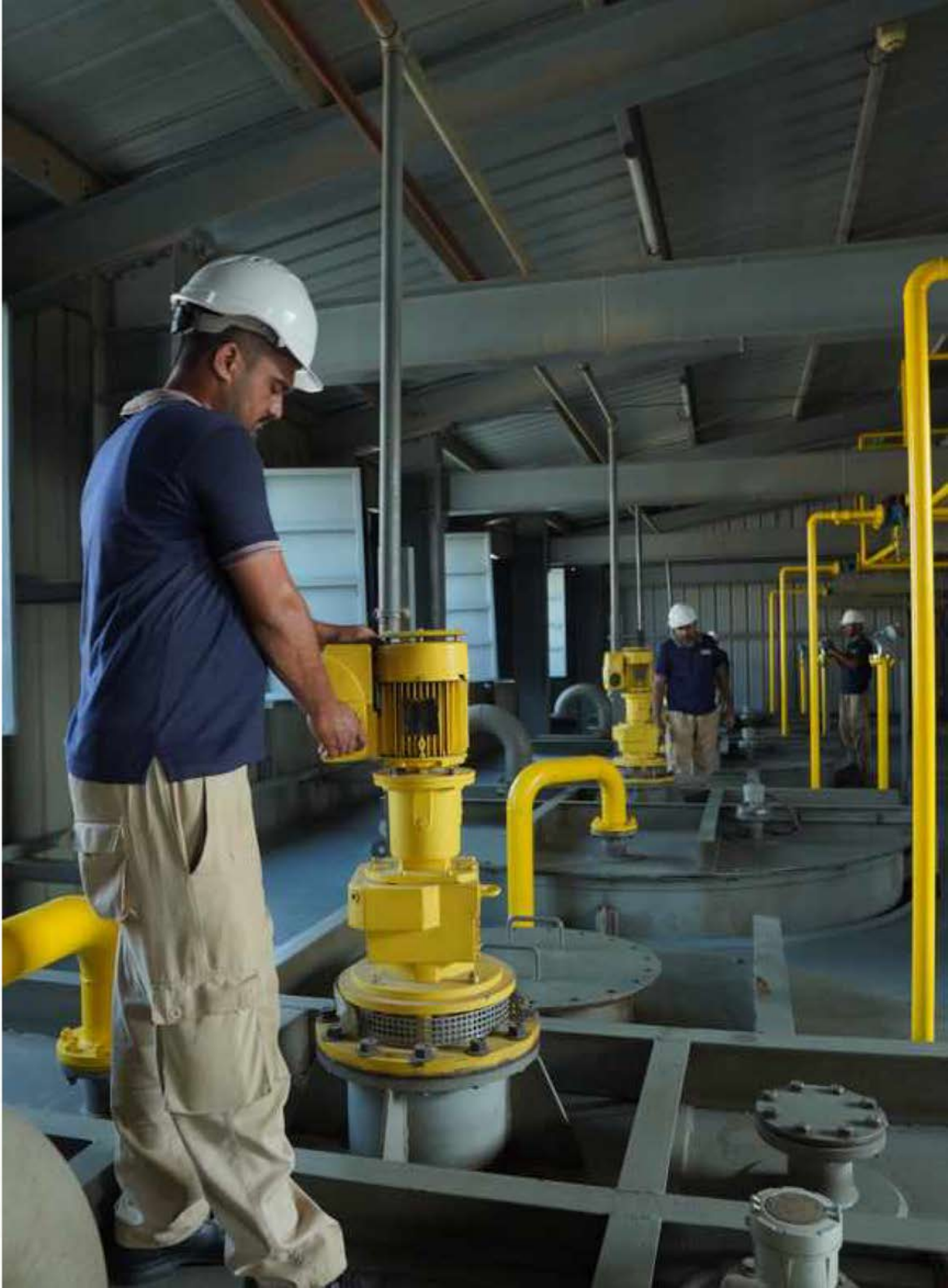
As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2026.

RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore
Date: 21 September 2026
UDIN: CR2026101581vAOXu0GR



COMPANY POLICIES AND GOVERNANCE FRAMEWORK

INTRODUCTION

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

1. GOVERNANCE AND COMPLIANCE POLICIES

1.1 CONFLICT OF **INTEREST**

Conflict of Interest Policy has been developed to inform members of the Board of their principal legal obligations to HTL and to provide a method for identification, disclosure and resolution of potential conflicts of interest under the guidelines, if any, of Companies Act, 2017, the Article of Association of the Company, other relevant laws and best practices. This policy also aims to provide a framework for all Board Members to disclose actual and perceived conflicts of interest. It provides guidance on what constitutes a Conflict of Interest and how it will be managed and monitored by HTL. The Board encourages directors to resolve any issues or concerns at the earliest opportunity. While some conflicts will be resolved by an informal discussion between the parties, others will need a process for successful resolution.

1.2 TRANSACTIONS WITH **RELATED PARTIES**

The purpose of this policy is to ensure the proper approval and reporting of transactions between the company and its related parties, subsidiary and associated undertakings by following the guidelines of Companies Act 2017, Code and any other relevant law, if any. The policy enumerates identification and disclosure mechanism. The nature of the transactions that take place between HTL and related parties includes but not limited to sale, purchase or supply of any goods or materials, selling or otherwise disposing of, or buying, property of any kind, leasing of property of any kind, availing or rendering of any services, appointment of any agent for purchase or sale of goods, materials, services or property and such related party's appointment to any office or place of profit in the company, its subsidiary company or associated company. In cases where company has entered in any transaction with related party disclosures are required to be made, that includes but not limited to, in respect of name of company or undertaking, nature and amount of transaction, method used for transaction and arm's length.

2. SUSTAINABILITY AND RESPONSIBILITY POLICIES

2.1 CORPORATE SOCIAL **RESPONSIBILITY (CSR)**

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

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

2.2 SOCIAL & **ENVIRONMENTAL RESPONSIBILITY**

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

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

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

2.3 WHISTLE **BLOWING**

HTL have a properly documented and implemented whistle blowing policy to ensure doing the business lawfully, ethically and with integrity. The prime objective of the formulation of this Whistle-blowing Policy (WBP) is to encourage employees and professional associates of the Company to formally bring to the notice of an appropriate official their concerns about or knowledge of an actual or suspected wrongdoing noticed by them. No whistle-blower is subjected to any harassment or victimization (including informal pressures). If however, an allegation is made frivolously, maliciously or for personal gain, it will be treated as a breach of discipline and dealt with in accordance with applicable rules.

Due to strong governance and sound ethical practices, no instance of whistle blowing was witnessed at HTL.

2.4 STAKEHOLDERS **ENGAGEMENT**

Hi-Tech Lubricants Limited ("HTL") is committed at all times to disclose and distribute all the information to the public in full and in a timely and accurate manner, in accordance with the listing rules stipulated by the Pakistan Stock Exchange ("PSX"), as well as the Securities and Exchange Commission of Pakistan ("SECP").

All disclosures and announcements submitted to the PSX via SECP will be made available on the Company's Investors Relations website. In the unlikely event when information previously undisclosed were made known to the public, the Company will promptly announce the related appropriate information to the public through PSX and the corporate website.

Convey all the essential and relevant disclosure and information to shareholders and other prospective investors in a balanced, effective, accurate, timely and plain language.

The Company will only communicate through our officially nominated spokespersons, which will also maintain and conduct regular dialogue sessions with shareholders to seek and understand their views, as well as to answer queries made by the investors or media.

COMMUNICATION **CHANNELS**

- AGM (Annual General Meeting) and EGM (Extraordinary General Meeting) if applicable;
- Financial results presentation slides and financial results on a quarterly basis;
- Presentation to media and analysts' on half-year and full-year financial results,
- Other individual or group meetings, conference calls, investor luncheons, road shows and conferences local/overseas;
- Publications and circulars, such as annual reports, press releases and statements of major developments, or explanatory notes will be available on the corporate website;
- Corporate website address (www.hitechlubricants.com)
- Shareholders and prospective investors can contact the Company's investor relations team at 111-645- 942 or by emailing to info@masgroup.org

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

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

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

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

3.1 INFORMATION TECHNOLOGY (IT)

Our IT Governance Policy delineates guidelines to ensure the effective input and decision making for achieving the organizational goals. Due to importance of IT in HTL, CEO directly oversees IT governance and input on strategic alignment, value delivery and resource management. Board oversees investment and risk regarding IT through Investment Committee (IC) and Risk Management Committee (RMC) respectively.

IT governance policy includes following key aspects:

- Data security
- Data storage and backup
- Availability of data in a manner to ensure informed decision making
- Ensuring safety of IT assets and resources
- Promoting transparency, accountability and governance
- Alignment of IT objectives with the corporate strategy

3.2 SAFETY OF **RECORDS**

HTL has devised an effective policy for the safety of records, which ensures the security of all physical and electronic data / record by including access controls besides 'real-time' on-site and remote backup of all data. The purpose of the policy is to ensure the preservation of Company records of significant or permanent value for periods exceeding the legally stipulated timeframe in an efficient, secure and easy to retrieve manner either physically or in electronic format or both. Our IT department is responsible for back- ups of all the electronic records. Proper SOP's are also in place for complete guidelines.

4. FINANCIAL AND **INVESTOR POLICIES**

4.1 DIVIDEND **POLICY**

HTL Management views a dividend policy as an integral part of their corporate strategy. Dividend policy includes consideration such as debt equity structure, availability of profits, cash flows, dividend form and manner and stability of dividend pattern in order to meet investor's expectations.

4.2 INVESTOR'S **GRIEVANCE**

The objective of this policy is to ensure that queries, complaints and grievances lodged/notified by public shareholders (the "Investors") are responded promptly, handled efficiently and resolved within reasonable possible time at an appropriate level. Corporate Compliance Department is responsible for supervising all the queries, complaints and grievances of Investors.

POINT OF **CONTACTS**

- All the Investors of HTL are required to contact company's Independent Share Registrar at Central Depository Company of Pakistan Limited, CDC House, 99-B, Block 'B', S.M.C.H.S. Main Shahra-e- Faisal, Karachi-74400 OR at info@cdcpak.com.pk OR at 021 111 111 500;
- Alternatively, Investors of HTL may also contact either calling at HTL's landline at 042 111 645 642 or by emailing at info@masgroup.org
- All the Queries/Complaints/Grievances of Investors of Company's received either by CDC-Share Registrar or at HTL's registered office are responded timely, handled on priority basis and resolved within the timelines specified in the Company's Policy.

5. HUMAN RESOURCE **MANAGEMENT POLICIES**

5.1 SUCCESSION **PLANNING**

Succession planning is the Company strategic, systematic and deliberate activity that will ensure the availability and sustainability of a supply of capable employees that are ready to assume key or critical organizational roles as they become available within the company.

Succession planning entails development of high potential employees to become business leaders in future. HTL firmly believes in the growth of its employees and continuously focuses on the development of its existing talent.

5.2 HIRING / **MERIT-BASED RECRUITMENT**

The objective of this policy is aimed at, and committed to, building and maintaining a diverse workforce with high standards and expectations for excellence. The Hi-Tech Lubricants Limited is an equal opportunity employer and seeks to employ individuals based upon their qualifications, experience, and ability to perform the position responsibilities. All applicants can expect a fair and complete evaluation of their application.

5.3 PERFORMANCE **MANAGEMENT**

Performance management system is widely recognised as a bedrock policy upon which rests all other various functional activities and procedures. Hence, a well-designed performance management system helps us to attract, nurture, retain and develop human resource potentials of an organization.

Performance appraisal system is an integral part of the overall performance management system of Company, which creates favorable and enabling circumstances for inculcating fairness, internal & external equity and above all increasing employee motivation and job satisfaction.

5.4 PROMOTION, **REWARD & MOTIVATION**

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

5.5 TRAINING & **DEVELOPMENT**

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

5.6 JOB **ROTATION**

The purpose of this policy is to emphasize that the Company will exercise its discretion in transferring employees to other department/location or rotate them to other jobs within the organization in order to fulfill some specific operational conditions/requirements while keeping their future career progression in mind.

The policy mainly focuses upon achieving the following:

- To exercise flexibility of employment at inter & intra department and at cross functional level;
- To have additional trained management work force available;
- To facilitate and ensure smooth transition for employees earmarked to assume high level position.

5.7 EMPLOYEE **HEALTH & MATERNITY**

Hi Tech Lubricants Limited provides health insurance policy to all its employees for medical reimbursement in case of outpatient as well as emergency treatment along with the employee's dependents. The maternity care is also covered by the company as per pre-defined limits for each employee level.

5.8 EMPLOYEE **ENGAGEMENT & FEEDBACK**

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

SECURITY CLEARANCE OF **FOREIGN DIRECTORS**

HTL's Board has defined the complete procedure for the appointment and security clearance of any foreign national as a member of the Board. As per the policy, the Company secretary is responsible for all the matters regarding security clearance of foreign directors. Company Secretary files all the required forms, declarations, certified undertaking and other particulars to the SECP for clearance from the relevant Government Agencies.

DETAILS OF **BOARD MEETINGS** HELD OUTSIDE **PAKISTAN DURING THE YEAR**

No Board meeting of HTL's Directors was held outside Pakistan during the year ended 30 June 2026

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

A) INTEGRATION OF CORE BUSINESS FUNCTIONS

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

B) MANAGEMENT SUPPORT AND CONTINUOUS UPDATION

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

C) USER TRAINING

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

D) MANAGEMENT OF ERP RISKS

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

E) SYSTEM SECURITY AND ACCESS CONTROLS

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

INFORMATION TECHNOLOGY GOVERNANCE AND CYBER SECURITY

BOARD RESPONSIBILITY AND **CYBER RISK OVERSIGHT**

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

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

Key aspects of HTL's IT Governance Policy include:

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

IT GOVERNANCE AND **CYBERSECURITY PROGRAMS**

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

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

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

CYBERSECURITY AND **BOARD OVERSIGHT**

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

EARLY WARNING AND **INCIDENT MANAGEMENT**

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

INDEPENDENT **SECURITY ASSESSMENTS**

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

BUSINESS CONTINUITY AND **DISASTER RECOVERY**

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

Key elements include:

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

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

DIGITAL TRANSFORMATION AND INDUSTRY 4.0

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

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

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

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

EDUCATION AND TRAINING

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

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

ERP SECURITY AND ACCESS CONTROLS

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

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






SK ZIC
HTL
OCTANE 100
DIESEL X2000
SUPER 7
HT EXPRESS
Your Vehicle Expert
IN
BAY



STAKEHOLDER ENGAGEMENT AND **SOCIAL IMPACT**

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

STAKEHOLDERS RELATIONSHIP AND ENGAGEMENT

STAKEHOLDERS ENGAGEMENT POLICY

At HTL, our Stakeholder Engagement Policy reflects our enduring commitment to building trust, fostering collaboration, and creating long-term value with all stakeholders.



Our engagement approach is anchored in the principles of:

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



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

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

STAKEHOLDER **IDENTIFICATION**

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

Key elements of our approach include:

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

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



STAKEHOLDERS' ENGAGEMENT PROCESS AND **THE FREQUENCY OF SUCH ENGAGEMENTS DURING THE YEAR**

Our stakeholder engagement process is designed to maintain open and constructive dialogue with key stakeholders, recognizing the impact they have on our business.



Here's an overview of our engagement process and the frequency of engagements during the year for each stakeholder group

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

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

HTL places significant importance on fostering a strong and inclusive relationship with all its shareholders, particularly minority shareholders, who play a vital role in our corporate community.

To encourage our minority shareholders' active participation in the Annual General Meeting (AGM), we have implemented the following steps:

- Notice of AGM is disseminated at least twenty-one days before meeting.
- Notice of AGM is published in one English and one Urdu newspaper having country-wide circulation.
- Notice of AGM is placed on Company's website
- Notice of AGM is placed on PSX website through PUCARS.
- We also enhance accessibility by providing a QR code for the annual report along with the printed proxy form to all shareholders along with the AGM notice. This QR code simplifies access to the annual report, while the proxy form empowers shareholders to designate a representative for attending and voting on their behalf at the meeting.

In addition to above, all the shareholders are given right to speak and ask questions, as per the legal requirements, to encourage their participation and involvement.



INVESTOR **RELATIONS**

INVESTORS' RELATIONS SECTION ON THE **CORPORATE WEBSITE**

The Company maintains a dedicated Investor Relations section at **www.hitechlubricants.com/investor**, containing corporate and governance information, annual, half-yearly and quarterly reports, notices of general meetings, PSX announcements, corporate briefing presentations and the CEO's video presentation. The section is updated promptly in line with the Companies Act, 2017 and PSX Rule Book requirements.

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

The 17th Annual General Meeting was held on 24 October 2025 at the Lahore Chamber of Commerce and Industry and through video link. Shareholders' questions related mainly to inflation, lubricant volumes, market share and future plans after local blending, and were answered by the Chairman, the CEO and the CFO. All items of business, including the related party transactions with HTBL and Sabra Hamida Trust, were approved. Decisions and their implementation status:

AGM decision	Outcome	Status
Adoption of FY 2025 audited financial statements	Approved	Filed with SECP and PSX
Appointment of M/s Riaz Ahmad & Co. as auditors for FY 2025-26	Approved	Audit completed
Ratification of FY 2025 related party transactions	Approved	Implemented
Authority to Board for FY 2026 related party transactions	Approved	Transactions reported in Note 43

REDRESSAL OF **INVESTOR COMPLAINTS**

Investor complaints are handled by the Company Secretary and the Share Registrar within the timelines set by SECP's complaint management system. During FY 2026, no investor complaints were received (FY 2025: nil).

CORPORATE BRIEFING **SESSION (CBS)**

In compliance with PSX regulations, the Company held its CBS for the year ended 30 June 2025 on 14 December 2025, virtually and open to all shareholders and analysts. Management presented the FY 2025 results, local blending at HTBL and the FY 2026 outlook. Questions focused on market share and any impact of electric vehicles on it, export prospects, inflation, higher lubricant prices and competition from other lubricant companies. The FY 2026 CBS will follow the AGM, as required by PSX.

CEO VIDEO **PRESENTATION**

The Chief Executive Officer's video presentation on FY 2026 performance, strategy and outlook is on the Investor Relations section of the Company's website and at hitechlubricants.com/annual-review/ceo-review.mp4

WHISTLE-BLOWING **MECHANISM**

The Company's whistle-blowing policy allows employees and other stakeholders to raise concerns confidentially, by email or letter to the Chairman of the Audit Committee, without fear of victimisation. The Audit Committee reviews the effectiveness of the mechanism. No whistle-blowing incidents were reported to the Audit Committee during FY 2026 (FY 2025: nil).

CORPORATE BENEFITS **TO SHAREHOLDERS**

For FY 2026, the Board has recommended a final cash dividend of PKR 1.15 per share (11.5%). Earnings per share rose to PKR 3.40 (consolidated) and the break-up value per share to PKR 48.02. Share price performance and total shareholder return are presented on page 189.



SHAREHOLDER AND **INVESTOR INFORMATION**

Item	Details
PSX symbol / sector	HTL / Oil & Gas Marketing Companies
Issued, subscribed and paid-up capital	PKR 1,392,048,000 (139,204,800 ordinary shares of PKR 10 each)
Free float	33,336,685 shares (23.95%) as at 30 June 2026 (CDC)
Market capitalisation (30 June 2026)	PKR 6.14 billion (closing price PKR 44.08)
Financial year end	30 June
Shariah status	Shariah-compliant; constituent of the PSX-KMI All Share Islamic Index
Registered office	1-A, Danepur Road, GOR-1, Lahore
External auditors	M/s Riaz Ahmad & Co., Chartered Accountants
Share Registrar	CDC Share Registrar Services Limited, CDC House, 99-B, Block B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi. Tel: +92 21 111-111-500; Toll free: 0800-23275;
	Email: info@cdcsrsl.com

DIVIDEND **HISTORY**

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Final cash dividend (PKR per share)	2.90	3.80	2.00	–	–	1.15*
Cash dividend (%)	29%	38%	20%	–	–	11.5%*
Earnings / (loss) per share (PKR)	2.60	5.30	(0.67)	0.80	(2.29)	2.97**
Year-end share price (PKR)	70.91	39.65	21.23	35.66	45.09	44.08

* Proposed final dividend, subject to approval at the AGM. ** Standalone EPS; consolidated EPS PKR 3.40.

Financial calendar FY 2026	Date
First quarter results (30 September 2025)	27 October 2025
Half-year results (31 December 2025)	25 February 2026
Third quarter results (31 March 2026)	27 April 2026
Annual results (30 June 2026) and final dividend	18 September 2026
18th Annual General Meeting	27 October 2026
Book closure for final dividend	21 – 27 October 2026
Corporate Briefing Session for FY 2026	After the AGM

INVESTOR **SERVICES**

Dividend mandate: Under Section 242 of the Companies Act, 2017, cash dividends are paid only by electronic transfer to the bank account (IBAN) designated by the shareholder. Shareholders are requested to provide their IBAN to the Share Registrar or their CDC participant.

Withholding tax and Zakat: Income tax is deducted from dividends at the rates prescribed under the Income Tax Ordinance, 2001, with a higher rate for persons not on the Active Taxpayers List. Zakat is deducted unless a valid declaration of exemption (CZ-50) is filed.

Physical shares and unclaimed dividends: Shareholders holding physical share certificates are encouraged to convert them into book-entry form, as required by Section 72 of the Companies Act, 2017. Unclaimed dividends and shares are dealt with under Section 244 of the Act; shareholders may contact the Company Secretary to claim them.

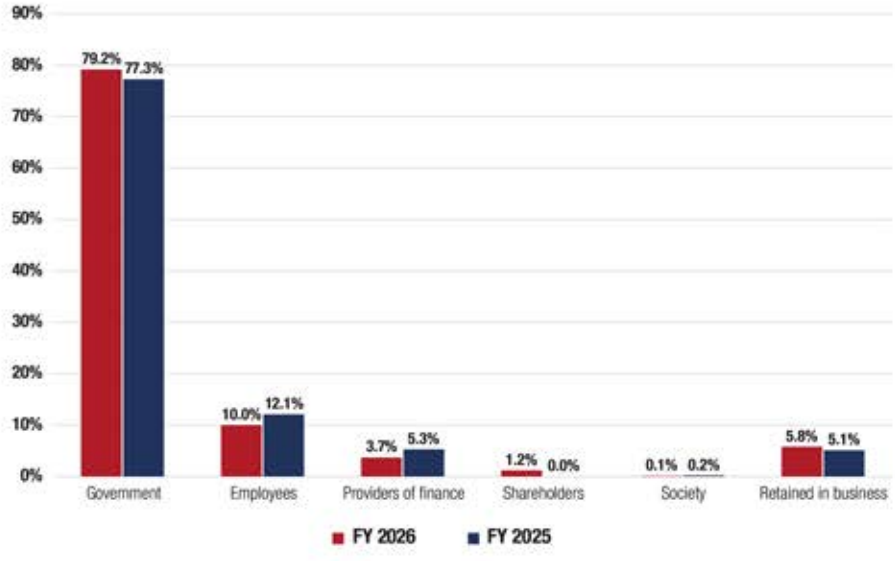
Electronic communication: Annual reports and notices are circulated by email to shareholders who have registered their email addresses, and are available on the Company's website.



STATEMENT OF **VALUE ADDITION AND WEALTH DISTRIBUTION**

	Rs. 2026	%	Rs. 2025	%
WEALTH GENERATED				
Gross revenue (incl. sales tax)	41,135		36,378	
Other income	311		275	
Less: bought-in materials and services	(28,044)		(25,488)	
Value added	**13,402**	**100%**	**11,166**	**100%**
WEALTH DISTRIBUTION				
To Employees		-		-
Salaries, wages and benefits	1,314	9.8%	1,314	11.8%
Workers' Profit Participation Fund	25	0.2%	34	0.3%
To Government – direct taxes				
Income tax and levy	423	3.2%	221	2.0%
Workers' Welfare Fund	19	0.1%	12	0.1%
To Government – indirect taxes				
Sales tax	2,597	19.4%	2,369	21.2%
Petroleum Development Levy	7,353	54.9%	6,032	54.0%
Climate Support Levy	228	1.7%	-	-
To providers of finance				
Finance cost	492	3.7%	595	5.3%
To shareholders				
Proposed final cash dividend	160	1.2%	-	-
To society				
Donations	18	0.1%	19	0.2%
Retained in the business				
Depreciation and amortisation	462	3.4%	468	4.2%
Profit retained	313	2.3%	102	0.9%
Total value distributed	13,402	100.0%	11,166	100.0%

Distribution of Wealth (FY 2026 vs FY 2025)



PATTERN OF **SHAREHOLDING**

As at June 30, 2026 — Form 20 under Section 227(2)(f) of the Companies Act, 2017 and the Companies Regulations, 2024, with comparatives as at June 30, 2025. Total shareholders: 4,474 (2025: 4,867); **total shares: 139,204,800**.

CATEGORIES OF **SHAREHOLDERS**

Categories of shareholders	Holders 2026	Shares 2026	% 2026	Holders 2025	Shares 2025	% 2025
Directors, Chief Executive Officer and their spouse(s) and minor children	–	58,488,755	42.02%	–	74,853,499	53.77%
Associated companies, undertakings and related parties	–	47,854,174	34.38%	–	31,513,430	22.64%
NIT & ICP	0	0	0.00%	0	0	0.00%
Banks, DFIs and Non-Banking Financial Institutions	0	0	0.00%	1	32,572	0.02%
Insurance companies	**5**	**942,043**	**0.68%**	**5**	**1,911,518**	**1.37%**
Modarabas and mutual funds	10	10,988,150	7.89%	7	3,145,450	2.26%
General public – local	4,239	15,069,879	10.83%	4,607	23,384,194	16.80%
General public – foreign	152	711,835	0.51%	162	498,639	0.36%
Foreign companies	0	0	0.00%	0	0	0.00%
Others	35	5,149,964	3.70%	51	3,865,498	2.78%
Total	4,474	139,204,800	100.00%	4,867	139,204,800	100.00%

The number of holders is shown for categories as reported by the Share Registrar; directors, their families and associated persons may hold shares through more than one account.

SHAREHOLDERS **HOLDING 10% OR MORE**

Shareholders holding 10% or more of voting rights	Shares 2026	% 2026	Shares 2025	% 2025
Uzra Tahir	29,342,755	21.08%	29,342,755	21.08%
Mohammad Ali Hassan	17,489,790	12.56%	17,489,790	12.56%
Shaukat Hassan (incl. minor children)	–	–	23,799,869	17.10%

Trading in shares: During FY 2026, Mr. Shaukat Hassan (Non-Executive Director) gifted 1,500,000 shares to Ms. Amna Zaidi (spouse of Mr. Faraz Akhtar Zaidi) on 19 December 2025, and Mr. Saeed Ullah Khan Niazi (Chief Financial Officer / Executive) bought 4,000 shares at PKR 35.09 on 6 April 2026. Details, including transactions after the year end, are given in the Directors' Report.

ASSOCIATED COMPANIES **AND RELATED PARTIES**

Associated companies, undertakings and related parties	Shares 2026	% 2026	Shares 2025	% 2025
SK On Co., Ltd. (formerly SK Enmove Co., Ltd.)	993,330	0.71%	993,330	0.71%
Sana Sabir	2,628,045	1.89%	1,152,045	0.83%
Miss Eshaal Hassan	6,682,372	4.80%	–	–
Miss Nawaal Hassan through guardian Shaukat Hassan & Sana Sabir	8,182,372	5.88%	–	–
Uzra Tahir	29,342,755	21.08%	29,342,755	21.08%
Rafia Mazhar	25,100	0.02%	25,100	0.02%
Moeen ud Din	200	0.00%	200	0.00%
Total	47,854,174	34.38%	31,513,430	22.64%

PATTERN OF **SHAREHOLDING (DETAILS)**

SHAREHOLDING **SLABS**

2.2 Number of Shareholders	Shareholding Slabs				Total Shares Held
854	Shareholding from	1	to	100	25,715
690	Shareholding from	101	to	500	227,651
1211	Shareholding from	501	to	1000	855,884
1135	Shareholding from	1001	to	5000	2,672,109
248	Shareholding from	5001	to	10000	1,887,980
106	Shareholding from	10001	to	15000	1,335,792
50	Shareholding from	15001	to	20000	910,708
34	Shareholding from	20001	to	25000	798,051
28	Shareholding from	25001	to	30000	785,276
7	Shareholding from	30001	to	35000	229,452
11	Shareholding from	35001	to	40000	426,355
4	Shareholding from	40001	to	45000	171,446
13	Shareholding from	45001	to	50000	637,700
6	Shareholding from	50001	to	55000	319,540
4	Shareholding from	55001	to	60000	238,469
1	Shareholding from	60001	to	65000	64,275
4	Shareholding from	65001	to	70000	269,838
3	Shareholding from	70001	to	75000	223,200
4	Shareholding from	75001	to	80000	316,750
3	Shareholding from	80001	to	85000	248,505
3	Shareholding from	85001	to	90000	265,500
7	Shareholding from	95001	to	100000	692,000
2	Shareholding from	100001	to	105000	205,380
3	Shareholding from	110001	to	115000	341,742
1	Shareholding from	120001	to	125000	122,771
1	Shareholding from	135001	to	140000	135,079
1	Shareholding from	140001	to	145000	144,800
3	Shareholding from	145001	to	150000	450,000
1	Shareholding from	150001	to	155000	152,707
2	Shareholding from	155001	to	160000	315,000
2	Shareholding from	195001	to	200000	400,000
1	Shareholding from	200001	to	205000	201,496
1	Shareholding from	245001	to	250000	250,000
1	Shareholding from	255001	to	260000	255,600
1	Shareholding from	260001	to	265000	264,624
2	Shareholding from	335001	to	340000	677,083
1	Shareholding from	355001	to	360000	360,000
1	Shareholding from	440001	to	445000	442,000
1	Shareholding from	495001	to	500000	500,000
1	Shareholding from	545001	to	550000	550,000
1	Shareholding from	605001	to	610000	608,001
1	Shareholding from	825001	to	830000	825,157
1	Shareholding from	935001	to	940000	937,597
1	Shareholding from	955001	to	960000	960,000
1	Shareholding from	990001	to	995000	993,330
1	Shareholding from	1095001	to	1100000	1,100,000
1	Shareholding from	1495001	to	1500000	1,500,000
1	Shareholding from	1800001	to	1805000	1,801,160
1	Shareholding from	2075001	to	2080000	2,078,750
1	Shareholding from	2095001	to	2100000	2,100,000
1	Shareholding from	2435001	to	2440000	2,437,597
1	Shareholding from	2625001	to	2630000	2,628,045
1	Shareholding from	5490001	to	5495000	5,490,225
2	Shareholding from	5690001	to	5695000	11,387,670
2	Shareholding from	6000001	to	6005000	12,000,622

2.2 Number of Shareholders	Shareholding Slabs				Total Shares Held
1	Shareholding from	7395001	to	7400000	7,400,000
1	Shareholding from	9000001	to	9005000	9,000,623
1	Shareholding from	10190001	to	10195000	10,193,955
1	Shareholding from	17385001	to	17390000	17,387,910
1	Shareholding from	29000001	to	29005000	29,003,680
4,474					139,204,800

DIRECTORS, CEO AND **THEIR FAMILIES**

Directors, CEO, their spouses and minor children	Shares 2026	% 2026	Shares 2025	% 2025
Shaukat Hassan	5,935,125	4.26%	7,435,125	5.34%
Hassan Tahir	9,158,123	6.58%	9,158,123	6.58%
Muhammad Ali Hassan	17,489,790	12.56%	17,489,790	12.56%
Mehvish Khan	8,079,061	5.80%	8,079,061	5.80%
Mavira Tahir	6,079,061	4.37%	6,079,061	4.37%
Shafiq ur Rehman	600	0.00%	600	0.00%
Mahmood Akhtar	500	0.00%	500	0.00%
Muntizer Abbas Hussain	1,000	0.00%	1,000	0.00%
Faraz Akhtar Zaidi	600	0.00%	600	0.00%
Amna Zaidi	11,744,895	8.44%	10,244,895	7.36%
Miss Eshaal Hassan through guardian Shaukat Hassan & Sana Sabir	–	–	8,182,372	5.88%
Nawaal Hassan (Minor) through Shaukat Hassan (Guardian)	–	–	8,182,372	5.88%
Total	58,488,755	42.02%	74,853,499	53.77%



NOTICE OF 18TH ANNUAL GENERAL MEETING

Notice is hereby given that 18th Annual General Meeting of shareholders of Hi-Tech Lubricants Ltd. (the "Company") will be held on Tuesday 27 October 2026 at 11:00 Hours physically at the Auditorium of Lahore Chamber of Commerce and Industry (LCCI), 11-Shahrah-e-Aiwan-e-Tijarat, Lahore as well as through electronic means via video link / Zoom application. ("18th AGM") to transact following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt Annual Audited Financial Statements of the Company for the year ended 30.06.2026 together with Auditor's and Board of Directors' reports thereon.
2. To approve and declare final Cash Dividend for the year ended June 30, 2026 at PKR 1.15 per share (i.e. 11.5 %) as recommended by the Board of Directors on 18.09.2026.
3. To appoint Auditors of the Company for next financial year 2026-27 and to fix their remuneration. Present auditors M/s Riaz Ahmad & Co. Chartered Accountants, retired and being eligible, offer themselves for reappointment as Auditors of the Company.

SPECIAL BUSINESS

4. To consider, and if thought fit, to pass following resolutions, with or without modifications, as special resolutions, (a) to ratify and approve transactions carried out with associated undertaking Sabra Hamida Trust (SHT) during financial year ended 30.06.2026 and (b) & (c) to authorize Board of Directors to approve all related party transactions carried out and to be carried out with SHT during financial year ending 30.06.2027 up to the amount of PKR 30 Million.

(a) **"Resolved that** following transactions as carried out by the Company with related party Sabra Hamida Trust (SHT) during financial year ended 30.06.2026 be and are hereby ratified and approved".

Name(s)	Nature of Transactions	Amount (Rupees)
Sabra, Hamida Trust (SHT)	Donations under CSR Policy	18,000,000/-

(b) "**Further resolved that** Board of Directors of the Company be and is hereby authorized to approve all transactions carried out and to be carried out with SHT during financial year ending 30.06.2027 up to the amount of PKR 30 Million."

(c) "**Further resolved that** all transactions of the Company with SHT during financial year ending 30.06.2027, including as approved by Board of Directors under above authorization, shall be deemed to have been approved by shareholders."

5. To consider, and if thought fit, to pass following resolutions, with or without modifications, as special resolutions (a) to ratify and approve transactions carried out with wholly owned subsidiary company Hi-Tech Blending (Private) Limited (HTBL) during financial year ended 30.06.2026 and (b) & (c) to authorize Board of Directors to approve all related party transactions carried out and to be carried out with HTBL during financial year ending 30.06.2027;

(a) "**Resolved that** following transactions as carried out by the Company with related party and wholly owned subsidiary company Hi-Tech Blending (Private) Limited (HTBL) during financial year ended 30.06.2026 be and are hereby ratified and approved"

Name(s)	Nature of Transactions	Amount (PKR)
Hi-Tech Blending (Private) Limited (HTBL) (HTBL is a wholly owned subsidiary company of HTL)	Sale of Lubricants	437,813
	Purchase of Lubricants	6,954,894,780
	Purchase of Petroleum Products	19,336,143
	Lease Rentals Paid	3,000,000

(b) **"Further resolved that** Board of Directors of the Company be and is hereby authorized to approve all transactions carried out and to be carried out with HTBL during financial year ending June 30, 2027."

(c) "**Further resolved that** all the transactions of the Company with HTBL during financial year ending 30.06.2027, including as approved by Board of Directors under above authorization, shall be deemed to have been approved by shareholders."

6. To transact any other business with the permission of the Chair.

BY ORDER OF THE BOARD



Lahore,
October 06, 2026

FRAZ AMJAD KHAWAJA
COMPANY SECRETARY

Note: The Statements of Material Facts under Section 134(3) of the Companies Act, 2017 pertaining the Special Businesses of Notice concerning information as required to be disclosed under applicable provisions of relevant laws and regulations is attached with this notice of AGM.

NOTES

1. **Book Closure:** The share transfer books of the company will remain closed from 21-10-2026 to 27-10-2026 (both days inclusive). Transfers received in order at the office of the Company's Share Registrar, M/S CDC Share Registrar Services Limited, (CDCSRSL / Share Registrar of the Company) CDC House, 99-B, Block "B", S.M.C.H.S., Main Shahrah-e-Faisal, Karachi. Telephone: +92 21 111-111-500, Fax: +92 21 34326053, Toll Free: 0800 23275 (CDCPL), Email address: info@cdcsrsl.com, Website: https://www.cdcsrsl.com by the close of business (5:00 PM) on 20-10-2026 will be considered in time to be eligible for the purpose of attending and voting at 18th Annual General Meeting of the Company (hereinafter referred to in this notice as the "AGM").
2. **Appointment of Proxy:** A member entitled to attend and vote at the AGM is entitled to appoint another member as a proxy to attend and vote instead of him/her. The instrument appointing a proxy must be received at

the Registered Office of the company not less than 48 hours before the time fixed for AGM.

3. **Online Arrangements for AGM:** The Company has made both arrangements while also ensuring compliance with quorum and other legal / regulatory requirements of general meetings. Shareholders of the Company are encouraged to participate in AGM electronically through video link /Zoom Application and further encouraged to consolidate their attendance through proxies.

   A. Online Participation in AGM via ZOOM Application: The shareholders are encouraged to login and participate in the proceedings of AGM through their own smart phones/computers from their own convenient locations after completing all formalities as required for verification and identification of shareholders. To attend the AGM electronically, the Login facility will be opened about half hour before start of AGM.

   B. The shareholders of the Company, who wish to attend the AGM electronically through video link, are requested to register their following particulars by sending an e-mail at info@masgroup.org latest by or before the close of business hours (5:00 p.m.) on 26-10-2026. Emails after this date/time may remain un-responded.

Folio/ CDS Account No.	No. of Shares held	Name of Shareholder	Father's/ Husband's name	CNIC No.	Cell Phone No. with Whatsapp	Active email address

   The video link and/or login credentials will be shared with the shareholders whose e-mails, containing all the requested particulars, are received at the given e-mail address by or before the date/time specified above. For any query regarding procedure /requirements of online participation in AGM, shareholders may please contact on the above-mentioned e-mail address or at +92 42 111 645 942 during business hours

   C. Online Submission of Comments / Suggestions: The shareholders are also encouraged to send their comments / suggestions in writing, related to the proposed agenda items of the AGM by sending an email at info@masgroup.org by the close of business hours (5:00 p.m.) on 26-10-2026.

4. **Verification and Identification of Participants at AGM:** Each online participant shall authenticate his/her identity at AGM by enabling clear camera of his/her computer device / mobile etc. for verification and identification purposes.

A. For Attending the Meeting

(i) In case of Individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by submitting online scan/photo of his/her original CNIC/Passport along with Participant ID & Account number at the time of login to the video link/Zoom application for attending online AGM.

(ii) In case of corporate entity, scan/photo of the Board's resolution / power of attorney with specimen signature of the nominee shall be submitted online (unless it has been provided earlier) at the time of login to the video link/Zoom application for attending online AGM.

B. For Appointing Proxies

(i) In case of individuals, the account holder and/or sub-account holder, whose registration details are uploaded as per the CDC Regulations, shall submit scan/photo of the proxy form as per above requirements.

(ii) The proxy form shall be (i) duly stamped with adhesive revenue tickets of PKR 50/- and (ii) witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the proxy form.

(iii) Attested copies of CNIC or the Passport of beneficial owners and of the proxy shall be furnished with the proxy form.

(iv) The proxy shall submit scan/photo of his original CNIC or Passport at the time of login to the video link/Zoom application for attending online AGM.

(v) In case of corporate entity, scan/photo of the Board's resolution / power of attorney with specimen signature thereon shall be submitted online (unless it has been provided earlier) along with proxy form to the Company at the time of login to the video link/Zoom application for attending online AGM.

5. **Correspondence by Shareholders:** The shareholders must identify themselves by quoting their respective Folio/ CDS Account numbers in all correspondence with the Company and/or with Share Registrar of the Company for any purpose including but not limited to the Online Participation in AGM, Comments & Suggestions on proposed agenda items in AGM / Transfers & Transmissions of shares, and Changes/Updates in CNIC/NICOP/Passport # IBAN/ Correspondence Address / Email Address / Mobile Phone # etc.

6. **Video Conferencing Facility:** If the Company receives consent from shareholders holding aggregate 10% or more shareholding, residing in geographical location to participate in the meeting through video conference at least 7 days prior to the date of AGM, the Company will arrange video conference facility in that city subject to availability of such facility in that city. In this regard, please fill the following and submit to registered address of the company at least 7 days prior to the date of AGM.

   "I/We,_____ of _____, being a member of Hi-Tech Lubricants Limited, holder of _____ ordinary share(s) as per Registered Folio/CDC Account/Sub Account No. _____ hereby opt for video conference facility at _____.

7. **Placement of Notice & Proxy Forms (English & Urdu) and Financial Statements on the Company's Website:** The Company has placed the Notice of AGM along with Form of Proxy in English & Urdu languages and the Audited Financial Statements for last completed financial year ended 30.06.2026 along with Auditor's and Directors' Reports thereon on the Company's website: www.hitechlubricants.com and at PUCARS website of PSX https://dps.psx.com.pk/company/HTL.

8. **Transmission of Audited Financial Statements & Notices of General Meetings;** Audited financial statements of the Company are being sent to shareholders through QR Enabled Code and Weblink on the notice of AGM which is being sent/dispatched to all shareholders through post/courier. Soft copies of any or all the documents and information of the Company including audited financial statements and notices of general meeting are also being sent electronically through emails to shareholders whose email addresses are available with the Company, however, the Company shall provide hard copies of Audited Financial Statements and notices of general meetings to its shareholders, on their written request, free of cost, within seven days of receipt of such request.

9. **Voting on the Special Businesses:** Entitled shareholders of the Company are being allowed to exercise their right to Vote through Electronic Voting and Voting by Post on the Special Businesses of the notice of AGM, in the manner and subject to the conditions contained in the Companies (Postal Ballot) Regulations, 2018;

A. Procedure for Electronic Voting: M/S CDC Share Registrar Services Ltd. (CDCSRSL/Share Registrar of the Company/E-Voting Service Provider for the Company) has been appointed as e-voting Service Provider of the Company for the Special Businesses to be conducted in AGM;

(i) Details of electronic voting (including website address, Login and Password) shall be provided to entitled shareholders of the Company through their email addresses as available with the Company, whereas security codes will be communicated to the shareholders through SMS on their mobile phone numbers as available with the Company from the web portal of CDCSRSL;

(ii) Identities of shareholders shall be authenticated through electronic signatures/authentication for login;

(iii) E-voting lines will open at 9:00 hours on 23-10-2026 and close at 17:00 hours on 26-10-2026. No subsequent change will be allowed once the vote is cast during this period.

B. Procedure for Voting by Post: Shareholders may complete and sign the Ballot Paper and send the same along with the copy of valid and legible copy of Computerized National Identity Card (CNIC) either through scan & email or via courier/post to the address as mentioned on the Ballot Paper till 26-10-2026. The signature on the ballot paper must match with signature on CNIC.

10. Deduction of Zakat from the amount of Dividend: In accordance with Zakat & Ushr Ordinance, 1980 and/or applicable rules & regulations made thereunder (the Laws), if any shareholder has not submitted within the timeframe prescribed under the Laws, or at least one month before the start of close period fixed for dividend entitlements a duly filled/completed and properly attested in original the Zakat Declaration (in case of Muslim) and Solemn Affirmation (in case of Non muslim) on the formats prescribed under the Laws to his/her Broker/CDC (in case of CDS shareholder) and to the Company's Share Registrar (in case of physical shareholder), then his/her zakat status in the dividend entitlement register may be found as Muslim Zakat Payable, and the Company will be constrained to make compulsory deductions of Zakat @ 2.5% of face value of each share from the gross amounts of his/her cash dividends.

11. Dividend Mandate: According to the provisions of Section 242 of the Companies Act, 2017 (the "Act"), any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. Further, rule 3 of Companies (Distribution of Dividends) Regulations, 2017 provides that the Company should make payment of cash dividend within a period of fifteen working days from the date of its declaration. Therefore, the registered shareholders of the Company are requested to provide following details in order to credit their cash dividends directly to their international bank account number (IBAN), if declared:

(i) in case of book-entry securities in CDS, to the CDS Participants; and
(ii) In case of physical securities to Company's Share Registrar, M/S CDC Share Registrar Services Limited, CDC House, 99-B, Block "B", S.M.C.H.S., Main Shahrah-e-Faisal, Karachi. Telephone: +92 21 111-111-500, Fax: +92 21 34326053, Toll Free: 0800 23275 (CDCPL), Email address: info@cdcsrsl.com, Website: https://www.cdcsrsl.com/ as mentioned below

1	Shareholder's Name	2	Father's/Husband's Name
3	Folio No.	4	Postal Address
5	Name of Bank	6	Name of Branch
7	Address of Branch	8	Title of Bank Account
9	Bank Account No. (Complete with Code)	10	IBAN * (Complete with Code)
11	Mobile Phone No.	12	Landline Phone No. (if any)
13	CNIC No. (attach copy)	14	NTN (in case of corporate entity, attach copy)
	Signature of Shareholder (as on CNIC)		* IBAN number (International Bank Account Number) will be provided by your banker, containing alpha, numeric and without any space and gap.

12. Deduction of Withholding Tax on the amount of Dividend: The company, hereby advise to its shareholders as hereunder;

(a) For filers & non filers: The company is required to collect tax on dividend under Section 150 of the Income Tax Ordinance, 2001 from the person not appearing in active taxpayer list (ATL) at the rates specified in the Ordinance as increased by 100%. These tax rates are as under:

i. For filers of income tax returns 15%
ii. For non-filers of income tax returns 30%

To enable the company to make tax deduction on the amount of cash dividend whenever declared @ 15% instead of 30%, all the shareholders whose names are not entered into the Active Tax-payers List (ATL) provided on the website of Federal Board of Revenue, despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the start of above mentioned book closure otherwise tax on their cash dividend will be deducted @ 30% instead of @ 15%. For any query/problem/information, the investors may contact the Company's above-mentioned Share Registrar.

The corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas, corporate physical shareholders should send a copy of their NTN certificate to the Company or its Share Registrar. The shareholders while sending NTN or NTN Certificates, as the case may be, must quote Company name and their respective folio numbers and updated mailing addresses.

B. For Joint Shareholders: In the case of shares registered in the name of two or more shareholders, each joint-holder is to be treated individually as either a filer or non-filer and tax will be deducted by the company on the basis of shareholding of each joint-holder as may be notified to the Company in writing. The joint-holders are, therefore, requested to submit their shareholdings proportions of Principal Shareholder and Joint-Shareholder(s) in respect of shares held by them, otherwise each joint holder shall be presumed to have an equal number of shares.

13. Guidelines for Shareholders to Access CDC's eServices Portal: Central Depository Company (CDC) has developed a Centralized Services Portal (CSP) as eServices web portal which incorporate details and maintain histories pertaining to cash dividends paid, unpaid or withheld by listed companies and tax/zakat deductions, if and whenever applicable, and net amount credited. Access to all such information can be provided by CSP to the respective shareholders upon login. The web portal also facilitate shareholders of listed companies in retrieving details of cash dividends from centralized register and using the same for their record purposes. Shareholders should access CDC's CSP at https://csp.cdcaccess.com.pk/#/login and get them registered (if not registered before) for downloading their respective tax/zakat Deduction Certificates. Shareholders can also install CDC's newly launched mobile application for CSP. In addition, the Dividend/Zakat & Tax Deduction Report can also be obtained directly from your Participant (Stock broker) which has been provided to them on their CDS terminals. Moreover, you will also receive a copy of this report on your provided/registered email addresses.

14. Mandatory Conversion of Physical Share Certificates into Book Entry Form: In continuation to Company's efforts to follow up through newspaper advertisements with all shareholders holding shares in physical form as required under SECP's letter number CSD/ED/Misc. /2016-639-640 dated March 26, 2021, the shareholders holding Physical Share Certificates must comply with section 72 of Companies Act 2017 and they should open their respective account(s) with Central Depository Company of Pakistan Limited (CDC) (either Investor Account directly with CDC or sub-account under any eligible broker) and must convert their respective physical shares into book entry forms on priority basis. Shareholders may contact Share Registrar of the Company to understand the process of conversion of physical shares into the book entry form and benefits of holding book entry shares.

STATEMENT OF MATERIAL FACTS U/S 134(3) OF THE COMPANIES ACT, 2017

This Statement sets out Material Facts pertaining to the Special Businesses to be transacted at 18th AGM of Hi-Tech Lubricants Limited which is to be held on Tuesday 27 October 2026 at 11:00 Hours physically at the Auditorium of Lahore Chamber of Commerce and Industry (LCCI), 11-Shahrah-e-Aiwan-e-Tijarat, Lahore as well as through electronic means via video link / Zoom application. ("18th AGM").

1. Agenda Item No. 4 of Notice of AGM:

(a) Ratification and Approval of Related Party Transactions with SHT

All the transactions with Sabra Hamida Trust (SHT), an associated undertaking of the Company, during the fiscal year 2025-26 are entered into by the Company in the ordinary course of business and at Arm's Length Basis under Related Party Transactions Policy of the Company and under approval of the Company's shareholders in Annual General Meeting held on 24.10.2025 to the Board of Directors of the Company regarding authorization to the Board to approve all related

party transactions of the Company with SHT during the financial year 2025-2026. Record consisting of details of all the transactions along with all supporting documents is maintained as per legal requirements and available in the registered office of the Company. All Contributions to SHT are Tax Exempted under Clause (C) of Sub Section (36) of Section 2 of Income Tax Ordinance 2001 Vide FBR Letter No.2769/J Dated: Jan.14, 2014.
Nature and amount of Transactions along with applicable Pricing Policy are detailed below;

Name(s)	Nature of Transactions	Amounts (PKR)	Pricing Policy
Sabra, Hamida Trust (SHT)	Donations under CSR Policy	18,000,000/-	As per approved CSR Policy of the Company, and approval of the Company's shareholders in AGM dated 24-10-2025 regarding authorization to the Company's Board of Directors to approve all transactions of the Company with SHT during the financial year 2025-26.

The transactions of the Company with SHT have been approved by the Board in the quarterly/annual financial statements during the fiscal year 2025-26 under the authority given by the shareholders in AGM held on 24.10.2025 to the Board of Directors of the Company, however, the Board decided to place above related party transaction concluded during the fiscal year 2025-26 before the shareholders in AGM for ratification and approval due to the interests/concerns of directors named as (i) Mr. Hassan Tahir, (ii) Mr. Muhammad Ali Hassan, (iii) Mr. Shaukat Hassan, (iv) Ms. Mavira Tahir and (v) Ms. Mehvish Khan in the above referred related party transactions due to common directorship / Trusteeships and / or relationships amongst common Directors-Trustees and further in compliance to special resolution passed by the shareholders in last AGM.

(b) & (c) Authorization for the Board of Directors to approve related party transactions during the financial year ending 30.06.2027
The company is and shall be conducting transactions of Donations under CSR Policy of the Company with SHT during the financial year ending 30.06.2027, and subsequently, in the ordinary course of business and at Arm's Length Basis as per the approved policy with respect to transactions with related parties in the normal course of business, and therefore, all the future transactions with SHT shall be approved by the Board of Directors on quarterly basis. Considering the interests/concerns of five out of ten Directors due to their common directorship/trusteeship and/or relationship with Trustees of SHT, the related parties' transactions of the fiscal year 2026-27 are suggested to be placed before the shareholders.

Accordingly, approval of shareholders is being sought to authorize Board of Directors of the Company to approve all transactions carried out and to be carried out with SHT during the financial year ending 30.06.2027, which transactions shall be deemed to be approved by Shareholders up to the extent of amount mentioned above. The nature and scope of such related party transactions is explained above in the statement of relevant agenda item.

The directors, sponsors, majority shareholders and their relatives are not interested, directly or indirectly, in the above special business except to the extent of their respective shareholdings in the Company and to the extent of their common directorship / Trusteeships and/or relationships amongst common Directors-Trustees.

2. Agenda Item No. 5 of Notice of AGM:

(a) Ratification and Approval of Related Party Transactions with HTBL

All the transactions of the Company with Hi-Tech Blending (Pvt) Ltd. (HTBL), the wholly owned subsidiary of the Company, during the fiscal year 2025-26 are entered into by the Company in the ordinary course of business and at Arm's Length Basis under Related Party Transactions Policy of the Company and under approval of the Company's shareholders in Annual General Meeting held on 24.10.2025 to the Board of Directors of the Company regarding authorization to the Board to approve all related party transactions of the Company with HTBL during the financial year 2025-2026. Record consisting of details of all the transactions along with all supporting documents is maintained as per legal requirements and available in the registered office of the Company.

HTL is parent company of HTBL and controls it, whereas other commercial reasons for entering into RPTs with HTBL are the following;

a. To tap domestic market through localization and to obtain benefits of the market as it has grown appreciably in latest many years and major brand has a vast gap to tap retail segments of the country along with high end industrial and corporate sectors with major volumes.
b. State of the art and elaborated testing facilities at subsidiary company.
c. To ensure smooth supply chain and to avoid shortages.
d. To ensure freight cost saving by building warehouses at the land of subsidiary so as to make cohesion between purchase and dispatch management.

Name(s)	Nature of Transactions	Amounts (PKR)	Pricing Policy
Hi-Tech Blending (Private) Limited (HTBL). (HTBL is a wholly owned subsidiary company of HTL)	Sale of Lubricants	437,813	As per approved lease agreement, Comparable uncontrolled price method and Market Rent Prevalent in the vicinity and approval of the Company's shareholders in AGM dated 24-10-2025 regarding authorization to the Company's Board of Directors to approve all transactions of the Company with HTBL during the financial year 2025-26.
	Purchase of Lubricants	6,954,894,780	
	Purchase of Petroleum Products	19,336,143	
	Lease Rentals Paid	3,000,000	As per approved lease agreement, Comparable uncontrolled price method and Market Rent Prevalent in the vicinity and approval of the Company's shareholders in AGM dated 24-10-2025 regarding authorization to the Company's Board of Directors to approve all transactions of the Company with HTBL during the financial year 2025-26.

The transactions of the Company with HTBL have been approved by the Board in the quarterly / annual financial statements during the fiscal year 2025-26 under the authority given by the shareholder in AGM held on 24.10.2025 to the Board of Directors of the Company, however, the Board decided to place above related party transaction concluded during the fiscal year 2025-26 before the shareholders in AGM for ratification and approval due to the interests/concerns of directors named as (i) Mr. Hassan Tahir, (ii) Mr. Muhammad Ali Hassan, (iii) Mr. Shaukat Hassan, (iv) Ms. Mavira Tahir (v) Ms. Mehvish Khan and (vi) Mr. Faraz Akhtar Zaidi in the above referred related party transactions due to common directorship and/or relationships amongst common Directors Trustees and further in compliance to special resolution passed by the shareholders in last AGM

(b) & (c) Authorization for the Board of Directors to approve related party transactions during the financial year ending 30.06.2027

The company is and shall be conducting transactions with HTBL including sale and purchase of goods, loan disbursements and payment of lease rentals etc. during the financial year ending 30.06.2027, and subsequently, in the ordinary course of business and at Arm's Length Basis as per the approved policy with respect to transactions with related parties in the normal course of business, and therefore, all the future transactions with HTBL shall be approved by the Board of Directors on quarterly basis. Considering the interests/concerns of Directors due to their common directorship and/or relationship with Directors of HTBL, the related parties' transactions of the fiscal year 2026-27 are suggested to be placed before the shareholders.

Accordingly, approval of shareholders is being sought to authorize Board of Directors of the Company to approve all transactions carried out and to be carried out with HTBL during the financial year ending 30.06.2027, which transactions shall be deemed to be approved by Shareholders. The nature and scope of such related party transactions is explained above in the statement of relevant agenda item.

All other statements of related party transactions during financial year were executed at Arm's Length Basis and under Related Party Transactions Policy of the Company, and approved by Board on recommendations of Audit Committee. There was no departure from the guidelines mentioned in applicable Corporate Governance Regulations for such transactions.

The directors, sponsors, majority shareholders and their relatives are not interested, directly or indirectly, in the above special business except to the extent of their respective shareholdings in the Company and to the extent of their common directorship and/or relationships amongst common directors.

Ballot paper for voting through post for poll to be held on AGM on October 27, 2026 at 11:00 hours at Lahore
HI-TECH LUBRICANTS LIMITED, 1-A, Danepur Road, GOR-1, Lahore, www.hitechlubricants.com
UAN: +92 42 111 645 942, Ph.: +92 42 36 311 881-3, Email: info@masgroup.org
Designated email address of the Chairman at which the duly filled in ballot paper may be sent: chairman@masgroup.org

Name of shareholder / joint shareholders	
Registered Address	
Number of shares held and folio number	
CNIC Number (copy to be attached)	
Additional Information and enclosures (In case of representative of body corporate, corporation and Federal Government)	

I / we hereby exercise my / our vote in respect of the following resolutions through postal ballot by conveying my/ our assent or dissent to the following resolution by placing tick (✓) mark in the appropriate box below (delete as appropriate);



<table>
<tr><th>Sr. No.</th><th>Nature and Description of resolutions</th><th>No. of ordinary shares for which votes cast</th><th>I / We assent to the Resolutions (FOR)</th><th>I / We dissent to the Resolutions (AGAINST)</th></tr>
<tr><td>1.</td><td>Special Resolutions under Agenda No. 4 of Notice of 18th AGM
(a) "Resolved that following transactions as carried out by the Company with related party Sabra Hamida Trust (SHT) during financial year ended 30.06.2026 be and are hereby ratified and approved".
<table>
<tr><th>Name</th><th>Nature of Transactions</th><th>Amount (PKR)</th></tr>
<tr><td>Sabra, Hamida Trust (SHT)</td><td>Donations under CSR Policy</td><td>18,000,000/-</td></tr>
</table>
(b) "Further resolved that Board of Directors of the Company be and is hereby authorized to approve all transactions carried out and to be carried out with SHT during financial year ending 30.06.2027 up to the amount of PKR 30 Million."
(c) "Further resolved that all transactions of the Company with SHT during financial year ending 30.06.2027, including as approved by Board of Directors under above authorization, shall be deemed to have been approved by shareholders."</td><td></td><td></td><td></td></tr>
<tr><td>2.</td><td>Special Resolutions under Agenda No. 5 of Notice of 18th AGM
(a) "Resolved that following transactions as carried out by the Company with related party and wholly owned subsidiary company Hi-Tech Blending (Private) Limited (HTBL) during financial year ended 30.06.2026 be and are hereby ratified and approved"
<table>
<tr><th>Name</th><th>Nature of Transactions</th><th>Amount (PKR)</th></tr>
<tr><td rowspan="4">Hi-Tech Blending (Private) Limited (HTBL) (HTBL is a wholly owned subsidiary company of HTL)</td><td>Sale of Lubricants</td><td>437,813</td></tr>
<tr><td>Purchase of Lubricants</td><td>6,954,894,780</td></tr>
<tr><td>Purchase of Petroleum Products</td><td>19,336,143</td></tr>
<tr><td>Lease Rentals Paid</td><td>3,000,000</td></tr>
</table>
(b) "Further resolved that Board of Directors of the Company be and is hereby authorized to approve all transactions carried out and to be carried out with HTBL during financial year ending June 30, 2027."
(c) "Further resolved that all the transactions of the Company with HTBL during financial year ending 30.06.2027, including as approved by Board of Directors under above authorization, shall be deemed to have been approved by shareholders."</td><td></td><td></td><td></td></tr>
</table>

_____

Signature of shareholder(s)

Place:_____ Date:_____

NOTES:

1. Duly filled postal ballot should be sent to chairman Mr. Shaukat Hassan, 1-A, Danepur Road, GOR-1, Lahore, chairman@masgroup.org
2. Copy of CNIC should be enclosed with the postal ballot form.
3. Postal ballot forms should reach chairman of the meeting on or before October 26, 2026. Any postal ballot received after this date, will not be considered for voting.
4. Signature on postal ballot should match with signature on CNIC.
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.





SUSTAINABILITY **REPORT**

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

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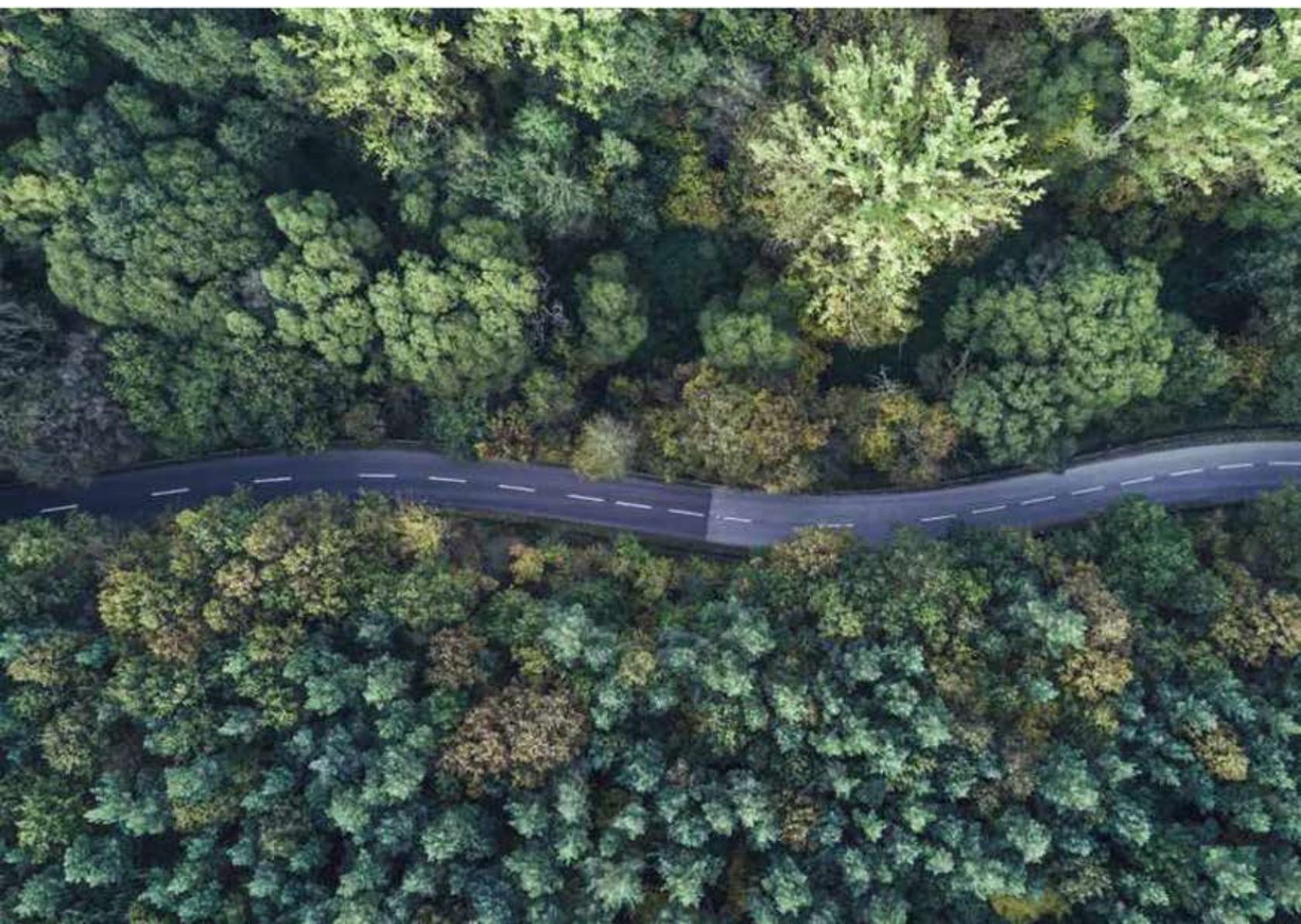
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ABOUT **THIS REPORT**

This is HTL's Sustainability Report for FY 2026. It explains how we manage the economic, environmental, social and governance (EESG) impacts of our business, and how sustainability-related risks and opportunities affect our strategy and financial performance.

Parameter	Description
Reporting period	1 July 2025 to 30 June 2026 (annual reporting cycle). The previous report covered FY 2025.
Reporting entities	Hi-Tech Lubricants Limited (HTL) and its wholly owned subsidiary Hi-Tech Blending (Private) Limited (HTBL) – the same entities as the consolidated financial statements.
Operations covered	Head Office (Lahore); HTBL lubricant blending and polymer plant (near Sundar Industrial Estate, Lahore); oil storage depots at Sahiwal and Nowshera; 55 active HTL fuel stations and 21 HTL Express Centres, supported by 129 distributors and 3 warehouses. Emissions of dealer-operated sites and customers (Scope 3) are excluded.
Reporting frameworks	Prepared in accordance with the GRI Standards 2021; aligned with IFRS S1 and IFRS S2 (phased adoption), the SECP ESG Disclosure Guidelines and SRO 920(I)/2024, the IIRC Integrated Reporting Framework, the UN Global Compact Ten Principles and the UN Sustainable Development Goals.
Materiality	Content is based on HTL's materiality assessment (page 149), covering the topics that matter most to our stakeholders and to long-term value creation.
Data and restatements	Financial data are from the audited financial statements. Environmental and safety data are from site records and third-party monitoring reports. FY 2025 Head Office solar generation has been aligned with Note 44 to the financial statements (63,290 kWh).
External assurance	Limited assurance on this report under ISAE 3000 (Revised) by an independent assurance provider (pages 176–177). Provider for FY 2026: Z. M. T. & Co., Chartered Accountants.
Forward-looking statements	Targets and plans reflect management's current expectations and are subject to risks and uncertainties, including market, regulatory and climate-related factors.
Contact	Company Secretary, Hi-Tech Lubricants Limited, 1-A Danepur Road, GOR-1, Lahore I info@masgroup.org I www.hitechlubricants.com





CHAIRMAN'S **MESSAGE**

Dear Stakeholders,

FY 2026 reminded us how closely business resilience is linked to climate and geopolitical risk. The year began with severe monsoon floods in parts of Pakistan in July–August 2025 and ended with an energy-price shock caused by the conflict in the Middle East. Both events tested supply chains, costs and communities, and both reinforced why sustainability must sit at the centre of HTL's strategy.

Against this backdrop, HTL continued to make measurable progress. Our solar systems at the HTBL plant and Head Office generated 1.23 million kWh of clean electricity, and the Head Office system, in its first full year, nearly doubled its output. Local blending at HTBL reduced the need to import finished lubricants, while our partnership with SK On Co., Ltd. keeps us at the forefront of energy-efficient and synthetic lubricants. Through the Sabra Hamida Trust, we contributed PKR 18 million to education, healthcare and community welfare.

This year we have strengthened our disclosures in line with the SECP's requirements under SRO 920(I)/2024 and its ESG Disclosure Guidelines. For the first time, the report includes a quantified ESG data table with space for Board-approved targets, and a climate-related risks and opportunities table showing time horizons and financial impacts, in line with IFRS S2. We continue the phased adoption of IFRS S1 and S2 alongside the GRI Standards and the IIRC Framework, and our material topics remain mapped to the UN Sustainable Development Goals.

As Chairman of the Risk and Sustainability Committee, I am encouraged by this progress but conscious of the work ahead. In FY 2027, the Committee will focus on measuring our Scope 1 and Scope 2 greenhouse-gas emissions, recommending specific environmental and diversity targets for Board approval, and further embedding climate risk into our enterprise risk management and capital allocation decisions.

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

Best regards,
Faraz Zaidi
Chairman, Risk and Sustainability Committee

SUSTAINABILITY **HIGHLIGHTS FY 2026**

A snapshot of HTL's performance across the four pillars of our sustainability framework. Detailed data, with comparatives and targets, are on page 154.



ECONOMIC

PKR 37.58 bn
Net revenue, +12%

PKR 13.4 bn
Value added, 79% to Government

PKR 10.7 bn+
Contribution to national exchequer

PKR 1.15
Final cash dividend per share

ENVIRONMENTAL

1.23 m kWh
Solar power generated, +5%

1.8×
Head Office solar output vs FY 2025

9.91 m litres,
Lubricants blended locally, +5%

Nil
Process water withdrawal

SOCIAL

800
Employees across the Group

2.77%
Employee turnover

PKR 18 m
Donated to Sabra Hamida Trust

PKR 208.7 m
Cumulative SHT support, 7 years

GOVERNANCE

10
Directors:
3 independent, 2 female

RSC
Board Risk & Sustainability Committee

ISO
9001 · 14001 · 45001
Certified facilities

ISAE 3000
Independent limited assurance

Our contribution to the SDGs: Our material topics are mapped to twelve Sustainable Development Goals, with the greatest contribution to SDG 4 (Quality Education), SDG 7 (Affordable and Clean Energy), SDG 8 (Decent Work and Economic Growth), SDG 12 (Responsible Consumption and Production) and SDG 13 (Climate Action).

WHAT'S NEW IN OUR **FY 2026 SUSTAINABILITY REPORTING**

To strengthen transparency and comparability, HTL has expanded its sustainability disclosures this year in line with leading reporting frameworks and the ICAP–ICMAP Best Corporate and Sustainability Report criteria:

Framework / area	New disclosures in FY 2026	Page
GRI Standards 2021	Report prepared "in accordance with" GRI; statement of use, materiality process and full GRI content index	145; 149; 366–367
IFRS S1 / S2	Four-pillar climate disclosures, climate-related risks and opportunities with financial impact and time horizon, and IFRS S2 index	151; 155; 170
SECP ESG Guidelines and SRO 920(I)/2024	Board oversight of sustainability, sustainability committee, compliance status table and DE&I disclosures	148; 155
ESG metrics and targets	Quantified environmental, social and governance data with FY 2025 comparatives and Board-approved targets	154
Oil marketing sector disclosures	Storage capacity, fuel supply safety and product quality indicators for depots, road transport and fuel stations	167
UN Global Compact and SDGs	Mapping of the Ten Principles and SDG contribution to report sections	149; 175
Independent assurance	Limited assurance on the Sustainability Report under ISAE 3000 (Revised)	176–177

SUSTAINABILITY **FRAMEWORK**

At HTL, sustainability is embedded at the core of our business strategy. In line with our commitment to transparency and accountability, we are progressively adopting the IFRS Sustainability Disclosure Standards—IFRS S1 (General Requirements for Sustainability-Related Financial Disclosures) and IFRS S2 (Climate-related Disclosures)—alongside the GRI Standards, the IIRC Framework, the SECP ESG Disclosure Guidelines and the requirements of SECP SRO 920(I)/2024. Implementation continues in phases; core components of governance, strategy, risk management and metrics & targets are already integrated, and FY 2026 adds a quantified ESG data table (page 154).

GOVERNANCE

Leadership Commitment

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

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

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

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

Key Priorities

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

POLICIES, STANDARDS & **GUIDELINES**

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

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

MATERIALITY **ASSESSMENT**

HTL's material topics are identified through a four-step process: **(1) identification** of issues from industry trends, peer and regulatory review (including SECP, OGRA and GRI sector guidance for oil and gas); **(2) prioritisation** by impact on the economy, environment and people and on HTL's value creation; **(3) stakeholder engagement** with employees, customers, dealers, suppliers, investors, regulators and communities; and **(4) validation** by the Risk & Sustainability Committee and approval by the Board. The assessment was reviewed on 30 June 2026; the eleven material topics remained unchanged, with climate change and safety of fuel operations given greater emphasis following the year's energy-price shock and floods.

Material topic	Why it matters to HTL and stakeholders	GRI Standards	SDGs	Pages
Climate change	Carbon-related levies, energy costs and extreme weather affect costs and supply	302, 305, 201-2	7, 13	170–171
Environmental stewardship	Licence to operate; waste and emissions from blending and depots	303, 306, 305-7	12, 15	169
Innovation & product stewardship	Premium synthetic and energy-efficient lubricants drive margins	416, 417	9, 12	168
Safety & health	Fuel storage, blending and road transport carry major hazards	403	3, 6	164–166
Supply chain management	Reliable imports of base oil and fuel; ESG screening of suppliers	204, 308, 414	8, 12	172
Community engagement	Trust and social licence; education and health programmes	413, 201-1	1, 3, 4, 17	156–160
Talent management & well-being	Skilled people underpin growth and safety	401, 404, 405	5, 8	161–162
Human rights	Fair treatment across operations and value chain	406–409	8, 10	161
Corporate governance	Ethical conduct and transparency protect shareholder value	2-9 to 2-27, 205	16	174
Business strategy & financial resilience	Diversification and cost discipline sustain returns	201	8, 11	163
Cybersecurity & digitalisation	Protecting data and systems as operations digitise	418	9	173

Impact, risk and opportunity: For each material topic, the following pages explain why it matters, HTL's management approach, progress during FY 2026 and targets (GRI 3-3). Climate-related risks and opportunities are assessed in line with IFRS S2 on page 155.





RISK **MANAGEMENT**

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

Climate Risks (IFRS S2):

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

Risk Appetite & Response:

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

STRATEGY

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

1.Materiality Review

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

2.Prioritisation

Mapping material matters against business impact and stakeholder expectations

3.Stakeholder Engagement

Incorporating feedback from internal and external stakeholders.

4.Validation

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

5.Implementation

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


ZIC
HTL
26 137
259 34
253 90
Hardee's
CHARGRILLED BURGERS
HTL EXPRESS
Your Vehicle Expert
7
IN

METRICS AND **TARGETS**

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

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

Climate Strategy & Partnership With SK On

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

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



ESG PERFORMANCE DATA **AND TARGETS**

This table sets out HTL's key sustainability metrics in line with the four-pillar structure of IFRS S1/S2 (Metrics and Targets) and the SECP ESG Disclosure Guidelines for Listed Companies. FY 2026 performance is compared with the targets set in the Company's Annual Operating Plan (AOP).

Indicator	Unit	FY 2026	FY 2025	FY 2026 Target (AOP)
ENVIRONMENTAL				
Grid electricity consumed (HTL + HTBL)	kWh	2,993,982	2,387,849	3,000,000
Solar electricity generated (HTL + HTBL)	kWh	1,226,973	1,170,695	1,200,000
Renewable share of electricity	%	29.1%	32.9%	28.6%
Scope 1 GHG emissions (company vehicle fleet)*	tCO2e	781	800	800
Scope 2 GHG emissions (purchased grid electricity)**	tCO2e	1,272	1,015	1,275
GHG intensity	tCO2e / m litres blended	207	192	173
Lubricants blended at HTBL	m litres	9.91	9.44	12.00
Process water withdrawal / discharge	m^3	Nil (waterless)	Nil (waterless)	Maintain
Total waste generated	kg	684	936	1,000
Environmental non-compliance incidents	No.	Nil	Nil	Zero (maintain)
Climate Support Levy on fuel sales	PKR m	228	–	–
SOCIAL				
Employees – Group / Company	No.	800 / 542	774 / 529	–
Female employees	% of workforce	5.4%	5.0%	6.0%
Female employees in management	%	12.5%	10.0%	10.0%
Gender pay gap (mean / median)	%	-58% / 8%	-63% / -65%	-60% (mean)
Employee turnover	%	2.77%	2.7%	3.0%
Training hours	Hours	1,668	830	1,600
Fatalities / lost-time injuries	No.	Nil / Nil	Nil / Nil	Nil
Provident fund contributions	PKR m	41.4	41.4	–
Donations through Sabra Hamida Trust	PKR m	18.0	18.0	18.0
GOVERNANCE				
Board size / independent / female directors	No.	10 / 3 / 2	10 / 3 / 2	–
Risk & Sustainability Committee meetings	No.	1	Nil	1
Confirmed incidents of corruption	No.	Nil	Nil	Nil
Cyber incidents	No.	Nil	Nil	Nil
Whistle-blowing cases reported to Audit Committee	No.	Nil	Nil	–

Basis: Solar generation and blending volumes are from Note 44 to the consolidated financial statements; employee numbers from Note 47; provident fund and donations from the financial statements; FY 2025 environmental data as reported in the FY 2025 Sustainability Report. Scope 1 and 2 emissions are to be calculated using the GHG Protocol, with emission factors from the UK Government GHG conversion factors (as used in FY 2025) and the national grid factor adopted by the Company. *FY 2026 Scope 1 is an estimate for the company vehicle fleet only: 200 vehicles × 78 km/day × 260 days = 4,056,000 km; about 338,000 litres of petrol at 12 km/litre × 2.31 kg CO2e/litre (UK DESNZ conversion factors). It excludes generators, plant equipment and forklifts. **Scope 2 = grid electricity × 0.425 kg CO2e/kWh (Pakistan grid factor, ADEME Base Carbone): FY 2026 2,993,982 kWh = 1,272 tCO2e; FY 2025 2,387,849 kWh = 1,015 tCO2e; AOP target 3,000,000 kWh = 1,275 tCO2e. FY 2026 targets are those set in the Board-approved Annual Operating Plan.
GHG intensity = (Scope 1 + Scope 2) ÷ million litres blended at HTBL: FY 2026 2,053 tCO2e ÷ 9.91 = 207; FY 2025 1,815 tCO2e ÷ 9.44 = 192.
FY 2026 AOP target: 2,075 tCO2e (800 + 1,275) ÷ 12.00 million litres blending target = 173.

SUSTAINABILITY GOVERNANCE **AND CLIMATE-RELATED DISCLOSURES**

Board oversight: The Board is responsible for HTL's sustainability strategy and oversees sustainability-related risks and opportunities through the Risk & Sustainability Committee (RSC), which includes a female director. The RSC reviews climate-related risks, ESG metrics and targets, and reports to the Board at least annually. The RSC met once during FY 2026, on 30 June 2026, with all members in attendance; at that meeting it reviewed sustainability risks, ESG metrics and targets and this Sustainability Report before its submission to the Board. Management implements the strategy through the Health & Safety Committee at the HTBL plant and functional heads, with a dedicated sustainability function under establishment.

Board statement on CSR: The Board is committed to CSR best practices and believes that responsible, sustainable practices—efficient energy use, safe operations, fair employment and community investment—reduce risk, lower costs and strengthen HTL's reputation, supporting long-term financial performance.

CLIMATE-RELATED RISKS AND **OPPORTUNITIES (IFRS S2)**

Risk / opportunity	Type	Time horizon	Financial impact	Response
Climate Support Levy and future carbon pricing	Transition – policy	Short term	PKR 228 m levy collected on fuel sales in FY 2026, passed through regulated prices; may dampen fuel demand	Pricing discipline, efficiency, monitoring of policy changes
Shift to electric and more efficient vehicles	Transition – market	Long term	Lower demand for conventional engine oils over time	EV fluids and synthetic lubricants from SK On; diversified revenue (polymer, fuel retail)
Floods, heatwaves and extreme weather	Physical – acute	Short to medium term	Supply disruption, higher logistics costs, damage to stock and assets	Multiple depots (Sahiwal, Nowshera), insurance cover, business continuity plan
Rising grid electricity tariffs	Transition – cost	Medium term	Higher operating costs at the blending plant and offices	Solar systems generated 1.23 m kWh in FY 2026; energy-efficiency measures
Low-emission and recyclable products	Opportunity	Medium term	Growth in premium synthetic lubricants and recyclable HDPE packaging	SK ZIC synthetics; Polymer segment grew 35% in FY 2026

COMPLIANCE WITH SECP **SUSTAINABILITY REQUIREMENTS**

Requirement (SECP SRO 920(I)/2024 and ESG Guidelines)	Status	Reference / remarks
Board's role in sustainability risks and opportunities	Complied	Risk & Sustainability Committee; Chairman's Review
Sustainability committee with at least one female director	Complied	RSC: Mr. Faraz Akhtar Zaidi (Chair), Ms. Mavira Tahir, Mr. Shafiq ur Rehman
Committee's annual report to the Board on embedding sustainability	Complied	RSC met on 30 June 2026 (all members present)
Four-pillar disclosures (governance, strategy, risk management, metrics & targets)	Complied	Pages 148, 151–155 and ESG data table
DE&I strategy, targets and performance	Complied	DE&I policy; targets of more than 7% female workforce and 20% female management by 2030
SECP ESG Disclosure Guidelines	Adopted as reference	ESG data table and GRI-based report
IFRS S1 / S2	Phased adoption	In line with SECP's notified timetable for the Company
Independent assurance	Limited assurance	ISAE 3000 (Revised), GRI Standards 2021

DIVERSITY, EQUITY **& INCLUSION**

HTL's DE&I policy promotes equal opportunity in recruitment, pay and promotion. Current position: female employees 5.4% of the workforce (FY 2025: 5.0%) and 12.5% of management (FY 2025: 10.0%); two of ten directors are women. Targets: more than 7% female workforce and more than 20% female representation in management by 2030, with progress reviewed annually by the HR & Remuneration Committee.

COMMUNITY ENGAGEMENT

Alignment with SDGs

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

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

How it matters

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

Key Achievements in 2026

- PKR 18 million contributed in 2026, consistent with the contribution in 2025.
- Over the last seven years, HTL's cumulative contribution through SHT has reached PKR 208.7 million, enabling sustained education, healthcare, and welfare initiatives.



Education – Ilmgah School System (Run by SHT)

More than 452 students are currently studying, and since inception in 2011, over 1,500 students have successfully completed their schooling, maintaining a 100% pass rate.

Academic Excellence – BISE Results:

Every year Ilmgah produces brilliant results in BISE exams in Lahore. This year was extra special as our class IX student Hasan Ali scored the highest marks in the entire Green Town area, 97%. According to Class IX and X girls and boys, they owe their success in BISE to the rigorous testing we have during our mock assessments before actual board exams. The girls planned a most beautiful farewell party for their seniors in February all by themselves. Good management skills are inculcated in students by assigning duties to them.



Annual Prize Distribution Ceremony:

Celebrated students' achievements through a vibrant prize distribution ceremony, recognizing their academic excellence, dedication, and accomplishments throughout the year. The event also featured impressive student performances, showcasing their talent, confidence, creativity, and teamwork.







Academic Quality Assessment:

Every year Ilmgah produces brilliant results in BISE exams in Lahore. This year was extra special as our class IX student Hasan Ali scored the highest marks in the entire Green Town area, 97%. According to Class IX and X girls and boys, they owe their success in BISE to the rigorous testing we have during our mock assessments before actual board exams. The girls planned a most beautiful farewell party for their seniors in February all by themselves. Good management skills are inculcated in students by assigning duties to them.





Staff Engagement:

External Auditor Ms. Sarah, led engaging outdoor activities during a staff fun day arranged by HTL at a farmhouse in Lahore. The event also included a tea gathering, providing teachers with an opportunity to relax, reconnect, and recharge in a refreshing environment. The gathering fostered team spirit, positive interactions, and a stronger sense of workplace connection among the teaching staff.





Earth Day Celebration:

On Earth Day, 22nd April, each class came up with its own way of celebrating Earth Day. The middle school boys along with their teachers cleaned up the area around their campus. The girls made some signs to highlight importance of planting trees. The senior boys wrote a pledge to keep their environment clean. Some students came up with ideas that can help reduce global warming.



Hygiene Awareness:

HTL organized an exclusive hygiene awareness program in collaboration with World Wide Fund for Nature (WWF), engaging students from Classes 2, 3, and 4 through interactive activities on proper handwashing, cleanliness, and healthy practices. The session included hygiene kits, stickers, and engaging activities, making learning both educational and enjoyable for the students.



Science & Art Expo:

Students at Ilmgah School Systems are extremely fond of their co-curricular lessons like art, sports, computer and science labs. This year a science and art display was arranged so the students' work can be shared with everyone. In the coming years the capacity for such kind of event shall be enhanced with more hard work and motivation.



Road Safety Awareness:

HTL exclusively collaborated with National Highways & Motorway Police to promote road safety, responsible citizenship, and accident prevention among students. The interactive session at the Green Town campus covered traffic rules and safety measures, with students actively participating in role plays and discussions.







Creative Painting Activity:

Students participated in an engaging painting activity that encouraged creativity, imagination, and self-expression, while allowing them to showcase their artistic skills and talent. The activity provided a fun and interactive platform for students to explore colours, develop their creativity, and express their ideas through art.





Teacher Development Session:

Ms. Amber Shahzad, Creative Educator, Designer & Mentor, was invited to conduct an engaging session on "Teaching Beyond Academics: The Role of Empathy & Compassion in the Classroom." The session encouraged teachers to embrace empathy and compassion in their teaching practices, reinforcing the importance of holistic development and meaningful student engagement







Employee Engagement & Wellbeing

Independence Day Celebration (Region-Wide):

Marked Pakistan's Independence Day through themed celebrations and team-based activities that fostered patriotism, unity, and a strong sense of national pride.



Health & Wellness Camp – BMD Testing (Lahore):

Offered free Bone Mineral Density testing, doctor consultations, and nutritional guidance, raising awareness of bone health and preventive care



Women's Day Celebration (Lahore):

Recognized women employees' contributions and reinforced a culture of respect, recognition, and equal opportunity.



Blood Donation Camp (Lahore):

Organized in collaboration with Sundas Foundation, encouraging employees to contribute towards saving lives.



Medical Test Camp (Lahore):

Facilitated an on-site medical testing camp offering convenient health screenings and professional guidance.





Medical Camp (Nowshera, KPK):

Held with Transparent Hands to provide essential healthcare services to flood-affected and vulnerable communities.



Hi-Tech Blending (Pvt.) Ltd. (HTBL)

World Environment Day 2026:

Marked with a plantation activity at the plant, reaffirming HTBL's commitment to environmental sustainability.



Independence Day Celebration 2025:

Celebrated at the plant with strong national spirit, unity, and employee engagement.



Ramadhan Iftar & Dinner:

Hosted for all plant staff to foster togetherness and strengthen bonds across the organization.



Industry–Academia Engagement:

Hosted Polymer Engineering students from UET Lahore for hands-on exposure to manufacturing and quality practices, bridging academia and industry.



Blood Donation Camp:

Organized with Sundas Foundation, Lahore, supporting children affected by thalassemia



Health & Wellness Camp – BMD Testing:

Conducted a Bone Density Screening Camp with CCL Pharmaceutical Company to promote preventive healthcare.



Medical Screening Camp:

Held with Adamjee Health Insurance Company and Excel Labs, providing comprehensive screening to all staff.



Training & Development Initiatives:

Delivered sessions on Defensive Driving, Halal & Personal Hygiene, Occupational Health & Safety, SQP Supplier Qualification, ESG & SDGs, HR Orientation and Compliance, and FSSC 22000 Awareness, building a competent, future-ready workforce.



HUMAN RIGHTS, TALENT
MANAGEMENT AND WELL BEING

Alignment with SDGs
HTL's approach contributes to:
SDG GOAL: 8 – GOOD JOBS & ECONOMIC GROWTH
SDG GOAL: 10 – REDUCED INEQUALITIES

How it matters to HTL and its Stakeholders:

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

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

HTL Management Approach

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

- **Human Rights:**

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

- **Talent Development:**

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

- **Employee Well-being:**

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

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

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

PROGRESS AND IMPACT

Training & Development

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

Training Highlights (FY2025–26):

- **Programs Conducted: 17**
- **Employees Trained: 207**
- **Total Training Hours: 1,668**

Key Training areas

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


Machine Safety & Safe Work Practices


Defensive Driving Training


Halal Haram & Personal Hygiene

Management Trainee & Internship Programs:

- **Management Trainees:** 4 recruited
- **Interns:** 3 recruited
- Designed to provide graduates with rotational exposure across departments, ensuring a pipeline of future leaders.

Compensation & Benefits

Category	2026 (PKR)	2025 (PKR)	Change
Total Remuneration	1,313,587,385	1,313,591,048	↔ 0%
Provident Fund	41,364,000	41,366,101	↔ 0%
Long Service Benefits	As per policy	As per policy	Ongoing
Performance Incentives	As per policy	As per policy	Ongoing

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

Gender Pay Equity (2026)

Category	Male (PKR/hour)	Female (PKR/hour)	Gender Pay Gap
Mean	955	1,513	-58% (Females earn more)
Median	542	500	8% (Males earn more)

HTL's 2026 Gender Pay Gap analysis shows a mean gap of -58% (female employees earn more on average, reflecting a higher concentration of women in senior or specialised roles) and a median gap of 8% in favour of male employees at the midpoint of the pay distribution. HTL continues to monitor pay equity under its Diversity & Inclusion (D&I) policy.

Employee Turnover And Reportable Injuries

Employee turnover remained low at 2.77% in 2026 (2025: 2.7%), reflecting continued engagement and retention. Reportable injuries or occupational diseases in 2026: Nil (2025: Nil), underscoring HTL's focus on health and safety.

Employee Well-being & Engagement

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





BUSINESS STRATEGY
AND FINANCIAL RESILIENCE

Alignment with SDGs

HTL's strategy supports:

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

How it matters to HTL and Its Stakeholders

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

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

HTL Management Approach

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

Key features of our management approach include:

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

PROGRESS & IMPACT IN 2026

Operational Strengthening

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

Financial Resilience

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



SAFETY & **HEALTH**

Alignment with the UN Sustainable Development Goals (SDGs)

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

Our Commitment

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

Management Approach

Our Health & Safety Strategy focuses on:

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

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

HEALTH & SAFETY GOVERNANCE

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

Key members include:

Name	Designation in HTBL
Mr. Muhammad Ali Hassan	Chief Executive Officer
Mr. Ahmed Mujaba	QHSE Coordinator

The committee is responsible for:

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

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



Health And Safety Excellence

Indicator	2026	2025	2024
ISO 45001:2018 certified facilities	Nil	Nil	Nil
Number of Fatalities recorded	Nil	Nil	Nil
Incidents of Major Fire	Nil	Nil	Nil
Incidents of Major Injuries	Nil	Nil	Nil
Total Recordable Occupational Illness Frequency	27	19	21
HSE incidents affecting communities	Nil	Nil	Nil
Summons from authorities/regulatory bodies	Nil	Nil	Nil
Lost Time Injury Frequency (LTIFR – per million man-hours)	Nil	Nil	Nil
Lost Time Injury (Number of Cases)	Nil	Nil	Nil
Total Recordable Case Frequency (TRCF – per million man-hours)	Nil	Nil	Nil
Total Recordable Court Cases	Nil	Nil	Nil

Light/ Luminous Monitoring

Sr no	Monitoring location	IES recommended values	Average lux 2026		Average lux 2025		Average lux 2024	
1	LT Room	200-500	325	325	340	338	490	497
2	EBM Production Hall 1	200-500	333	320	314	324	467	474
3	EBM Production Hall 2	200-500	375	366	372	364	438	445
4	Filling Hall	200-500	372	370	379	380	457	466
5	Kettle Area	200-500	432	459	440	453	481	488
6	Empty package Hall	200-500	338	365	380	364	496	490
7	Control Room	250-500	330	344	380	341	468	472
8	Admin Block	250-500	438	453	400	451	496	483
9	QCD Lab	250-500	310	320	300	318	491	494




HTL

SAFE AND RELIABLE **FUEL SUPPLY**

Why it matters: As an oil marketing company, HTL stores, transports and retails flammable petroleum products. Safe depot operations, secure road transport, product quality and uninterrupted supply are central to our licence to operate from OGRA, to public safety and to customer trust. OGRA has extended the Company's provisional OMC licence up to 31 December 2027.

Management approach: Depots are designed and operated to OGRA and industry safety standards, with fire-fighting systems, emergency response plans and regular drills. Fuel is transported by contracted tank lorries subject to fitness checks, and drivers receive HSE and defensive-driving training. Product quality is checked at receipt, storage and dispensing, and fuel stations are audited for HSE and service standards. During the Middle East supply shock in the final quarter of FY 2026, HTL maintained uninterrupted supply across its network.

STORAGE **INFRASTRUCTURE**

Product storage capacity (metric tons)	Petrol (PMG)	Diesel (HSD)	Kerosene (SKO)
Sahiwal depot	2,040	1,858	198
Nowshera depot	1,401	1,551	–
Total	**3,441**	**3,409**	**198**

After the year end, HTL acquired a new site at Daulatpur for its next oil storage facility, following the disposal of the under-construction Shikarpur facility. Additional storage will improve supply security for the southern part of the network.

OMC SAFETY AND **QUALITY INDICATORS**

Indicator	Unit	FY 2026	FY 2025	FY 2026 Target (AOP)
Active fuel stations in network	No.	55	61	61
HTL Express Centres	No.	21	8	25
HSE audits of fuel stations	No.	687	660	650
Fire and emergency drills at depots	No.	26	24	25
Road tanker incidents	No.	1	Nil	Nil
Drivers trained in defensive driving and HSE	No.	80	70	70
Fuel quality tests (depots and stations)	No.	1,411	1,400	1,400
Customer complaints on fuel quality / quantity	No.	Nil	Nil	Nil
Product spills at depots and stations	Litres	1,000	850	900

Performance: HSE audits of fuel stations and fuel quality tests exceeded the AOP, and no customer complaint on fuel quality was received. One road tanker incident occurred during the year and product spills rose to about 1,000 litres (FY 2025: 850), above the AOP of 900; corrective measures, including additional driver training, have been put in place. Source for storage capacities: Note 44 to the consolidated financial statements.

PRODUCT STEWARDSHIP & CUSTOMER **RELATIONSHIP MANAGEMENT**

Alignment with SDGs

SDG GOAL: 12 – RESPONSIBLE CONSUMPTION AND PRODUCTION

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

Importance to HTL and Stakeholders

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

Progress and Market Outlook

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

Customer Relationship Management

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

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

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

ENVIRONMENTAL STEWARDSHIP

Alignment with SDGs

SDG GOAL: 12 – RESPONSIBLE CONSUMPTION AND PRODUCTION

SDG GOAL: 15 – LIFE ON LAND

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

Importance to HTL and the Environment

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

Management Approach

- Compliance with all relevant environmental regulations across operations.
- ISO 14001:2015 certification at key facilities, reflecting a robust Environmental Management System.
- Zero environmental non-compliance reported in FY 2026.

Biodiversity Commitment

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

PROGRESS AND IMPACT

WATER AND WASTEWATER MANAGEMENT

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

Waste Management

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

Drinking Water Quality

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

Waste & Effluents

Description	Unit	2026	2025	2024
Total waste generated	Kg	684 Jan-26 to Sep-26	936	10,109

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



CLIMATE **CHANGE**

Aligned SDGs

SDG GOAL: 12 – RESPONSIBLE CONSUMPTION AND PRODUCTION

SDG GOAL: 13 – CLIMATE ACTION

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

Importance to HTL and the Environment

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

Management Approach

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

Progress and Impact

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



Stack Emissions Monitoring

We are committed to reducing our GHG emissions, advancing the energy transition, and enabling the global shift to lower carbon industries, infrastructure, and value chains. It is a priority for us to innovate—to offer lower carbon products and services, improve our operational efficiency, and reduce our emissions.

Scope I and II contains CO2 emissions from direct & indirect sources while Scope III emission contains wastewater treatment-related emissions which are not incorporated in Scope I. Since, it is our first time adoption of sustainability reporting, Scope III Emissions will be reported from next year including intensity ratios and reduction from the last year.

Some of the Greenhouse gases are obtained from 3rd party measurement reports, including SOx and NOx emissions. Third party is engaged by our company to measure, monitor and assess the emissions. Moreover, the conversion factors are sourced from "UK Government GHG conversion factors for company reporting."

Sr. No	Parameter	Units	PEQS	2026	2025	Average
1	O_2	%	NGVS	11.74	12.27	12.00
2	CO_2	%	NGVS	7.79	7.29	7.54
3	CO	Mg/Nm³	800	384.95	558.2	471.58
4	NO	Mg/Nm³	NGVS	364.35	374.9	369.63
5	NO_2	Mg/Nm³	NGVS	58.65	91.2	74.93
6	NOx	Mg/Nm³	600	423	46.1	234.55
7	SO	Mg/Nm³	1700	425	366.4	395.70

Energy Conservation & Energy Efficiency

Site	Description	Units	Total Units (kWh)	Total Cost (Rs.)
HTBL Plant	Energy conserved via solar panels (green energy)	kWh	1,113,336	35,566,373
HTBL Plant	Energy consumed from LESCO	kWh	2,916,000	123,856,710
HTBL Plant	Total energy consumed	kWh	4,029,336	159,423,083
HTBL Plant	Total energy savings	kWh	1,113,336	35,566,373
HO Office	Energy conserved via solar panels	kWh	113,637	5,537,979
HO Office	Energy consumed from LESCO	kWh	77,982	5,219,736
	Total Energy Consumed	kWh	191,619	10,757,715
	Total Saving	kWh	113,637	5,537,979

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



SUPPLY CHAIN **MANAGEMENT**

Aligned SDGs

SDG GOAL: 12 – RESPONSIBLE CONSUMPTION AND PRODUCTION

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

Importance to HTL and Its Stakeholders

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

Management Approach

- **Integrity and Governance:**

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

- **Stakeholder Collaboration:**

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

- **Sustainability Criteria:**

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

- **Employee Awareness:**

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

Progress And Impact

- **Vendor Screening:**

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

- **Risk Management:**

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

- **Employee Engagement:**

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

Key Supply Chain Metrics

Particulars	Fy 2026 Performance	Target
Order Fulfillment Ratio	99.9%	≥95%
Accidents During Transportation/Supply Chain	0%	Maintain 0%
Local Procurement	23.5%	Increase YoY
Suppliers Screened on Sustainability Criteria	85%	100% by 2030



CYBER SECURITY & **DIGITALIZATION**

Importance to HTL and Its Stakeholders

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

Management Approach

- **IT Governance:**
  Structured frameworks and Board oversight ensure proactive risk management.
- **Early Warning & Assessment:**
  Threat detection systems and independent security audits identify vulnerabilities.
- **Digital Transformation:**
  Core business processes integrated via Oracle ERP enhance efficiency and oversight.
- **Employee Awareness:**
  Mandatory training programs reinforce cybersecurity best practices.
- **Business Continuity:**
  Disaster recovery plans ensure uninterrupted operations during disruptions.

Progress and Impact

- **Cybersecurity Assessments:**
  Biannual penetration testing and phishing simulations maintained 0% failure rate.
- **Training & Awareness: Employees**
  trained in cloud security, endpoint, and firewall protection.
- **Digital Advancements:**
  Deployment of EBS, dashboards, and system integrations improved operational monitoring.
- **Monitoring & Response:**
  Smart alerts ensure rapid threat mitigation.

Key Metrics

Metric	2026	2025
Phishing Test Fail Rate	0%	0%
Cyber Incidents	0%	0%
Business Critical System Downtime	1%	3%



CORPORATE **GOVERNANCE**

How it Matters to HTL and Stakeholders

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

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

HTL Management Approach

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

- Full compliance with the Listed Companies (Code of Corporate Governance) **Regulations, 2019.**
- A Statement of Compliance reviewed and certified by external auditors, reinforcing confidence in governance practices.
- Strong internal controls, policies, and Board-approved structures that uphold accountability and ethical conduct.
- Oversight is exercised at both the Board and committee levels, ensuring robust monitoring of financial and non-financial matters.

Progress & Impact in FY2026

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

Ethical Business Conduct

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

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

RECOGNITIONS AND **CERTIFICATIONS**

Award / Recognition	Category	Year	Host
Business Excellence Award	First Position in Small Business Enterprises	2013–14	UN Global Compact Network Pakistan
Business Excellence Award	Second Position in Large National Category	2015–16	UN Global Compact Network Pakistan
Living the Global Compact Sustainability Award	Multiple First & Second Positions	2017–21	UN Global Compact Network Pakistan

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS 2030: **OUR ROADMAP TO A SUSTAINABLE SOCIETY**

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

By integrating SDGs into our strategy, HTL seeks to:

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

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

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



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

LIMITED ASSURANCE **REPORT ON SUSTAINABILITY**



INTRODUCTION

We, Z. M. T. & Co., Chartered Accountants, were engaged by the Management of Hi-Tech Lubricants Limited (the "Company") to provide limited assurance under International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, on the Company's Sustainability Report for the year ended 30 June 2026.

APPLICABLE **CRITERIA**

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

INHERENT **LIMITATIONS**

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

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

MANAGEMENT'S **RESPONSIBILITIES**

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

AUDITOR'S **RESPONSIBILITIES**

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

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

INDEPENDENCE, ETHICS, AND **QUALITY MANAGEMENT**

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

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

SUMMARY OF **WORK PERFORMED**

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

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

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

LIMITATIONS ON **SCOPE OF WORK**

Our limited assurance engagement excludes:

- data and information outside the defined reporting period (1 July 2025 to 30 June 2026),
- statements of opinion, belief, aspiration, expectation, aim, or future intention, and any national or global socio-economic or environmental aspects, and
- financial and economic performance data, which are derived from the Company's audited financial statements.

LIMITED ASSURANCE **CONCLUSION**

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Sustainability Report of Hi-Tech Lubricants Limited for the year ended 30 June 2026 is not prepared, in all material respects, in accordance with the GRI Standards 2021.

RESTRICTION **ON USE**

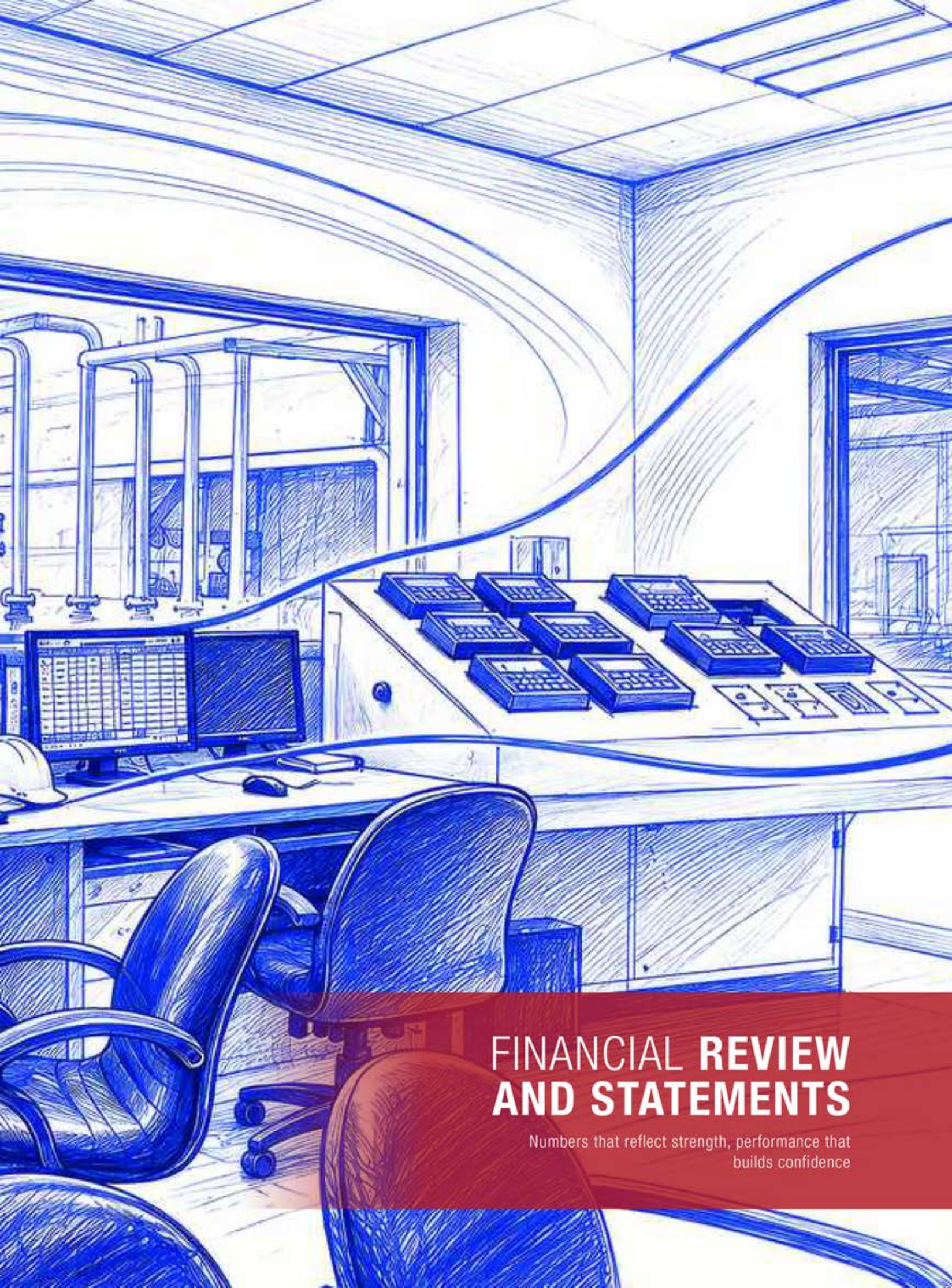
This report has been prepared for the members of Hi-Tech Lubricants Limited in accordance with the terms of our engagement. We do not accept or assume responsibility for reliance on this report by any other party for any purpose. Any reliance placed by such parties shall be at their own risk.

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



Z. M. T. & Co.
Chartered Accountants
Lahore
Date: September 18, 2026





FINANCIAL **REVIEW AND STATEMENTS**

Numbers that reflect strength, performance that builds confidence

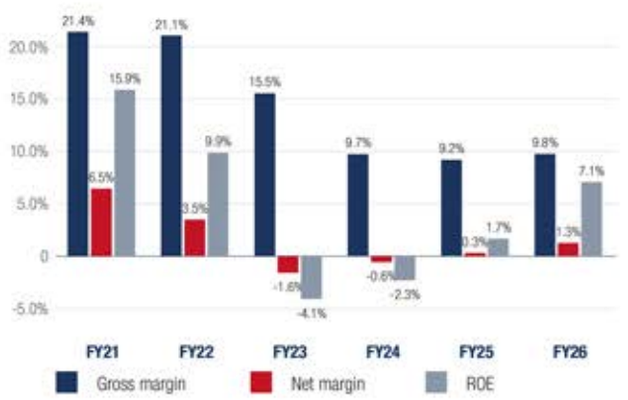
ANALYSIS OF **FINANCIAL STATEMENTS**

FOR THE CURRENT **AND LAST FIVE YEARS**

Group (consolidated) figures. FY2025 as restated in the FY2026 audited financial statements; FY2021 per-share data adjusted for the bonus issue. Methods of calculation are set out on page 198.

Key Performance Indicators	UOM	FY-2026	FY-2025	FY-2024	FY-2023	FY-2022	FY-2021
PROFITABILITY RATIOS							
Gross profit ratio	%	9.75%	9.19%	9.72%	15.55%	21.06%	21.40%
Net profit / (loss) to revenue	%	1.26%	0.30%	(0.56%)	(1.58%)	3.48%	6.45%
EBITDA margin to revenue	%	4.92%	4.13%	4.37%	5.17%	10.37%	11.16%
Operating leverage ratio	Times	4.22	1.25	1.00	6.11	0.92	2.25
Return on equity	%	7.08%	1.66%	(2.32%)	(4.09%)	9.87%	15.88%
Return on capital employed	%	4.22%	1.05%	(1.46%)	(2.44%)	6.25%	12.19%
Shareholders' funds to total assets	%	43.85%	46.12%	44.17%	49.69%	49.32%	58.50%
Total shareholders' return	%	(2.24%)	26.44%	67.97%	(41.41%)	(39.19%)	143.76%
LIQUIDITY RATIOS							
Current ratio	Times	1.09	0.93	0.95	1.04	1.20	1.36
Quick / acid-test ratio	Times	0.62	0.46	0.43	0.32	0.38	0.57
Cash to current liabilities	Times	0.01	0.02	0.06	0.05	0.13	0.15
Cash flow from operations to revenue	Times	(0.02)	0.01	0.04	(0.01)	(0.01)	0.09
Cash flow to capital expenditure	Times	(1.04)	0.36	2.77	(0.32)	(0.14)	2.04
Cash flow coverage ratio	Times	(0.17)	0.06	0.31	(0.04)	(0.04)	0.75

PROFITABILITY **RATIOS (FY2021–FY2026)**



LIQUIDITY **RATIOS (FY2021–FY2026)**



PROFITABILITY **RATIOS**

- **The gross profit ratio improved to 9.75% (FY2025: 9.19%) as gross profit rose 19% on revenue growth of 12%. Margins remain well below FY2021–FY2022 (21.4% and 21.1%), when lubricants made up most of Group revenue; since then low-margin petroleum sales have grown to about 72% of revenue.**
- **Net profit to revenue rose to 1.26% (FY2025: 0.30%), with profit after tax of PKR 473 million (FY2025: PKR 102 million), the best result since FY2022.**
- **The EBITDA margin was 4.92% (FY2025: 4.13%); operating profit rose 51% while operating expenses grew 6%, giving operating leverage of 4.22 times.**
- **Return on equity recovered to 7.08% (FY2025: 1.66%) and return on capital employed to 4.22%, after losses in FY2023 and FY2024.**
- **Total shareholders' return was (2.24%) as the share price ended the year at PKR 44.08 (FY2025: PKR 45.09).**

Overall: profitability has recovered for two consecutive years. The structural shift towards petroleum keeps percentage margins lower than in FY2021–FY2022, so lubricant mix, local blending and cost control remain the main levers.

LIQUIDITY **RATIOS**

- **The current ratio improved to 1.09 (FY2025: 0.93) as current assets rose 36% against a 16% increase in current liabilities; the quick ratio rose to 0.62.**
- **Cash to current liabilities fell to 0.01, with cash and bank balances of PKR 83 million at year end.**
- **Operating cash flow was negative (PKR 726 million) as inventory, receivables and advances absorbed cash, so cash flow to revenue ((0.02)), to capital expenditure ((1.04)) and coverage of borrowings ((0.17)) all turned negative. FY2024 remains the strongest cash year of the six (2.77 times capex).**

Overall: balance-sheet liquidity strengthened, but converting working capital into cash is the priority for FY2027.

Group (consolidated) figures. FY2025 as restated in the FY2026 audited financial statements; FY2021 per-share data adjusted for the bonus issue. Methods of calculation are set out on page 198.

Key Performance Indicators	UOM	FY-2026	FY-2025	FY-2024	FY-2023	FY-2022	FY-2021
INVESTMENT / MARKET RATIOS							
Earnings / (loss) per share – basic and diluted	PKR	3.40	0.73	(0.99)	(1.77)	4.44	4.91
Price earnings ratio	Times	12.96	61.77	n.m.	n.m.	8.93	14.44
Price to book ratio	Times	0.92	1.02	0.84	0.49	0.88	2.29
Dividend yield	%	2.61%	0.00%	0.00%	9.42%	9.58%	4.09%
Dividend payout ratio	%	33.8%	0.0%	–	–	85.6%	59.1%
Dividend cover	Times	2.96	–	–	(0.89)	1.17	1.69
Cash dividend per share	PKR	1.15	–	–	2.00	3.80	2.90
Market value per share – year end	PKR	44.08	45.09	35.66	21.23	39.65	70.91
Market value per share – high	PKR	66.50	63.20	37.57	44.86	84.00	99.15
Market value per share – low	PKR	31.01	30.50	21.67	20.05	37.00	30.10
Break-up value per share	PKR	48.02	44.00	42.54	43.42	44.93	30.92
Market capitalisation	PKR m	6,136	6,277	4,964	2,955	5,519	9,871
Number of shares (FY2021 adjusted for bonus issue)	Million	139.2	139.2	139.2	139.2	139.2	139.2

INVESTMENT / MARKET **SHARE RATIOS**

- **Earnings per share rose to PKR 3.40 (FY2025: PKR 0.73), the highest since FY2022 (PKR 4.44).**
- **Break-up value per share increased to PKR 48.02 (FY2025: PKR 44.00), supported by profit for the year.**
- **At the year-end price of PKR 44.08 the shares traded at 12.96 times earnings and 0.92 times book value, a discount to net assets.**
- **The Board has proposed a final cash dividend of PKR 1.15 per share (11.5%), a 2.6% yield and a 33.8% payout of consolidated EPS; dividend cover is 2.96 times.**

EARNINGS PER SHARE **(PKR)**



PRICE TO **BOOK RATIO**



ANALYSIS OF **FINANCIAL STATEMENTS**

FOR THE CURRENT **AND LAST FIVE YEARS**

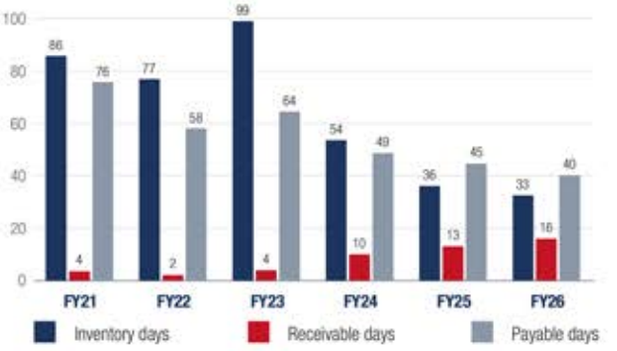
Key Performance Indicators	UOM	FY-2026	FY-2025	FY-2024	FY-2023	FY-2022	FY-2021
CAPITAL STRUCTURE							
Financial leverage (total borrowings to equity)	Times	0.63	0.55	0.56	0.62	0.50	0.29
Long-term debt to equity (book value)	Times	0.20	0.17	0.21	0.22	0.20	0.15
Debt to equity (market value)	Times	0.69	0.54	0.67	1.26	0.57	0.13
Interest cover (EBIT ÷ finance cost)	Times	2.82	1.54	0.78	0.55	5.23	8.09
Weighted average cost of debt	%	12.93%	17.78%	22.76%	21.09%	13.18%	9.15%
Total borrowings	PKR m	4,234	3,377	3,315	3,725	3,122	1,253
ACTIVITY / TURNOVER RATIOS							
Total assets turnover	Times	2.47	2.52	1.81	1.28	1.40	1.44
Fixed assets turnover	Times	5.45	5.03	3.70	2.42	2.98	3.09
Days in inventory	Days	32.5	36.2	53.6	99.0	76.9	85.8
Days in receivables	Days	16.0	13.2	10.0	4.0	2.2	3.6
Days in payables	Days	40.2	44.7	48.6	64.5	58.1	75.7
Operating cycle	Days	8.4	4.7	15.0	38.5	20.9	13.6

FY2021 inventory, receivable and payable days use closing balances.

CAPITAL STRUCTURE **TREND**



ACTIVITY **RATIOS (DAYS)**



CAPITAL STRUCTURE **RATIOS**

- **Total borrowings rose to PKR 4,234 million (FY2025: PKR 3,377 million), including new long-term financing of PKR 500 million, taking financial leverage to 0.63 times (FY2025: 0.55).**
- **Interest cover improved to 2.82 times (FY2025: 1.54) as operating profit rose and finance cost fell 17%.**
- **The weighted average cost of debt fell to 12.9% (FY2025: 17.8%), in line with the lower policy rate; it peaked at 22.8% in FY2024.**

ACTIVITY / TURNOVER **RATIOS**

- **Fixed assets turnover rose to 5.45 times, the highest in six years, as revenue grew on a stable asset base; total assets turnover stayed high at 2.47 times (FY2025: 2.52).**
- **Inventory days fell to 32.5 (FY2025: 36.2), while receivable days rose to 16.0 as trade debts grew 51% with petroleum and industrial sales.**
- **Payable days were 40.2, giving an operating cycle of 8.4 days.**

OVERALL **ANALYSIS**

FY2026 was the Group's second consecutive year of profit and its best since FY2022: revenue grew 12% to PKR 37.58 billion, profit after tax rose to PKR 473 million and EPS to PKR 3.40. Liquidity ratios and interest cover improved, while higher borrowings and negative operating cash flow show that converting profit into cash is the key priority.

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

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

The Group has identified the following three reportable segments:
- **Lubricants** – purchase, blending, packaging and sale of lubricants and rendering of services.
- **Petroleum Products** – Marketing and sale of petroleum products.
- **Polymer** – Manufacturing and sale of plastic bottles.

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

SEGMENTAL ANALYSIS

A summary of segment information is presented below. Further details are available in Note 49 to the consolidated financial statements.

Group's Revenue in terms of lubricant, petroleum and polymer segments is stated below:

A) SEGMENTAL **PERFORMANCE**

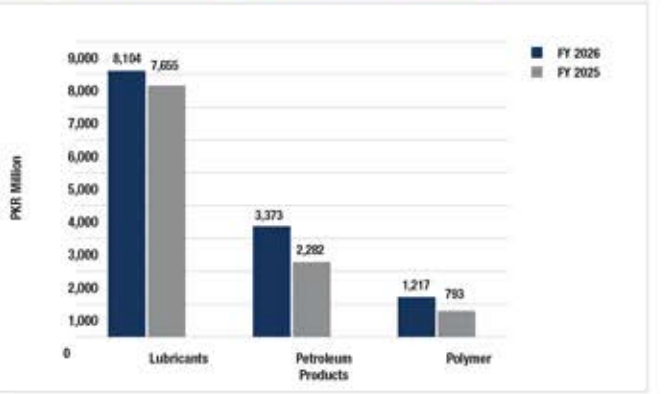
Particulars	Lubricants FY2026	Lubricants FY2025	Petroleum FY2026	Petroleum FY2025	Polymer FY2026	Polymer FY2025
	(PKR in million)					
Revenue from contracts with customers - net	9,748	9,808	27,205	23,232	630	468
Gross Profit	2,541	2,396	1,028	625	97	56
Profit from Operations	979	687	281	189	128	42
Profit / (Loss) Before Levy and Tax	674	198	116	131	106	(7)
Segment Assets	8,104	7,655	3,373	2,282	1,217	793
Segment Liabilities	5,397	3,207	432	1,169	250	298

B) COMMENTARY

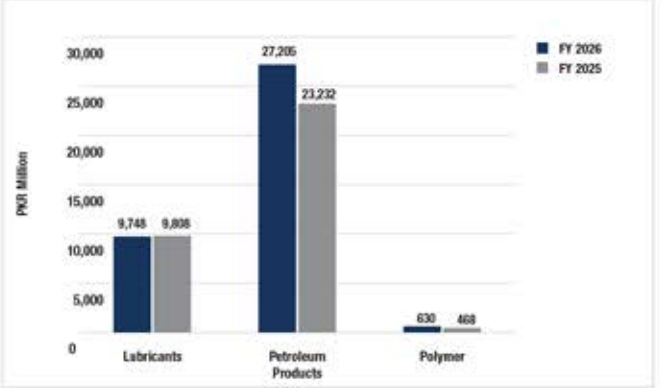
- The Lubricants segment's revenue was broadly stable at PKR 9.75 billion (FY2025: PKR 9.81 billion). Gross profit rose 6% and profit before levy and tax increased to PKR 674 million (FY2025: PKR 198 million), helped by lower distribution, administrative and finance costs.
- The Petroleum Products segment grew revenue by 17% to PKR 27.20 billion, with gross profit up 64% to PKR 1,028 million. Profit before levy and tax was PKR 116 million (FY2025: PKR 131 million), as higher finance cost offset stronger operating profit.
- The Polymer segment (plastic bottles) grew revenue by 35% to PKR 630 million and posted a profit before levy and tax of PKR 106 million (FY2025: loss of PKR 7 million).

On the statement of financial position side, total segment assets stood at PKR 12.69 billion (FY2025: PKR 10.73 billion), while segment liabilities increased to PKR 6.08 billion (FY2025: PKR 4.67 billion), mainly in the Lubricants segment.

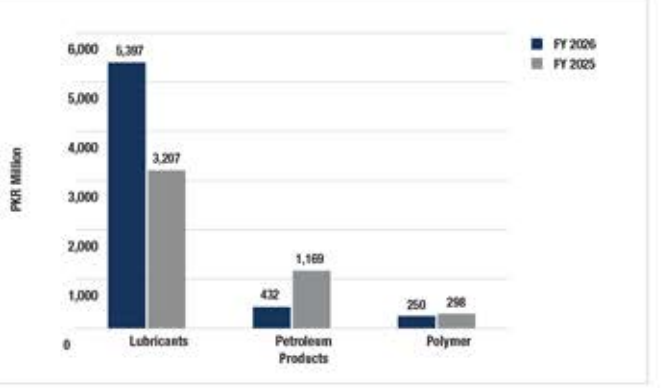
Segment **Assets (FY 2026 - FY 2025)**



Segment **Revenue (FY 2026 - FY 2025)**



Segment **Liabilities (FY 2026 - FY 2025)**



VERTICAL **ANALYSIS**

FOR THE CURRENT **AND LAST FIVE YEARS**

Statement of profit or loss PKR million	FY-2026		FY-2025		FY-2024		FY-2023		FY-2022		FY-2021	
	PKR m	%	PKR m	%	PKR m	%	PKR m	%	PKR m	%	PKR m	%
Net revenue	**37,583**	**100.0%**	**33,508**	**100.0%**	**24,317**	**100.0%**	**15,610**	**100.0%**	**17,744**	**100.0%**	**10,597**	**100.0%**
Cost of sales	(33,917)	(90.2%)	(30,431)	(90.8%)	(21,953)	(90.3%)	(13,184)	(84.5%)	(14,007)	(78.9%)	(8,330)	(78.6%)
Gross profit	**3,666**	**9.8%**	**3,078**	**9.2%**	**2,364**	**9.7%**	**2,427**	**15.5%**	**3,737**	**21.1%**	**2,268**	**21.4%**
Distribution cost	(1,319)	(3.5%)	(1,249)	(3.7%)	(1,076)	(4.4%)	(1,075)	(6.9%)	(1,142)	(6.4%)	(861)	(8.1%)
Administrative expenses	(1,062)	(2.8%)	(1,044)	(3.1%)	(924)	(3.8%)	(900)	(5.8%)	(693)	(3.9%)	(548)	(5.2%)
Other expenses	(209)	(0.6%)	(142)	(0.4%)	(99)	(0.4%)	(231)	(1.5%)	(538)	(3.0%)	(71)	(0.7%)
Other income	311	0.8%	275	0.8%	358	1.5%	178	1.1%	142	0.8%	140	1.3%
Profit from operations (EBIT)	**1,388**	**3.7%**	**917**	**2.7%**	**623**	**2.6%**	**399**	**2.6%**	**1,506**	**8.5%**	**928**	**8.8%**
Finance cost	(492)	(1.3%)	(595)	(1.8%)	(801)	(3.3%)	(722)	(4.6%)	(288)	(1.6%)	(115)	(1.1%)
Profit / (loss) before levy and taxation	**896**	**2.4%**	**322**	**1.0%**	**(178)**	**(0.7%)**	**(322)**	**(2.1%)**	**1,218**	**6.9%**	**813**	**7.7%**
Levy	(11)	(0.0%)	(172)	(0.5%)	(129)	(0.5%)	–	0.0%	–	0.0%	–	0.0%
Taxation	(412)	(1.1%)	(49)	(0.1%)	169	0.7%	75	0.5%	(600)	(3.4%)	(130)	(1.2%)
Profit / (loss) after taxation	**473**	**1.3%**	**102**	**0.3%**	**(137)**	**(0.6%)**	**(247)**	**(1.6%)**	**617**	**3.5%**	**684**	**6.5%**

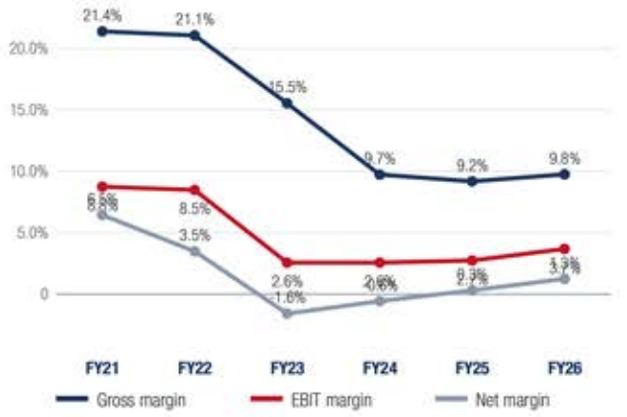
Group (consolidated) figures. FY2025 as restated in the FY2026 audited financial statements; FY2021 per-share data adjusted for the bonus issue. Methods of calculation are set out on page 198.

STATEMENT OF PROFIT OR LOSS **VERTICAL ANALYSIS**

- **Cost of sales absorbed 90.25% of revenue (FY2025: 90.81%), leaving a gross margin of 9.75%. In FY2021 cost of sales was 78.6% of revenue; the rise reflects the growth of the low-margin petroleum business since FY2022.**
- **Distribution and administrative expenses fell to 6.34% of revenue (FY2025: 6.84%; FY2023: 12.65%), showing cost discipline as volumes grew.**
- **Finance cost fell to 1.31% of revenue (FY2023 peak: 4.62%) with lower interest rates.**
- **Profit after tax was 1.26% of revenue (FY2025: 0.30%).**

Takeaway: FY2026 combined revenue growth with better gross margins and lower finance cost, returning the Group to a healthier profit position.

PROFITABILITY MARGINS **TREND**



COST OF SALES **TO REVENUE**



VERTICAL ANALYSIS – **STATEMENT OF FINANCIAL POSITION**

Statement of financial position PKR million	FY-2026		FY-2025		FY-2024		FY-2023		FY-2022		FY-2021	
	PKR m	%	PKR m	%	PKR m	%	PKR m	%	PKR m	%	PKR m	%
ASSETS												
Fixed assets	6,893	45.2%	6,663	50.2%	6,573	49.0%	6,440	52.9%	5,960	47.0%	3,435	46.7%
Right-of-use assets	346	2.3%	438	3.3%	596	4.4%	636	5.2%	591	4.7%	341	4.6%
Intangible assets	–	0.0%	5	0.0%	10	0.1%	20	0.2%	22	0.2%	17	0.2%
Investment property	–	0.0%	–	0.0%	–	0.0%	135	1.1%	130	1.0%	62	0.8%
Long-term deposits and loans	26	0.2%	21	0.2%	45	0.3%	67	0.5%	56	0.4%	37	0.5%
Non-current assets	**7,267**	**47.7%**	**7,127**	**53.7%**	**7,224**	**53.9%**	**7,298**	**60.0%**	**6,758**	**53.3%**	**3,892**	**52.9%**
Stores	146	1.0%	101	0.8%	72	0.5%	129	1.1%	88	0.7%	63	0.9%
Stock-in-trade	3,251	21.3%	2,792	21.0%	3,240	24.2%	3,211	26.4%	3,941	31.1%	1,957	26.6%
Trade debts	1,988	13.0%	1,315	9.9%	1,101	8.2%	234	1.9%	109	0.9%	103	1.4%
Loans and advances	1,069	7.0%	448	3.4%	387	2.9%	342	2.8%	261	2.1%	143	1.9%
Deposits and prepayments	33	0.2%	43	0.3%	41	0.3%	40	0.3%	35	0.3%	36	0.5%
Other receivables and accrued interest	732	4.8%	351	2.6%	311	2.3%	221	1.8%	442	3.5%	142	1.9%
Advance income tax and levy – net	296	1.9%	299	2.2%	261	1.9%	210	1.7%	158	1.2%	188	2.6%
Short-term investments	234	1.5%	240	1.8%	223	1.7%	223	1.8%	227	1.8%	446	6.1%
Cash and bank balances	83	0.5%	155	1.2%	411	3.1%	255	2.1%	660	5.2%	388	5.3%
Current assets	**7,833**	**51.4%**	**5,743**	**43.2%**	**6,048**	**45.1%**	**4,865**	**40.0%**	**5,922**	**46.7%**	**3,466**	**47.1%**
Non-current assets held for sale	145	1.0%	410	3.1%	135	1.0%	–	0.0%	–	0.0%	–	0.0%
TOTAL ASSETS	**15,245**	**100.0%**	**13,279**	**100.0%**	**13,407**	**100.0%**	**12,163**	**100.0%**	**12,680**	**100.0%**	**7,358**	**100.0%**
EQUITY AND LIABILITIES												
Share capital	1,392	9.1%	1,392	10.5%	1,392	10.4%	1,392	11.4%	1,392	11.0%	1,160	15.8%
Reserves	5,293	34.7%	4,733	35.6%	4,529	33.8%	4,652	38.2%	4,862	38.3%	3,144	42.7%
Total equity	**6,685**	**43.9%**	**6,125**	**46.1%**	**5,922**	**44.2%**	**6,044**	**49.7%**	**6,254**	**49.3%**	**4,304**	**58.5%**
Long-term financing	750	4.9%	423	3.2%	507	3.8%	597	4.9%	517	4.1%	147	2.0%
Lease liabilities	330	2.2%	366	2.8%	480	3.6%	488	4.0%	486	3.8%	315	4.3%
Long-term deposits	26	0.2%	26	0.2%	15	0.1%	16	0.1%	17	0.1%	17	0.2%
Deferred liabilities	275	1.8%	158	1.2%	130	1.0%	321	2.6%	491	3.9%	34	0.5%
Non-current liabilities	**1,382**	**9.1%**	**973**	**7.3%**	**1,132**	**8.4%**	**1,423**	**11.7%**	**1,510**	**11.9%**	**514**	**7.0%**
Trade and other payables	3,942	25.9%	3,523	26.5%	3,922	29.3%	1,926	15.8%	2,732	21.5%	1,728	23.5%
Accrued mark-up	77	0.5%	64	0.5%	98	0.7%	125	1.0%	57	0.5%	15	0.2%
Short-term borrowings	2,891	19.0%	2,353	17.7%	2,064	15.4%	2,407	19.8%	1,898	15.0%	608	8.3%
Current portion of non-current liabilities	262	1.7%	236	1.8%	264	2.0%	233	1.9%	222	1.8%	182	2.5%
Unclaimed dividend	5	0.0%	5	0.0%	6	0.0%	6	0.0%	6	0.0%	6	0.1%
Current liabilities	**7,178**	**47.1%**	**6,181**	**46.5%**	**6,354**	**47.4%**	**4,696**	**38.6%**	**4,915**	**38.8%**	**2,540**	**34.5%**
TOTAL EQUITY AND LIABILITIES	**15,245**	**100.0%**	**13,279**	**100.0%**	**13,407**	**100.0%**	**12,163**	**100.0%**	**12,680**	**100.0%**	**7,358**	**100.0%**

Group (consolidated) figures. FY2025 as restated in the FY2026 audited financial statements; FY2021 per-share data adjusted for the bonus issue. Methods of calculation are set out on page 198.

VERTICAL **ANALYSIS**

FOR THE CURRENT **AND LAST FIVE YEARS**

FINANCIAL POSITION **VERTICAL ANALYSIS**

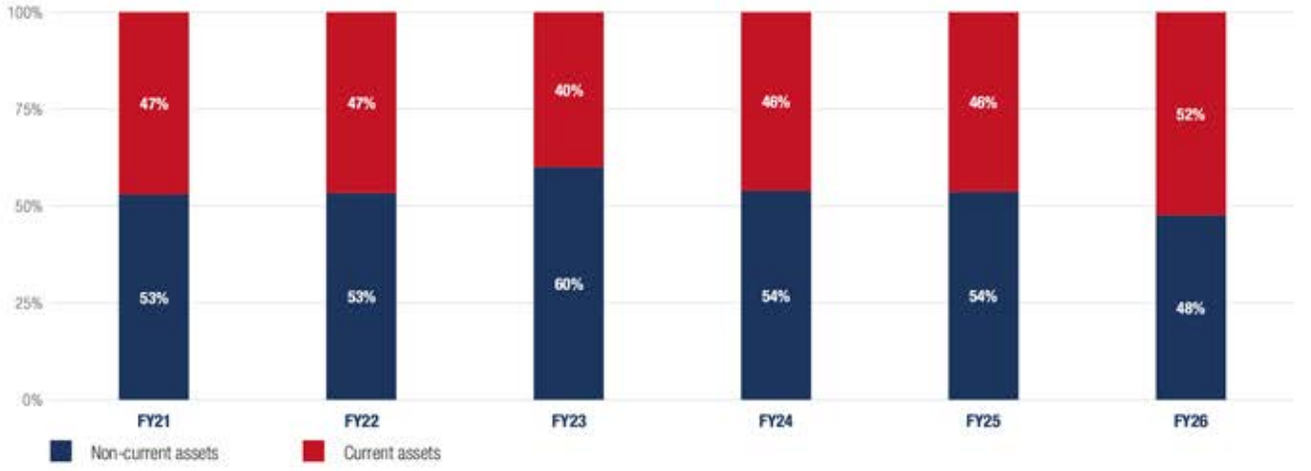
At 30 June 2026 total assets were PKR 15.24 billion. Non-current assets made up 47.7% and current assets (including assets held for sale) 52.3%. Stock-in-trade (21.3%) and trade debts (13.0%) were the largest current assets; fixed assets were 45.2% of the total.

Over six years the mix has moved towards working capital: current assets rose from 40.0% of total assets in FY2023 to 51.4% in FY2026, mainly through trade debts and advances in the petroleum business.

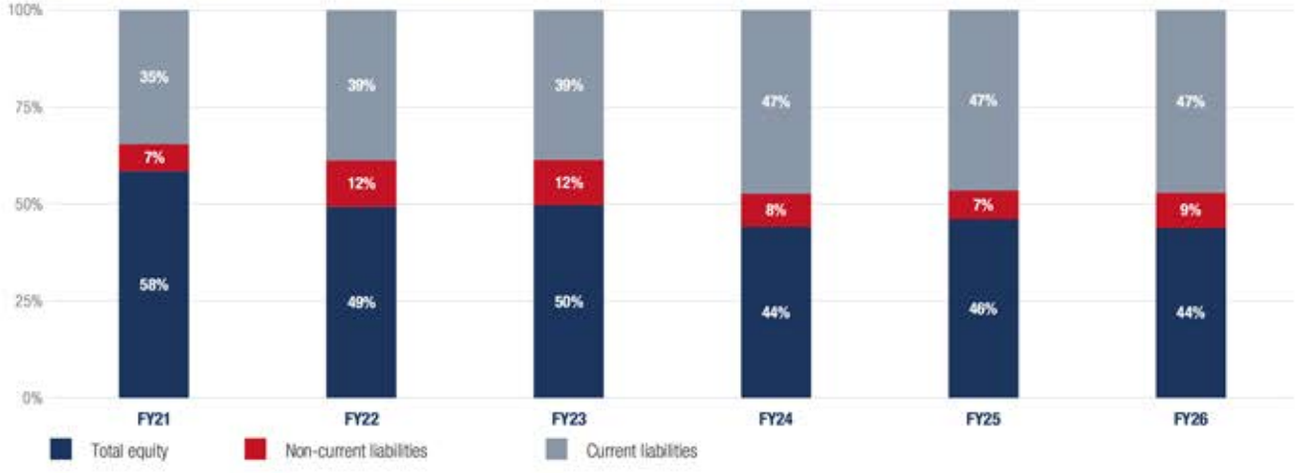
On the financing side, equity funded 43.9% of assets (FY2021: 58.5%), non-current liabilities 9.1% and current liabilities 47.1%, with trade and other payables (25.9%) and short-term borrowings (19.0%) the largest items.

Overall insight: the Group keeps a solid equity base, and current assets again exceed current liabilities. The higher share of short-term funding means working-capital efficiency remains important.

ASSET **COMPOSITION** (% OF TOTAL ASSETS)



CAPITAL **STRUCTURE** (% OF TOTAL ASSETS)



HORIZONTAL **ANALYSIS**

FOR THE CURRENT **AND LAST FIVE YEARS**

Statement of profit or loss PKR million	FY-2026		FY-2025		FY-2024		FY-2023		FY-2022		FY-2021	
	PKR m	YoY %	PKR m	YoY %	PKR m	YoY %	PKR m	YoY %	PKR m	YoY %	PKR m	YoY %
Net revenue	**37,583**	**12.2%**	**33,508**	**37.8%**	**24,317**	**55.8%**	**15,610**	**(12.0%)**	**17,744**	**67.4%**	**10,597**	**–**
Cost of sales	33,917	11.5%	30,431	38.6%	21,953	66.5%	13,184	(5.9%)	14,007	68.2%	8,330	–
Gross profit	**3,666**	**19.1%**	**3,078**	**30.2%**	**2,364**	**(2.6%)**	**2,427**	**(35.1%)**	**3,737**	**64.8%**	**2,268**	**–**
Distribution cost	1,319	5.6%	1,249	16.1%	1,076	0.1%	1,075	(5.9%)	1,142	32.6%	861	–
Administrative expenses	1,062	1.7%	1,044	13.0%	924	2.7%	900	29.9%	693	26.4%	548	–
Other expenses	209	46.6%	142	43.5%	99	(57.0%)	231	(57.2%)	538	663.2%	71	–
Other income	311	13.2%	275	(23.1%)	358	100.4%	178	25.8%	142	1.4%	140	–
Profit from operations (EBIT)	**1,388**	**51.3%**	**917**	**47.3%**	**623**	**56.0%**	**399**	**(73.5%)**	**1,506**	**62.3%**	**928**	**–**
Finance cost	492	(17.3%)	595	(25.7%)	801	10.9%	722	150.5%	288	151.4%	115	–
Profit / (loss) before levy and taxation	**896**	**177.8%**	**322**	**281.2%**	**(178)**	**44.8%**	**(322)**	**(126.5%)**	**1,218**	**49.7%**	**813**	**–**
Levy	11	(93.8%)	172	33.4%	129	–	–	–	–	–	–	–
Taxation	412	742.1%	49	128.9%	(169)	(124.2%)	(75)	(112.6%)	600	362.7%	130	–
Profit / (loss) after taxation	**473**	**364.6%**	**102**	**174.1%**	**(137)**	**44.4%**	**(247)**	**(140.0%)**	**617**	**(9.7%)**	**684**	**–**

Statement of financial position PKR million	FY-2026		FY-2025		FY-2024		FY-2023		FY-2022		FY-2021	
	PKR m	YoY %	PKR m	YoY %	PKR m	YoY %	PKR m	YoY %	PKR m	YoY %	PKR m	YoY %
Non-current assets	7,267	2.0%	7,127	(1.3%)	7,224	(1.0%)	7,298	8.0%	6,758	73.7%	3,892	–
Current assets	7,833	36.4%	5,743	(5.1%)	6,048	24.3%	4,865	(17.8%)	5,922	70.8%	3,466	–
Assets held for sale	145	(64.6%)	410	203.7%	135	–	–	–	–	–	–	–
Total assets	**15,245**	**14.8%**	**13,279**	**(1.0%)**	**13,407**	**10.2%**	**12,163**	**(4.1%)**	**12,680**	**72.3%**	**7,358**	**–**
Total equity	**6,685**	**9.1%**	**6,125**	**3.4%**	**5,922**	**(2.0%)**	**6,044**	**(3.4%)**	**6,254**	**45.3%**	**4,304**	**–**
Non-current liabilities	1,382	42.0%	973	(14.0%)	1,132	(20.4%)	1,423	(5.8%)	1,510	194.1%	514	–
Current liabilities	7,178	16.1%	6,181	(2.7%)	6,354	35.3%	4,696	(4.5%)	4,915	93.5%	2,540	–
of which: short-term borrowings	2,891	22.9%	2,353	14.0%	2,064	(14.2%)	2,407	26.8%	1,898	212.1%	608	–
Total borrowings	4,234	25.4%	3,377	1.9%	3,315	(11.0%)	3,725	19.3%	3,122	149.2%	1,253	–

YoY % = change on the previous year. Group (consolidated) figures. FY2025 as restated in the FY2026 audited financial statements; FY2021 per-share data adjusted for the bonus issue. Methods of calculation are set out on page 198.

STATEMENT OF PROFIT OR LOSS
HORIZONTAL ANALYSIS

Net revenue grew 12.2% to PKR 37.58 billion, led by petroleum (+17%) and polymer (+35%). Over five years revenue has grown 3.5 times from PKR 10.6 billion in FY2021, a compound annual growth rate of 28.8%.

Cost of sales rose 11.5%, slower than revenue, so gross profit grew 19.1%. Distribution and administrative expenses rose only 3.8%.

Operating profit increased 51.3% and finance cost fell 17.3% with lower interest rates, lifting profit before levy and tax to PKR 896 million (FY2025: PKR 322 million) and profit after tax to PKR 473 million (FY2025: PKR 102 million).

The levy fell to PKR 11 million as more of the Group's tax became normal income tax on profit, while taxation rose to PKR 412 million.

HORIZONTAL **ANALYSIS**

FOR THE CURRENT **AND LAST FIVE YEARS**

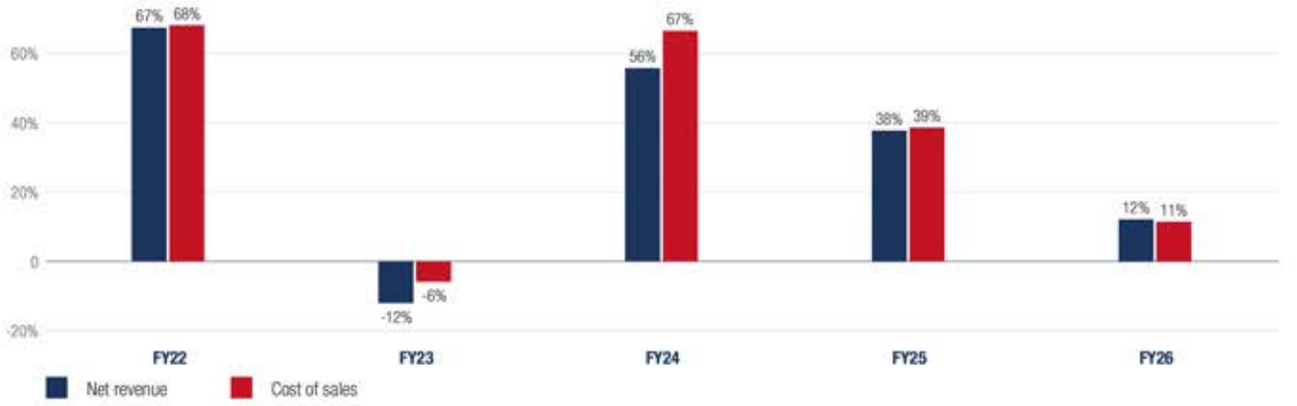
FINANCIAL POSITION **HORIZONTAL ANALYSIS**

Total assets grew 14.8% to PKR 15.24 billion. Current assets rose 36.4%, driven by trade debts (+51%), loans and advances (+139%) and stock-in-trade (+16%); non-current assets rose 2.0%.

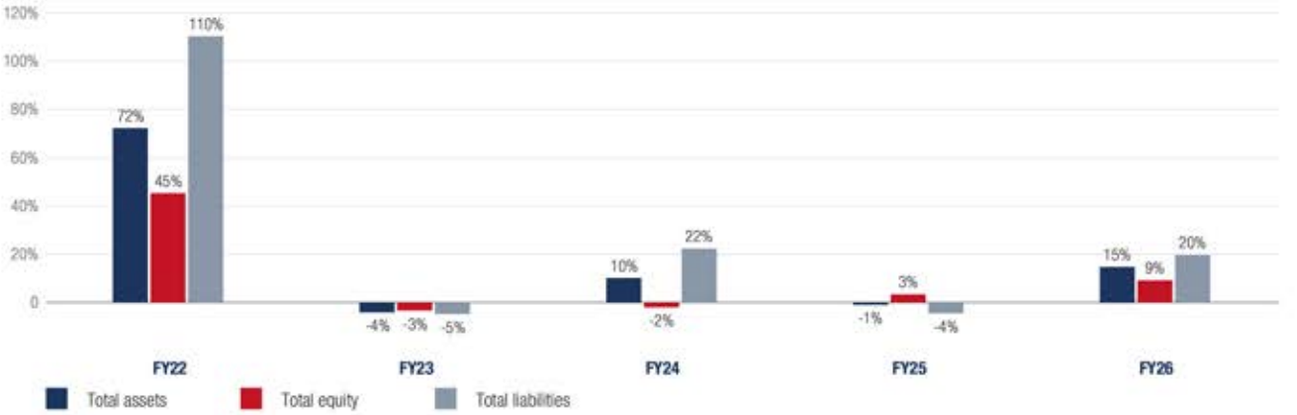
Equity increased 9.1% on the year's profit. Non-current liabilities rose 42.0% with new long-term financing, and current liabilities 16.1%, mainly short-term borrowings (+23%) and trade payables (+12%).

Over five years, total assets have doubled from PKR 7.36 billion in FY2021, while equity rose from PKR 4.30 billion to PKR 6.68 billion; most of the growth came in FY2022, when the polymer and petroleum businesses expanded.

YEAR-ON-YEAR CHANGE IN **NET REVENUE AND COST OF SALES**



YEAR-ON-YEAR CHANGE IN **ASSETS, EQUITY AND LIABILITIES**



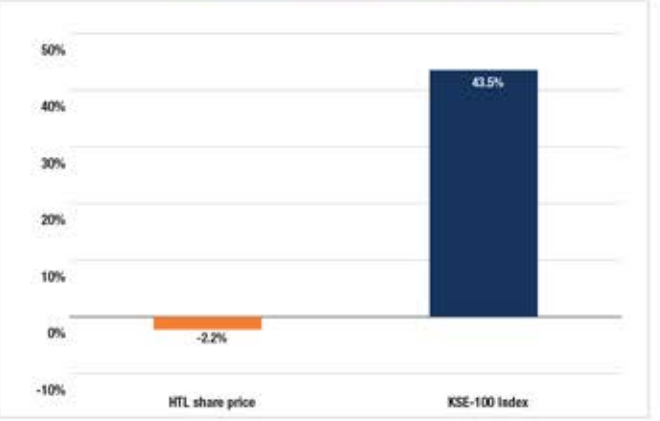
SHARE PRICE PERFORMANCE **AT PSX**

Closing price (30 Jun 2026)	52-week high / low	Market capitalisation	Price / earnings	Price / book	Dividend yield
PKR 44.08	**66.50 / 31.01**	**PKR 6.14 bn**	**12.96x**	**0.92x**	**2.6%**
FY25: PKR 45.09	PKR per share	139.2 m shares	on consolidated EPS 3.40	Break-up PKR 48.02	Proposed PKR 1.15

Share Price Trend (FY 2021 - FY 2026)



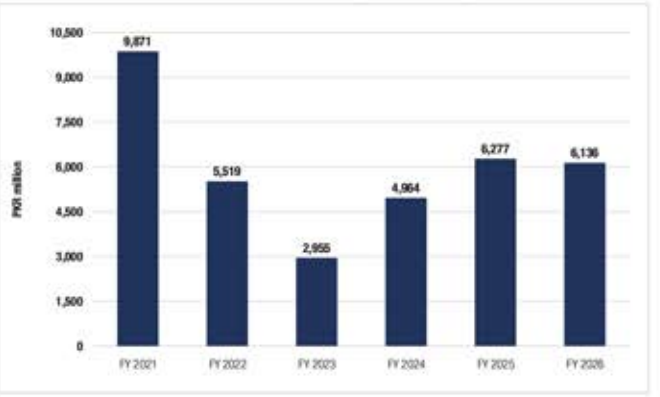
FY 2026 Return: HTL vs KSE-100



PERFORMANCE **REVIEW**

- The KSE-100 Index had one of its strongest years, rising 43.5% from 125,627 to 180,302 points, with most of the gain (38.5%) in the first half and a volatile second half amid the Middle East conflict.
- HTL's share price closed FY 2026 at PKR 44.08, almost unchanged from PKR 45.09 a year earlier, after trading between PKR 31.01 and PKR 66.50. Total shareholder return for the year was -2.24%, as no dividend was paid during the year.
- The stock rose in the first half of the year (PKR 52.93 in late November 2025), then weakened in the second half as the oil-price shock hit fuel demand and sentiment towards oil marketing companies; it was also volatile in April 2026, rising from PKR 40.21 to PKR 52.94 in four sessions before settling back to about PKR 42.
- Despite the recovery in earnings (consolidated EPS PKR 3.40), the shares ended the year at 0.92x book value and 12.96x earnings, suggesting that the market has yet to fully reflect the Group's improved profitability and integrated business model.
- The Board has proposed a final cash dividend of PKR 1.15 per share (11.5%), the first since FY 2023.

Market Capitalisation (Year End)



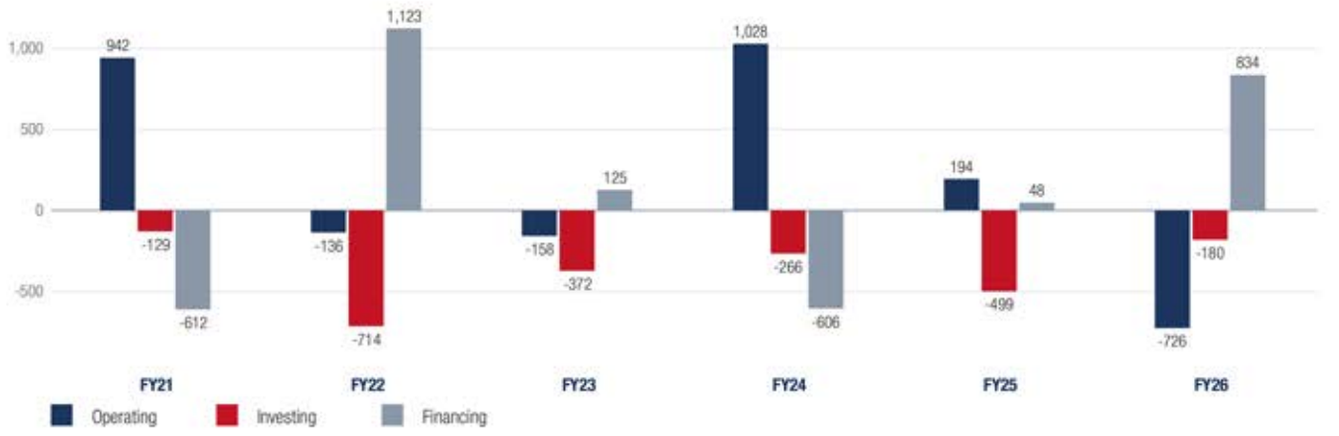
CASH FLOWS **ANALYSIS**

FOR THE CURRENT **AND LAST FIVE YEARS**

Summary of cash flows – PKR million	FY-2026	FY-2025	FY-2024	FY-2023	FY-2022	FY-2021
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash generated from operations	228	979	1,989	591	314	1,103
Finance cost paid	(443)	(608)	(803)	(632)	(225)	(112)
Income tax paid	(287)	(210)	(180)	(126)	(208)	(161)
Other operating items (incl. WPPF / WWF)	(223)	32	22	8	(17)	112
Net cash from / (used in) operating activities	**(726)**	**194**	**1,028**	**(158)**	**(136)**	**942**
CASH FLOWS FROM INVESTING ACTIVITIES						
Capital expenditure	(696)	(538)	(371)	(496)	(983)	(462)
Disposals, investments and income received	516	40	105	124	269	333
Net cash used in investing activities	**(180)**	**(499)**	**(266)**	**(372)**	**(714)**	**(129)**
CASH FLOWS FROM FINANCING ACTIVITIES						
Short-term borrowings – net	538	289	(343)	509	1,290	(406)
Long-term financing – net	413	(78)	(71)	34	432	210
Lease rentals paid	(117)	(162)	(192)	(141)	(115)	(82)
Dividends paid	–	–	–	(278)	(483)	(334)
Net cash from / (used in) financing activities	**834**	**48**	**(606)**	**125**	**1,123**	**(612)**
Net increase / (decrease) in cash	**(72)**	**(257)**	**156**	**(405)**	**273**	**201**
Cash at beginning of the year	155	411	255	660	388	187
Cash at end of the year	**83**	**155**	**411**	**255**	**660**	**388**

Group (consolidated) figures. FY2025 as restated in the FY2026 audited financial statements; FY2021 per-share data adjusted for the bonus issue. Methods of calculation are set out on page 198.

CASH FLOWS BY ACTIVITY **(PKR MILLION)**



CASH FLOWS **ANALYSIS**

In FY2026 cash generated from operations was PKR 228 million (FY2025: PKR 979 million). After finance cost of PKR 443 million, tax of PKR 287 million and WPPF/WWF payments of PKR 196 million, operating activities used PKR 726 million. The main drain was working capital: trade debts, loans and advances and stock-in-trade together absorbed about PKR 1.7 billion.

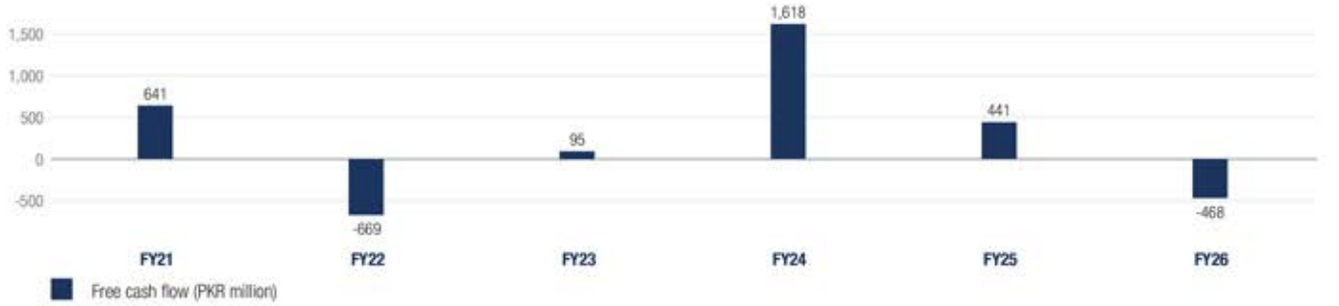
Investing activities used PKR 180 million: capital expenditure of PKR 696 million was largely offset by PKR 485 million of proceeds from disposals of fixed assets and assets held for sale.

Financing activities provided PKR 834 million from new long-term financing of PKR 500 million and short-term borrowings of PKR 538 million, after repaying PKR 204 million of long-term loans and leases. Cash and bank balances ended the year at PKR 83 million.

Six-year view: operating cash flow was positive in FY2021 (PKR 942 million), FY2024 (PKR 1,028 million) and FY2025 but negative in the growth years FY2022, FY2023 and FY2026, when working capital expanded. Turning profit into cash is the main financial priority for FY2027.

ANALYSIS OF FREE **CASH FLOWS**

Free cash flow – PKR million	FY-2026	FY-2025	FY-2024	FY-2023	FY-2022	FY-2021
Cash generated from operations	228	979	1,989	591	314	1,103
Less: capital expenditure	(696)	(538)	(371)	(496)	(983)	(462)
Free cash flow	**(468)**	**441**	**1,618**	**95**	**(669)**	**641**



DIRECT METHOD **CASH FLOWS**

Direct method – Group, PKR million	FY-2026
CASH FLOWS FROM OPERATING ACTIVITIES	
Collections from customers	39,455.1
Payments to employees	(1,313.6)
Payments to suppliers and service providers	(35,316.9)
Sales tax paid	(2,596.9)
Income tax paid	(287.0)
Finance cost paid	(443.5)
Workers' profit participation and welfare funds paid	(195.8)
Long-term loans and security deposits – net	(27.4)
Net cash used in operating activities	**(725.8)**
CASH FLOWS FROM INVESTING ACTIVITIES	
Capital expenditure on fixed assets	(696.2)
Proceeds from disposal of fixed assets	235.0
Proceeds from disposal of assets held for sale	250.0
Short-term investments – net	8.2
Dividends received	21.6
Profit on bank deposits received	1.0
Net cash used in investing activities	**(180.4)**
CASH FLOWS FROM FINANCING ACTIVITIES	
Long-term financing obtained	500.0
Repayment of long-term financing	(87.0)
Repayment of lease liabilities	(116.6)
Short-term borrowings – net	538.2
Dividends paid	(0.1)
Net cash from financing activities	**834.5**
Net decrease in cash and cash equivalents	**(71.8)**
Cash and cash equivalents at beginning of the year	154.5
Cash and cash equivalents at end of the year	**82.7**

Free cash flow = cash generated from operations (profit before tax, non-cash items and working-capital changes) less capital expenditure.

QUARTERLY **ANALYSIS**

FOR THE **CURRENT YEAR**

Statement of Profit or Loss	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	Rupees in thousand			
GROSS REVENUE	9,490,809	9,866,109	9,677,641	12,100,214
DISCOUNTS	(242,688)	(138,537)	(243,977)	(329,451)
SALES TAX AND FEDERAL EXCISE DUTY	(630,115)	(814,289)	(486,637)	(665,875)
NET REVENUE	8,618,006	8,913,283	8,947,028	11,104,888
COST OF SALES	(7,759,397)	(8,078,533)	(7,857,791)	(10,221,460)
GROSS PROFIT	858,608	834,752	1,089,237	883,428
DISTRIBUTION COST	(310,530)	(383,002)	(388,666)	(237,123)
ADMINISTRATIVE EXPENSES	(246,273)	(269,968)	(218,628)	(326,734)
OTHER EXPENSES	(83,545)	(45,260)	(15,109)	(64,696)
	(640,348)	(698,231)	(622,403)	(628,553)
OTHER INCOME	52,711	120,060	91,625	46,996
PROFIT FROM OPERATIONS	270,971	256,580	558,459	301,872
FINANCE COST	(111,665)	(108,599)	(122,272)	(149,501)
PROFIT BEFORE TAXATION AND LEVY	159,305	147,982	436,187	152,371
LEVY	(50,706)	3,023	(54,022)	91,136
PROFIT BEFORE TAXATION	108,600	151,004	382,165	243,507
TAXATION	(1,412)	(94,382)	(111,080)	(205,447)
PROFIT AFTER TAXATION	107,188	56,622	271,085	38,060

Statement of Financial Position	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	Rupees in thousand			
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Authorized share capital				
150,000,000 (2025: 150,000,000)				
ordinary shares of Rupees 10 each	1,500,000	1,500,000	1,500,000	1,500,000
Issued, subscribed and paid-up share capital	1,392,048	1,392,048	1,392,048	1,392,048
Reserves	4,840,199	4,896,821	5,167,906	5,292,792
Total Equity	6,232,247	6,288,869	6,559,954	6,684,840
LIABILITIES				
NON-CURRENT LIABILITIES				
Long term financing	402,908	424,713	722,552	750,259
Lease Liabilities	350,283	361,519	368,433	330,465
Long term deposits	26,000	26,000	28,000	26,000
Deferred liabilities / deferred tax	153,856	189,916	246,755	275,198
	933,047	1,002,148	1,365,739	1,381,923
CURRENT LIABILITIES				
Trade and other payables	5,201,498	5,047,694	4,663,626	3,941,970
Accrued mark-up	61,205	53,799	51,789	77,184
Short term borrowings	1,993,068	2,539,185	2,149,500	2,891,044
Current portion of non-current liabilities	232,597	240,351	243,421	262,306
Unclaimed dividend	5,373	5,322	5,322	5,299
	7,493,741	7,886,351	7,113,657	7,177,803
Total liabilities	8,426,788	8,888,499	8,479,397	8,559,726
Contingencies and commitments				
TOTAL EQUITY AND LIABILITIES	14,659,035	15,177,369	15,039,351	15,244,566

Statement of Financial Position	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	Rupees in thousand			
ASSETS				
NON-CURRENT ASSETS				
Fixed assets	6,679,976	6,523,407	6,676,356	6,893,494
Right-of-use assets	431,834	424,587	435,462	346,398
Intangible assets	4,369	3,508	2,647	397
Long term security deposits and others	20,815	30,871	33,661	26,420
	7,136,994	6,982,373	7,148,126	7,266,709
CURRENT ASSETS				
Stores and spares	114,993	104,802	137,111	145,847
Stock-in-trade	4,013,430	4,142,382	3,441,576	3,251,441
Trade debts	1,542,000	1,670,829	2,160,010	1,988,019
Loans and advances	584,543	820,029	556,167	1,069,355
Short term deposits and prepayments	37,567	58,995	26,225	32,787
Other receivables	452,603	396,617	748,206	732,056
Short term investments	247,987	230,691	234,003	234,148
Advance income tax - net	255,627	318,882	305,459	296,472
Cash and bank balances	113,292	291,770	122,467	82,733
	7,362,041	8,034,997	7,731,225	7,832,857
Non-current asset classified as held for sale	160,000	160,000	160,000	145,000
TOTAL ASSETS	14,659,035	15,177,369	15,039,351	15,244,566

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

The Group recorded steady growth in gross revenue, from PKR 9,491 million in Q1 to PKR 12,100 million in Q4, with net revenue of PKR 8,618 million, 8,913 million, 8,947 million and 11,105 million respectively. Gross margin was strongest in Q3 at 12.2% and lowest in Q4 at 8.0%, as the higher-volume petroleum sales in Q4 carried thinner margins.

OPERATING **COSTS**

Distribution and administrative expenses ranged between PKR 557 million and PKR 653 million per quarter, peaking in Q2 and easing in Q4, and remained broadly stable relative to the growth in sales.

FINANCE **COST BURDEN**

Finance cost averaged PKR 123 million per quarter, rising to PKR 150 million in Q4 as short-term borrowings increased to fund higher working capital and capital expenditure.

PROFITABILITY **TREND**

The Group was profitable in all four quarters: Q1 PKR 107 million, Q2 PKR 57 million, Q3 PKR 271 million and Q4 PKR 38 million. Q3 was the strongest quarter (net margin 3.03%), while Q4 profit was held back by a lower gross margin and a tax charge of PKR 205 million.

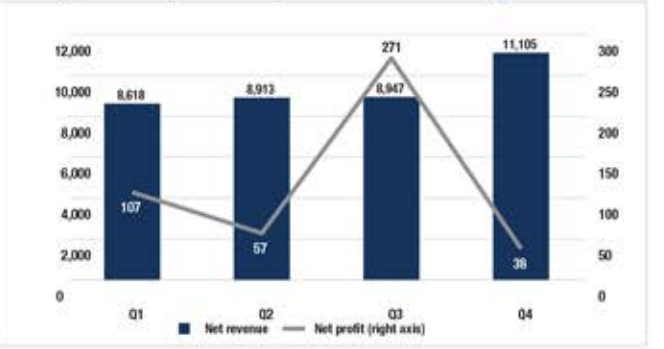
OVERALL **ASSESSMENT**

FY2026 showed consistent profitability across quarters, a clear improvement on the prior year. Sustaining this will depend on protecting margins as volumes grow, keeping expenses in check and reducing the finance cost of working capital.

ECONOMIC VALUE ADDED

Economic Value Added (EVA) measures value created after covering the cost of capital. Over FY2024–FY2026, EVA remained negative at PKR (758) million, (584) million and (434) million respectively. The FY2026 improvement reflects a 51% increase in operating profit, partly offset by a higher capital charge on the larger consolidated capital base of PKR 10.92 billion. Management remains focused on restoring positive EVA through margin enhancement, faster working-capital turns and lower funding costs.

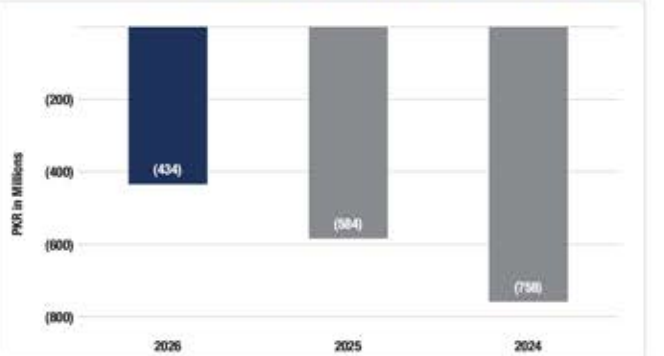
Quarterly Revenue, Net Profit, **and Net Profit Margin - FY 2026**



Net profit margin

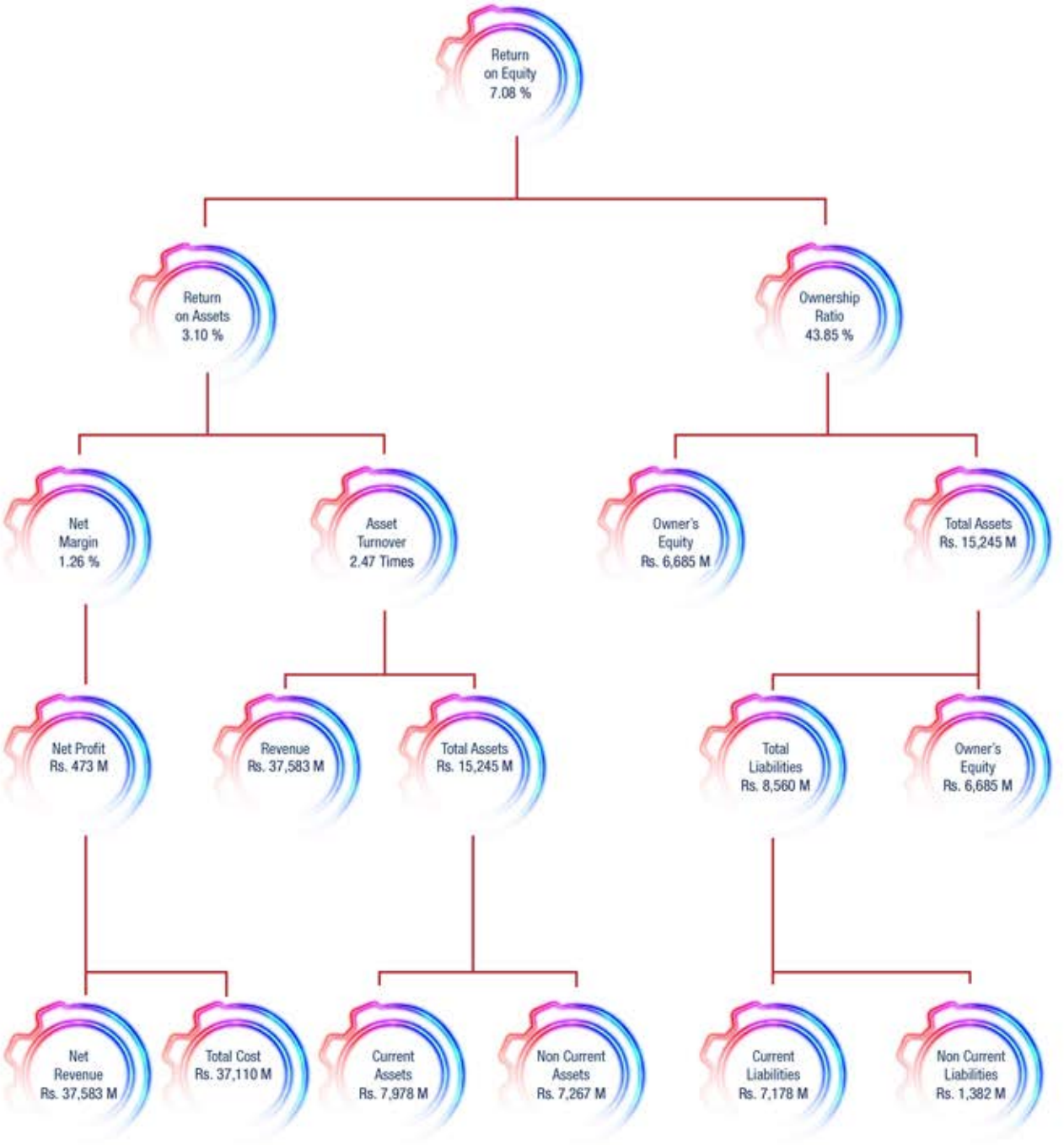
Q1: 1.24% Q2: 0.64% Q3: 3.03% Q4: 0.34%

ECONOMIC VALUE **ADDED (EVA) (FY 2026 - FY 2024)**



EVA for FY2024–FY2026 is on a consolidated (Group) basis: NOPAT = EBIT × (1 – 29%); capital = equity + interest-bearing debt (FY2026: PKR 10,919 million); WACC assumed at 13.0% for all years.

DUPONT ANALYSIS



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

In FY2026, ROA improved to 3.10% (FY2025: 0.77%) and ROE to 7.08% (FY2025: 1.66%), driven by a higher net margin of 1.26% (FY2025: 0.30%) with asset turnover steady at 2.47 times. The Ownership Ratio eased to 43.85%, reflecting higher use of borrowings, which magnifies the effect of earnings on ROE.

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

Year	Return on assets	Ownership ratio	ROE
	(Net profit / total assets) A	Total equity / total assets B	A/B
2026	3.10%	43.85%	7.08%
2025	0.77%	46.12%	1.66%
2024	-1.02%	44.17%	-2.32%
2023	-2.03%	49.69%	-4.09%
2022	4.87%	49.32%	9.87%
2021	9.29%	58.50%	15.88%

ANALYSIS OF FINANCIAL **AND NON-FINANCIAL PERFORMANCE (FY 2026)**

FINANCIAL PLANNING **AND BUDGETING**

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

PERFORMANCE AGAINST **FINANCIAL MEASURES**

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

Performance is monitored against the AOP. Net revenue was 13% below the AOP, while profit from operations was 12% above it and profit after tax was in line (page 197). * = consolidated FY2025 figures.

Gross Revenue increased by 13% to PKR 41.13 billion (FY2025*: PKR 36.38 billion).

Net Revenue rose by 12% to PKR 37.58 billion (FY2025*: PKR 33.51 billion).

Gross Profit improved by 19% to PKR 3.67 billion (FY2025*: PKR 3.08 billion), with gross margin rising to 9.75% (FY2025*: 9.19%).

Distribution & Administrative Expenses increased by 4% to PKR 2.38 billion, well below the rate of revenue growth.

Other Income increased to PKR 311 million (FY2025*: PKR 275 million).

Profit from Operations rose by 51% to PKR 1.39 billion (FY2025*: PKR 917 million).

Finance Cost decreased by 17% to PKR 492 million (FY2025*: PKR 595 million), reflecting lower borrowing costs.

After levy and taxation, the Group reported a profit of PKR 473.0 million (FY2025*: PKR 101.8 million), with earnings per share of PKR 3.40 (FY2025*: 0.73).

PERFORMANCE AGAINST **NON-FINANCIAL MEASURES**

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

Human Capital: The Group employed 800 people at 30 June 2026 (394 permanent and 406 contractual; FY2025*: 774). Revenue per employee was PKR 47.0 million (FY2025*: PKR 43.3 million). Employee turnover was 2.77% (FY2025: 2.70%). Structured training, internships, and succession planning supported long-term capability building and diversity.

Operational Readiness: Maintenance cost was 1.0% of distribution and administrative expenses (FY2025: 1.7%), reflecting continued focus on preventive maintenance and operational reliability.

Health, Safety & Environment (HSE): Fire safety drills, ISO 45001 compliance and workplace safety initiatives were maintained across all facilities.

Technology & Innovation: The IT function ensured uninterrupted systems and improved cybersecurity, while investments in automation strengthened operational efficiency and reporting accuracy.

Sustainability & CSR: Through the Sabra Hamida Trust, the Group contributed PKR 18 million to education, healthcare, and community welfare. Environmental measures such as solar energy deployment, rainwater harvesting, and recycling programs reinforced HTL's long-term sustainability agenda.

ECONOMIC **AND PERFORMANCE ANALYSIS**

Pakistan's economy grew by a provisional 3.7% in FY2026 (FY2025: 3.2%). Inflation remained within the SBP's 5–7% target range for much of the year but rose to double digits in April–May 2026 as the Middle East conflict pushed up energy prices. The SBP cut its policy rate to 10.5% in December 2025 and raised it to 11.5% in April 2026, where it remained at year end.

Against this backdrop, HTL recorded a consolidated profit after tax of PKR 473.0 million (FY2025*: PKR 101.8 million), driven by revenue growth, improved gross margins, contained operating expenses, and lower finance costs.

OPERATIONAL EXPANSION **AND STRATEGIC INITIATIVES**

- The retail fuel station network stood at 55 active stations at 30 June 2026 (FY2025: 61), supported by 21 HTL Express Centres, and Petroleum Products revenue grew 17% to PKR 27.20 billion.
- The Polymer segment (plastic bottles) grew revenue by 35% to PKR 630 million and posted a profit before levy and tax of PKR 106 million.
- The partnership with SK On Co., Ltd. (formerly SK Enmove Co., Ltd.) continued to strengthen cost efficiency through local blending and reduced reliance on imports.

GOVERNANCE, COMPLIANCE, **AND REPORTING STANDARDS**

- The Group ensured timely payment of debts and government dues during the year, reaffirming its commitment to financial discipline and stakeholder trust.
- HTL remained fully compliant with International Accounting Standards (IAS) / International Financial Reporting Standards (IFRS) as adopted by the Securities and Exchange Commission of Pakistan (SECP). This ensures transparency, fairness, and reliability in the preparation and presentation of financial statements.
- As a Shariah-compliant company listed on the Islamic Index, HTL confirms that it is not engaged in Shariah non-permissible business activities as its core business activities, in accordance with the disclosure requirements of the Companies Act, 2017 (Note 52 to the consolidated financial statements).

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

- The Company continued to make progress towards the adoption of the International Integrated Reporting Framework (IIRC) by embedding its fundamental concepts, guiding principles, and content elements

RECOGNITION **AND AWARDS**

HTL has been consistently recognized at the Best Corporate and Sustainability Report Awards organized by ICAP and ICMAP in the Fuel and Energy sector since 2018. Most recently, the Company's Integrated Annual Report 2025 secured **Second position** in the sector—equalling its best-ever result, first achieved in 2018.

YEAR	POSITION	SECTOR
2018	Second	Fuel and Energy
2019	Fourth	Fuel and Energy
2020	Third	Fuel and Energy
2021	Fourth	Fuel and Energy
2022	Fourth	Fuel and Energy
2023	Fourth	Fuel and Energy
2024	Third	Fuel and Energy
2025	Second	Fuel and Energy

BEST CORPORATE REPORT **AWARDS**









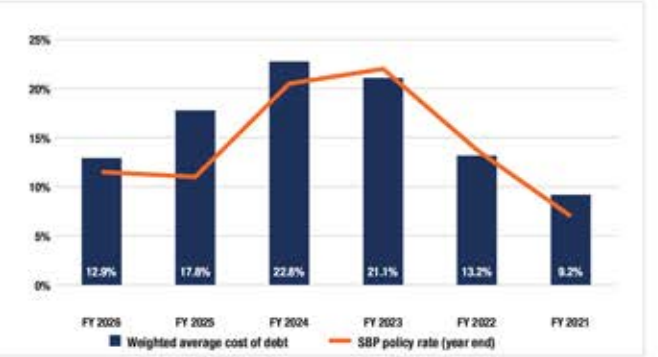




ADDITIONAL KEY PERFORMANCE **INDICATORS**

Key Performance Indicators	UOM	FY-2026	FY-2025	FY-2024	FY-2023	FY-2022	FY-2021
ADDITIONAL FINANCIAL RATIOS							
Return on Investment	%	5.86%	1.43%	-1.95%	-3.31%	7.95%	14.19%
Weighted Average Cost of Debt	%	12.93%	17.78%	22.76%	21.09%	13.18%	9.18%
Debt to Equity Ratio (as per Book Value)	Times	0.63	0.55	0.56	0.62	0.50	0.29
Debt to Equity Ratio (as per Market Value)	Times	0.69	0.54	0.67	1.26	0.57	0.13
Dividend Cover Ratio	Times	2.96	-	-	-0.89	1.17	1.69
SBP Policy Rate at Year End (reference)	%	11.5%	11%	20.5%	22%	13.75%	7%

- Return on investment improved to 5.86% (FY 2025: 1.43%), in line with the return to profitability.
- The weighted average cost of debt fell to 12.93% from 17.78%, following the lower average policy rate, and has broadly tracked the SBP policy rate over the six years.
- Debt to equity was 0.63 times at book value and 0.69 times at market value, as borrowings rose to fund working capital and the shares traded below book value.



NON-FINANCIAL **PERFORMANCE**

Non-Financial KPIs	UOM	FY-2026	FY-2025
Employees at year end – Group	No.	800	774
Employees at year end – Company	No.	542	529
Revenue per employee – Group	PKR m	47.0	43.3
Revenue per employee – Company	PKR m	68.2	62.5
Lubricants blended at HTBL	Litres m	9.91	9.44
Blending capacity utilisation	%	18.8%	17.9%
Production per HTBL employee	Litres	38,412	38,545
Solar power generated – Group	kWh m	1.23	1.17
Stores & spares as % of fixed assets	%	2.1%	1.5%
Maintenance cost as % of distribution & admin expenses	%	1.0%	1.7%
Staff turnover ratio	%	2.77%	2.70%
Customer satisfaction index	%	95%	
Customer retention ratio	%	95%	
Plant availability	%	100%	

Notes: All six years are on a consolidated (Group) basis; FY 2025 figures are as restated in the FY 2026 financial statements. Blending and production data are from Note 44 to the consolidated financial statements. Revenue per employee uses year-end headcount. Maintenance cost covers repair and maintenance in distribution and administrative expenses.

PERFORMANCE AGAINST ANNUAL **OPERATING PLAN (AOP)**

PKR million (Group)	Actual	AOP	Variance	Var. %
Net revenue	37,583	43,200	(5,616)	-13.0%
Gross profit	3,666	3,937	(271)	-6.9%
Distribution & admin expenses	(2,381)	(2,845)	465	+16.3%
Profit from operations	1,388	1,241	147	+11.8%
Finance cost	(492)	(483)	(9)	-1.9%
Profit after tax	473	474	(1)	-0.2%
Capital expenditure	696	666	(30)	-4.5%

Net revenue was 13% below the Annual Operating Plan (AOP), mainly because the oil-price shock sharply reduced fuel demand in the final quarter and the retail network grew more slowly than planned. The gross profit shortfall was smaller (7%), as the gross margin of 9.75% exceeded the AOP margin of 9.11%. Distribution and administrative expenses were PKR 465 million (16%) below the AOP, so profit from operations exceeded the plan by 12%, and profit after tax was in line with the AOP. Capital expenditure was 4% above the plan. Positive variances are favourable; for costs and capital expenditure, a negative variance means spending above the AOP.

MARKET **SHARE**

Market share data is commercially sensitive and is therefore not disclosed. HTL continues to strengthen its position in both lubricants and fuel retail, and operated 55 active fuel stations and 21 HTL Express Centres at 30 June 2026.

RATIOS METHODS AND **ASSUMPTIONS**

Key Performance Indicators	
Ratio	Method of calculation
Gross profit ratio	Gross profit ÷ net revenue
Net profit to revenue	Profit after tax ÷ net revenue
EBITDA margin	(Profit from operations + depreciation and amortisation) ÷ net revenue
Operating leverage	% change in EBIT ÷ % change in net revenue
Return on equity	Profit after tax ÷ closing total equity
Return on capital employed	Profit after tax ÷ (equity + non-current liabilities + short-term borrowings + current portion)
Return on investment	Profit after tax ÷ (equity + non-current liabilities)
Shareholders' funds	Total equity ÷ total assets
Total shareholder return	(Closing price – opening price + dividends paid) ÷ opening price
Current ratio	Current assets (excl. held for sale) ÷ current liabilities
Quick ratio	(Current assets – stock-in-trade – stores) ÷ current liabilities
Cash to current liabilities	Cash and bank balances ÷ current liabilities
Cash flow from operations to sales	Net cash from operating activities ÷ net revenue
Cash flow to capital expenditure	Net cash from operating activities ÷ capital expenditure
Cash flow coverage	Net cash from operating activities ÷ total borrowings
Price earnings ratio	Year-end share price ÷ EPS
Price to book	Year-end share price ÷ break-up value per share
Dividend yield / payout / cover	DPS ÷ share price; DPS ÷ EPS; EPS ÷ DPS
Break-up value per share	Total equity ÷ number of shares
Financial leverage / Debt to equity (book)	Total borrowings ÷ total equity
Debt to equity (market)	Total borrowings ÷ market capitalisation
Weighted average cost of debt	Finance cost ÷ average total borrowings
Interest cover	EBIT ÷ finance cost
Total / fixed assets turnover	Net revenue ÷ total assets; net revenue ÷ fixed assets
Days in inventory / receivables / payables	Average stock ÷ COS × 365; average trade debts ÷ net revenue × 365; average payables ÷ COS × 365
Operating cycle	Inventory days + receivable days – payable days
Free cash flow	PBT + non-cash adjustments + working capital changes – capital expenditure
EVA	NOPAT – WACC × invested capital



UNCONSOLIDATED **FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2026

INDEPENDENT **AUDITOR'S REPORT**

To the members of Hi-Tech Lubricants Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Hi-Tech Lubricants Limited (the Company), which comprise the statement of financial position as at 30 June 2026, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2026 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following are the Key audit matters:

Sr. No.	Key audit matters	How the matters were addressed in our audit
1.	**Revenue recognition** The Company recognized net revenue from contracts with customers of Rupees 36,972.702 million for the year ended 30 June 2026. We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicator of the Company and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets. For further information, refer to the following: - Material accounting policy information, Revenue recognition note 2.21 to the financial statements. - Net revenue from contracts with customers as shown on the face of statement of profit or loss.	Our procedures included, but were not limited to: • We obtained an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue. • We compared a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents. • We compared a sample of revenue transactions recorded around the year-end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period. • We tested the effectiveness of the Company's internal controls over the calculation and recognition of discounts. • We assessed whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers'. • We also considered the appropriateness of disclosures in the financial statements.

Sr. No.	Key audit matters	How the matters were addressed in our audit
2.	**Stock-in-trade existence and valuation** Stock-in-trade as at 30 June 2026 amounted to Rupees 739.725 million and represented a material position in the statement of financial position. Stock-in-trade is stated at lower of cost and net realizable value. We identified existence and valuation of stock-in-trade as a key audit matter due to its size, representing 8.94% of the total assets of the Company as at 30 June 2026, and the judgment involved in valuation. For further information on stock-in-trade, refer to the following: - Material accounting policy information, Stock-in-trade note 2.8 to the financial statements. - Stock-in-trade note 23 to the financial statements.	Our procedures over existence and valuation of stock-in-trade included, but were not limited to: • To test the quantity of stock-in-trade at all locations, we assessed the corresponding stock-in-trade observation instructions and participated in stock-in-trade counts on sites. Based on samples, we performed test counts and compared the quantities counted by us with the results of the counts of the management. • For a sample of stock-in-trade items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets. • We tested that the ageing report used by management correctly aged stock-in-trade items by agreeing a sample of aged stock-in-trade items to the last recorded invoice. • On a sample basis, we tested the net realizable value of stock-in-trade items to recent selling prices and re-performed the calculation of the stock-in-trade write down, if any. • We assessed the percentage write down applied to older stock-in-trade with reference to historic stock-in-trade write downs and recoveries on slow moving stock-in-trade. • In the context of our testing of the calculation, we analyzed individual cost components and traced them back to the corresponding underlying documents. We furthermore challenged changes in unit costs. • We also made inquires of management, including those outside of the finance function, and considered the results of our testing above to determine whether any specific write downs were required.

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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



RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore

Date: 21 September 2026

UDIN: AR202610158ugth0IVL4

STATEMENT OF **FINANCIAL POSITION**

As at 30 June 2026

	Note	2026 Rupees	2025 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
150,000,000 (2025: 150,000,000) ordinary shares of Rupees 10 each		1,500,000,000	1,500,000,000
Issued, subscribed and paid-up share capital	4	1,392,048,000	1,392,048,000
Capital reserve - share premium	5	1,441,697,946	1,441,697,946
Capital reserve - surplus on revaluation of freehold land	6	635,049,706	829,069,706
Revenue reserve - un-appropriated profit		663,197,436	24,975,378
Total equity		4,131,993,088	3,687,791,030
LIABILITIES			
Non-current liabilities			
Lease liabilities	7	346,596,554	381,667,221
Long term financing	8	69,021,292	-
Long term deposits	9	26,000,000	26,000,000
		441,617,846	407,667,221
Current liabilities			
Trade and other payables	10	2,324,811,129	2,071,715,668
Contract liabilities - un-secured		46,349,763	97,876,737
Short term borrowings	11	1,202,341,715	1,618,958,452
Accrued mark-up / profit	12	32,617,789	37,294,089
Current portion of non-current liabilities	13	89,126,512	131,960,736
Provision for taxation and levy payable - net	14	-	-
Unclaimed dividend		5,299,202	5,372,861
		3,700,546,110	3,963,178,543
Total liabilities		4,142,163,956	4,370,845,764
Contingencies and commitments	15		
TOTAL EQUITY AND LIABILITIES		8,274,157,044	8,058,636,794
ASSETS			
Non–current assets			
Fixed assets	16	2,678,902,495	2,656,769,927
Right-of-use assets	17	356,630,501	449,029,213
Intangible assets	18	37,500	2,709,516
Investment in subsidiary company	19	1,300,000,600	1,300,000,600
Long term security deposits	20	21,193,250	14,337,351
Long term loans to employees	21	231,512	1,116,772
Deferred income tax asset - net	22	3,223,314	121,450,261
		4,360,219,172	4,545,413,640
Current assets			
Stock-in-trade	23	739,725,145	731,022,738
Trade debts	24	1,790,371,378	1,232,490,332
Loans and advances	25	149,810,840	307,359,948
Short term deposits and prepayments	26	30,068,757	33,574,424
Other receivables	27	764,009,693	412,524,240
Accrued interest		13,102	10,052
Short term investments	28	234,147,953	240,351,519
Cash and bank balances	29	60,791,004	145,889,901
		3,768,937,872	3,103,223,154
Non-current assets classified as held for sale	30	145,000,000	410,000,000
		3,913,937,872	3,513,223,154
TOTAL ASSETS		8,274,157,044	8,058,636,794

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

Chief Executive | Director | Chief Financial Officer

STATEMENT OF
PROFIT OR LOSS
For the year ended 30 June 2026

	Note	2026 Rupees	2025 Rupees
GROSS REVENUE FROM CONTRACTS WITH CUSTOMERS	31	40,412,792,151	35,827,893,721
Discounts		(954,652,580)	(500,531,587)
Sales tax		(2,485,437,529)	(2,284,458,166)
NET REVENUE FROM CONTRACTS WITH CUSTOMERS		36,972,702,042	33,042,903,968
COST OF SALES	32	(33,868,638,446)	(31,003,865,061)
GROSS PROFIT		3,104,063,596	2,039,038,907
DISTRIBUTION COST	33	(1,274,424,506)	(1,192,629,996)
ADMINISTRATIVE EXPENSES	34	(845,607,133)	(810,235,231)
OTHER EXPENSES	35	(156,158,943)	(53,368,412)
		(2,276,190,582)	(2,056,233,639)
OTHER INCOME	36	244,248,476	279,688,391
PROFIT FROM OPERATIONS		1,072,121,490	262,493,659
FINANCE COST	37	(280,860,319)	(405,199,105)
PROFIT / (LOSS) BEFORE LEVY AND TAXATION		791,261,171	(142,705,446)
LEVY	38	(10,158,504)	(151,998,856)
(LOSS) / PROFIT BEFORE TAXATION		781,102,667	(294,704,302)
TAXATION	39	(367,880,609)	(24,076,599)
PROFIT/ (LOSS) AFTER TAXATION		413,222,058	(318,780,901)
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED	40	2.97	(2.29)

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

Chief Executive | Director | Chief Financial Officer

STATEMENT OF
COMPREHENSIVE INCOME
For the year ended 30 June 2026

	2026 Rupees	2025 Rupees
PROFIT/ (LOSS) AFTER TAXATION	413,222,058	(318,780,901)
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Surplus on revaluation of freehold land	30,980,000	68,211,250
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the year	30,980,000	68,211,250
Total Comprehensive Income / (Loss) For The Year	444,202,058	(250,569,651)

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

Chief Executive | Director | Chief Financial Officer

STATEMENT OF
CHANGES IN EQUITY
For the year ended 30 June 2026

	Share capital	Reserves				Total reserves	Total equity
		Capital			Revenue		
		Share premium	Surplus on revaluation of freehold land	Sub Total	Un-appropriated Profit		
	Rupees						
Balance as at 30 June 2024	1,392,048,000	1,441,697,946	760,858,456	2,202,556,402	343,756,279	2,546,312,681	3,938,360,681
Loss for the year	-	-	-	-	(318,780,901)	(318,780,901)	(318,780,901)
Other comprehensive income for the year	-	-	68,211,250	68,211,250	-	68,211,250	68,211,250
Total comprehensive income for the year	-	-	68,211,250	68,211,250	(318,780,901)	(250,569,651)	(250,569,651)
Balance as at 30 June 2025	1,392,048,000	1,441,697,946	829,069,706	2,270,767,652	24,975,378	2,295,743,030	3,687,791,030
Profit for the year	-	-	-	-	413,222,058	413,222,058	413,222,058
Other comprehensive income for the year	-	-	30,980,000	30,980,000	-	30,980,000	30,980,000
Total comprehensive income for the year	-	-	30,980,000	30,980,000	413,222,058	444,202,058	444,202,058
Transferred from surplus on revaluation on disposal of freehold land classified as 'non-current asset held for sale'	-	-	(225,000,000)	(225,000,000)	225,000,000	-	-
Balance as at 30 June 2026	1,392,048,000	1,441,697,946	635,049,706	2,076,747,652	663,197,436	2,739,945,088	4,131,993,088

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

Chief Executive | Director | Chief Financial Officer

STATEMENT OF **CASH FLOWS**

For the year ended 30 June 2026

	Note	2026 Rupees	2025 Rupees
Cash flows from operating activities			
Cash generated from operations	41	732,146,766	736,760,262
Finance cost paid		(281,200,632)	(435,587,099)
Income tax and levy paid		(170,117,496)	(77,008,302)
Workers' profit participation fund paid	10.2	(19,520,204)	-
Workers' welfare fund paid	10.3	(2,714,919)	-
Long term loans to employees - net		934,164	934,164
Long term security deposits - net		(7,227,103)	13,682,405
Increase in long term deposits		-	11,000,000
Net cash generated from operating activities		252,300,576	249,781,430
Cash flows from investing activities			
Capital expenditure on fixed assets		(251,017,199)	(215,606,316)
Capital expenditure on intangible assets		-	(2,777,527)
Short term loan given to subsidiary company		-	(512,800,000)
Short term loan repaid by subsidiary company		-	512,800,000
Proceeds from disposal of fixed assets		82,585,807	15,705,735
Proceeds from disposal of non-current assets classified as held for sale		250,000,000	-
Short term investments made		(14,804,475)	(22,963,811)
Short term investments disposed of		23,000,000	6,000,000
Dividends received		21,581,505	31,398,163
Interest received on short term loan to subsidiary company		-	36,714,195
Profit on bank deposits received		991,959	1,129,385
Net cash from / (used in) investing activities		112,337,597	(150,400,176)
Cash flows from financing activities			
Repayment of lease liabilities		(116,595,719)	(147,362,625)
Dividend paid		(73,659)	(316,556)
Long term financing obtained		89,804,745	-
Long term financing repaid		(6,255,700)	-
Short term borrowings - net		(416,616,737)	(158,229,315)
Net cash used in financing activities		(449,737,070)	(305,908,496)
Net decrease in cash and cash equivalents		(85,098,897)	(206,527,242)
Cash and cash equivalents at the beginning of the year		145,889,901	352,417,143
Cash and cash equivalents at the end of the year	29	60,791,004	145,889,901

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

Chief Executive | Director | Chief Financial Officer

1. THE COMPANY AND ITS OPERATIONS

Hi-Tech Lubricants Limited ("the Company") was incorporated under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at 1-A, Danepur Road, GOR-1, Lahore. The principal activity of the Company is to procure and distribute lubricants and petroleum products. During the year ended 30 June 2017, Oil and Gas Regulatory Authority (OGRA) granted license to the Company to establish an Oil Marketing Company (OMC), subject to some conditions. On 31 May 2019, Oil and Gas Regulatory Authority (OGRA) has granted permission to the Company to operate new storage facility at Sahiwal and marketing of petroleum products in province of Punjab. On 20 January 2020, the Company has started marketing and sale of petroleum products. On 21 February 2020, OGRA has granted permission to the Company to apply for No Objection Certificates (NOCs) from concerned departments to setup petrol pumps in Khyber Pakhtunkhwa. On 09 August 2021, OGRA has acknowledged the satisfactory completion of oil storage facility at Nowshera, Khyber Pakhtunkhwa. On 13 January 2022, OGRA has further extended / renewed the provisional license for setting up of an OMC upto 31 December 2023. On 16 March 2023, OGRA has granted permission to the Company to operate new storage facility at Nowshehra and marketing of petroleum products in the province of Khyber Pakhtunkhwa. On 21 December 2023, OGRA has further extended / renewed the provisional license for setting up of an OMC upto 31 December 2025. On 30 December 2025, OGRA has further extended / renewed the provisional license for setting up of an OMC upto 31 December 2027.

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

Business units	Address
Registered and head office	1-A, Danepur Road, GOR-1, Lahore
Regional office – Karachi	House No. F-4/1, Block-4, KDA Scheme No. 5, Kehkashan Clifton, Karachi
Regional office – Islamabad	Office No. 501-505, Plot No. 4, New Blue Area, Pakland Tower-2, Islamabad
Regional office – Multan	House No. 95, Block C, Phase III, Model Town, Multan
Regional office – Peshawar	Office No. 280, 3rd Floor, Deans Trade Centre, Islamia Road, Peshawar
Customs bonded warehouse	7-KM, Sundar Raiwind Road, Bhai Kot, Lahore
Warehouse	7-KM, Sundar Raiwind Road, Bhai Kot, Lahore
Oil Depot – OMC Project	Mouza No. 107/9L, Sahiwal
OMC Project office	House No. 57 C-1, Gulberg III, Lahore
Oil Depot – OMC Project	Mouza Aza Khel Bala, Nowshera
Oil Depot – Extension	Mouza Aza Khel Payan, Nowshera
HTL Express Centre	Dharampura, Lahore
HTL Express Centre	Garden Town, Lahore
HTL Express Centre	Johar Town, Lahore
HTL Express Centre	Gulistan-e-Johar, Karachi
HTL Express Centre	Askari XIV, Sector – A, Rawalpindi
HTL Express Centre	Khudadaad Colony, Karachi
HTL Express Centre	Sadi Town, Karachi
HTL Express Centre	Bahria Town, Lahore
Punjab Filling Station	Main Satiana Road, Faisalabad
Green Fuel CNG	1-KM, G.T. Road, Lalamusa
Ettehad Filling Station	Circular Road, Daska
A.B. Petroleum Filling Station	Tehsil Liaqatpur, Rahim Yar Khan
Jillani CNG	Lehtrar Road, Islamabad
Dasti Filling Station	Jampur Road, Dera Ghazi Khan
Rehman Filling Station	Chistian Road, Hasilpur
Al-Fazal Filling Station	Sargodha Road, Jhang
Karma Wala-1 Filling Station	Shahkot Road, Jaranwala
Raja Adeel Filling Station	Arifwala Road, Arifwala
Al Karam Filling Station	Shamkay Bhattian, Lahore
Green City Fuel Station	Hasilpur Road, Bahawalpur
Khokhar Fuel Station	Small Industrial Estate, Jinnah Road, Gujranwala
Minhas CNG	Multan Road, Lahore
Rana Petroleum	Faisalabad Road, Okara
Mudassir Zulfiqar Filling Station	Makhdoom Rasheed, Multan

Business units	Address
Benzina II Filling Station	Benazir Road, Okara
Nambardar Petroleum Service	Rawalpindi Road, Chakwal
Suntrust CNG	Millat Road, Faisalabad
Meezan Filling Station	Jhang Road, Toba Tek Singh
Bahadur Filling Station	Mouza Ismail Khani, Bannu
M Nawaz Filling Station	Main Darban Road, Dera Ismail Khan
Tanoli Filling Station	Mouza Ghanda, Nawab Road, Mansehra
Rahat Filling Station	Saidu Shareef Road, Tehsil Babuzai, Swat
Arab Emirate Filling Station	Mouza Bandi, Tehsil Khawaja Khela, Swat
Rashid Khan Filling Station	Mouza Qambar-192, Tehsil Babuzai, Swat
Al Rehman Filling Station	Mouza Ismail Khani, Bannu
Naik Muhammad Filling Station	Near Bybass Thana, District Malakand
Big Khan Filling Station	Hajiabad Malakand University Road, Chakdara
Ghuman Brothers Filling Station	Plot 105, Block K, Gulberg 3, Lahore
Khalifa Filling Station	Jhang Road, Gojra
Al Sheikh Filling Station	Main G.T Road, Gujrat
Moon CNG Filling Station	Mouza Humak, Islamabad
Aabroo Petroleum & CNG	Jaranwala-Khurianwala Road, Jaranwala
Abbasi & Khan Traders	Gujjar Kohala, Dhirkot
AL Mustafa Filling Station	Qaziwala Road, Chishtian
Shah Sardar Petroleum	Mouza Dham Thor, Murree Road, Abbottabad
Shams Petroleum Service	E-35, Hazara Expressway
Roshan Filling Station	Farooqbad Road, Sheikhupura
Chawinda Filling Station	Khawaja Safdar Road, Sialkot
Jan Muhammad Filling Station	Ekka Ghund, Mohammand
Phandu Filling Station	Phandu Road, Umar Road, Peshawar
Four Star CNG Filling Station	Mardan Swabi Road, Bughdada
Hussain Filling Station	Near Shah Alam Pull, Charsada Road, Peshawar
Attock CNG & Filling Station	Iqbal Chowk, Choi East Attock City, Attock
Masha Allah CNG	M.C.C Kamra Road, Attock
Al Yousaf CNG Filling Station	Link Jail Road, Jhang
Ekhwan Petroleum	Peshawar Road, Charsadda
Nawaz Filling Station	Tehsil Tara Khal, Sahdnoti
Power Gas CNG & Filling Station	GT Road, Mouza Dheri Katti Khel, Nowshera
Hill Top Filling Station	Tehsil Tara Khal, Sahdnoti
HTL - TWO Fuel Station	Main Ferozepur Road, Lahore
HTL - ONE Fuel Station	Plot No. 2, Block K, Main Boulevard, Gulberg-II, Lahore
Lali Sons Filling Station	Faisalabad Road, Lalian
Al Haj CNG & Filling Station	University Road, Peshawar
Friends CNG & Filling Station	Khayabani Villa, Chakri Road Rawalpindi
Shayan 3 Filling Station	Muslim town, Peshawar
Ibrahim Hussain Filling Station	Mahol, Chakwal
Salman Filling Station	Chak Shahbaz Garhi Road, Mardan
Al Shams Petroleum Service	Swabi Road, Swabi

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

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 Basis of preparation

a) Statement of compliance

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

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of, directives and notifications issued under the Companies Act, 2017.

Where provisions of, directives and notifications issued under the Companies Act, 2017 differ from the IFRS Accounting Standards, the provisions of, directives and notifications issued under the Companies Act, 2017 have been followed.

b) Accounting convention

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

c) Critical accounting estimates and judgments

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

Income tax and levy

In making the estimates for income tax and levy currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

Useful lives, pattern of economic benefits and impairments

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

Inventories

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

Allowance for expected credit losses

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

Impairment of investment in subsidiary company

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

Revenue from contracts with customers involving sale of goods

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

Provisions

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

Classification of investments

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

Contingencies

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

Revaluation of freehold land and investment property classified as held for sale

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

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

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

Recovery of deferred income tax assets

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

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

Following amendments to published approved accounting standard are mandatory for the Company's accounting periods beginning on or after 01 July 2025:

- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' – Lack of Exchangeability.

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

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

There are amendments to published approved accounting standards that are mandatory for accounting periods beginning on or after 01 July 2025 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

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

Following standards, amendments and improvements to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2026 or later periods:

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

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

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

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

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

Amendment to IFRS 7 — 'Financial Instruments: Disclosures' and IFRS 9 — 'Financial Instruments – Classification and Measurement of Financial Instruments' (effective for annual reporting periods beginning on or after 01 January 2026). These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; clarify and add further guidance for assessing whether a financial asset meets the SPPI criterion; add new disclosures for certain instruments with contractual terms that can change cash flows; and make updates to the disclosures for equity instruments designated at FVTOCI.

Amendment to IFRS 7 — 'Financial Instruments: Disclosures' and IFRS 9 — 'Financial Instruments – Contracts Referencing Nature–dependent Electricity' (effective for annual reporting periods beginning on or after 01 January 2026). These amendments change the 'own use' and hedge accounting requirements of IFRS 9 and include targeted disclosure requirements to IFRS 7.

Disclosures about Uncertainties in the Financial Statements (Illustrative Examples). Illustrative examples are not an integral part of standards and, therefore, do not have an effective date.

On 13 November 2025, the International Accounting Standards Board (IASB) issued Translation to a Hyperinflationary Presentation Currency (effective for annual reporting periods beginning on or after 1 January 2027), which amended IAS 21, The Effects of Changes in Foreign Exchange Rates. The amendments specify the translation procedures to be applied by an entity whose presentation currency is the currency of a hyperinflationary economy. The amendments also introduce additional disclosure requirements to enable users of financial statements to understand the effects of translating financial information into a hyperinflationary presentation currency.

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

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

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

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

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2026 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.2 Fixed assets

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

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

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

Depreciation

Depreciation is charged to statement of profit or loss by applying the reducing balance method whereby cost of an asset is written off over its estimated useful life at the rates given in Note 16.1. Depreciation on additions is charged for the full month in which the asset is available for use and on deletion up to the month immediately preceding the deletion.

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

De-recognition

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

2.3 Intangible assets

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

2.4 Right-of-use assets

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses (if any). Cost comprises of the initial amount of the lease liability, adjusted for, as applicable,

any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

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

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

2.5 Lease liabilities

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

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

2.6 Investment in subsidiary company

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

2.7 Foreign currency transactions and translation

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

2.8 Stock-in-trade

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

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

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

2.9 Investments and other financial assets

a) Classification

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

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

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

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

b) Measurement

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

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

Debt instruments

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

Amortized cost

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

Fair value through other comprehensive income (FVTOCI)

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

Fair value through profit or loss (FVTPL)

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

Equity instruments

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2) or fair value is determined using valuation techniques that incorporate significant inputs not based on observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

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

Fair value through profit or loss

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

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

2.10 Financial liabilities - classification and measurement

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

2.11 Impairment of financial assets

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

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

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

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

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

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

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

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

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

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

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off.

However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

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

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

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

2.12 De-recognition of financial assets and financial liabilities

a) Financial assets

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

b) Financial liabilities

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

2.13 Impairment of non-financial assets

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

2.14 Cash and cash equivalents

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

2.15 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

2.16 Taxation and levy

Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. Except for the tax (final tax) deducted by subsidiaries, associates or joint arrangements on distribution of dividend to the Company, final taxes levied under the Income Tax Ordinance, 2001 and any excess over the amount designated as provision for current tax are charged as levy

in statement of profit or loss. Tax (final tax) deducted by subsidiaries, associates or joint arrangements on distribution of dividend to the Company is charged as current tax in the statement of profit or loss. The charge for current tax and levy also includes adjustments, where considered necessary, to provision for tax and levy made in previous years arising from assessments framed during the year for such years.

Deferred

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

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

Group taxation adjustments

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

2.17 Borrowings

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

2.18 Borrowing costs

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

2.19 Trade debts and other receivables

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

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

2.20 Trade and other payables

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

2.21 Revenue recognition

(a) Sale of goods

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

(b) Interest

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

(c) Dividend

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

(d) Rental income

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

(e) Other revenue

Handling, storage and other services income is recognized when the services have been rendered.

2.22 Contract assets

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

2.23 Customer acquisition costs

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

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

2.24 Customer fulfilment costs

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

2.25 Right of return assets

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

2.26 Contract liabilities

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

2.27 Refund liabilities

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

2.28 Segment reporting

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

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

The Company has following reportable business segments:

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

2.29 Contingent liabilities

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

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

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

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

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

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

2.31 Investment property

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

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

3 SUMMARY OF OTHER ACCOUNTING POLICIES

3.1 Functional and presentation currency

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

3.2 Employee benefits

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

3.3 Ijarah contracts

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

3.4 Share capital

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

3.5 Earnings per share

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

3.6 Government grants

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

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

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

3.7 Dividend and other appropriations

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

3.8 Offsetting of financial instruments

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

3.9 Contingent assets

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

4. ISSUED, SUBSCRIBED AND PAID–UP SHARE CAPITAL

2026	2025		2026	2025
(Number of shares)			Rupees	Rupees
41,002,000	41,002,000	Ordinary shares of Rupees 10 each fully paid-up in cash	410,020,000	410,020,000
25,000,000	25,000,000	Ordinary shares of Rupees 10 each issued as fully paid for consideration other than cash (Note 4.2)	250,000,000	250,000,000
73,202,800	73,202,800	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	732,028,000	732,028,000
139,204,800	139,204,800		1,392,048,000	1,392,048,000

4.1 993,330 (2025: 993,330) ordinary shares of the Company are held by SK On Co., Ltd. (formerly SK Enmove Co., Ltd.) - principal supplier and long term partner.

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

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

5. CAPITAL RESERVE - SHARE PREMIUM

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

		2026 Rupees	2025 Rupees
6.	**CAPITAL RESERVE - SURPLUS ON REVALUATION OF FREEHOLD LAND**		
	As at 01 July	829,069,706	760,858,456
	Add: Surplus on revaluation of freehold land	30,980,000	68,211,250
	Less: Transferred to un-appropriated profit on disposal of freehold land classified as 'non-current asset held for sale'	(225,000,000)	-
	As at 30 June	635,049,706	829,069,706
7.	**LEASE LIABILITIES**		
	Total lease liabilities	421,195,313	513,627,957
	Less: Current portion shown under current liabilities (Note 13)	(74,598,759)	(131,960,736)
		346,596,554	381,667,221
7.1	Reconciliation of lease liabilities is as follows:		
	Opening balance	513,627,957	647,317,717
	Add: Additions during the year	119,871,293	50,230,486
	Add: Interest accrued during the year (Note 37)	61,263,575	79,207,002
	Less: Impact of lease terminations during the year	(95,708,218)	(36,529,744)
	Less: Payments made during the year	(177,859,294)	(226,597,504)
		421,195,313	513,627,957
	Less: Current portion shown under current liabilities (Note 13)	(74,598,759)	(131,960,736)
		346,596,554	381,667,221
7.2	Maturity analysis of lease liabilities is as follows:		
	Upto 6 months	74,384,476	103,996,048
	6-12 months	50,467,751	79,507,589
	1-2 year	109,875,628	116,096,854
	More than 2 years	526,736,447	635,976,070
		761,464,302	935,576,561
	Less: Future finance cost	(340,268,989)	(421,948,604)
	Present value of lease liabilities	421,195,313	513,627,957
7.3	Amounts recognised in the statement of profit or loss:		
	Interest accrued during the year (Note 37)	61,263,575	79,207,002
	Expense relating to leases of low-value assets (included in distribution cost)	10,222,706	7,108,252
	Total amount recognised in statement of profit or loss	71,486,281	86,315,254

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

7.5 Lease from banking company is secured against the leased asset, personal guarantees of directors and security deposit of Rupees 0.371 million (2025: Rupees 22.373 million).

		2026 Rupees	2025 Rupees
8.	**LONG TERM FINANCING**		
	From financial institution - secured		
	Long term musharakah (Note 8.1)	83,549,045	-
	Less: Current portion shown under current liabilities (Note 13)	(14,527,753)	-
		69,021,292	-

	LENDER	2026	2025	RATE OF PROFIT PER ANNUM	NUMBER OF INSTALLMENTS	PROFIT REPRICING	PROFIT PAYABLE	SECURITY
		Rupees	Rupees					
8.1	**Long term musharakah**							
	First Habib Modaraba	71,685,521	-	3 months KIBOR + 1%	Sixty unequal monthly installments commenced on 05 January 2026 and ending on 05 December 2030.	Quarterly	Monthly	These are secured against vehicles amounting to Rupees 86.089 million and a promissory note amounting to Rupees 103.763 million in favour of First Habib Modaraba.
	First Habib Modaraba	11,863,524	-	3 months KIBOR + 0.95%	Sixty unequal monthly installments commenced on 10 April 2026 and ending on 10 March 2031.	Quarterly	Monthly	This loan is secured against vehicle amounting to Rupees 13.694 million and a promissory note amounting to Rupees 118.652 million in favour of First Habib Modaraba.
		83,549,045	-					

8.2 The effective rate of profit charged during the year ranges from 11.68% to 12.79% (2025: Nil) per annum.

9. LONG TERM DEPOSITS

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

		2026 Rupees	2025 Rupees
10.	**TRADE AND OTHER PAYABLES**		
	Creditors (Note 10.1)	1,750,270,398	1,635,649,710
	Accrued liabilities	112,538,588	106,331,164
	Advance against sale of 'non-current asset classified as held for sale'	30,000,000	30,000,000
	Franchise fee received in advance	7,000,000	-
	Infrastructure development cess payable	67,555,065	67,555,065
	Customs duty payable	11,164,087	10,754,335
	Petroleum development levy payable	54,144,250	58,113,570
	Climate support levy payable	2,457,581	-
	Income tax deducted at source	50,160,547	29,599,311
	Workers' profit participation fund payable (Note 10.2)	5,785,459	7,197,584
	Workers' welfare fund payable (Note 10.3)	32,242,360	18,711,932
	Payable to employees' provident fund trust	9,698,019	5,702,892
	Payable to Hi-Tech Blending (Private) Limited - subsidiary company (Note 10.4)	191,794,775	102,100,105
		2,324,811,129	2,071,715,668

10.1 These include Rupees 254.849 million (2025: Rupees 622.959 million) payable to Hi-Tech Blending (Private) Limited - subsidiary company.

		2026 Rupees	2025 Rupees
10.2	**Workers' profit participation fund payable**		
	Balance as on 01 July	7,197,584	-
	Add: Allocation for the year (Note 35)	17,640,729	7,197,584
	Add: Interest accrued for the year (Note 37)	467,350	-
	Less: Payment made during the year	(19,520,204)	-
	Balance as on 30 June	5,785,459	7,197,584

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

		2026 Rupees	2025 Rupees
10.3	**Workers welfare fund payable**		
	Balance as on 01 July	18,711,932	15,889,350
	Add: Allocation for the year (Note 35)	16,245,347	2,822,582
	Less: Payment made during the year	(2,714,919)	-
	Balance as on 30 June	32,242,360	18,711,932

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

		2026 Rupees	2025 Rupees
11.	**SHORT TERM BORROWINGS**		
	From banking companies - secured		
	Short term finances (Note 11.1 and Note 11.2)	1,202,341,715	1,618,958,452

11.1 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, first equitable mortgage charge over land and building of the Company, first specific charge over plant and machinery 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.

11.2 The effective rates of mark-up ranged from 11.58% to 18.25% (2025: 12.23% to 22.99%) per annum.

		2026 Rupees	2025 Rupees
12.	**ACCRUED MARKUP / PROFIT**		
	Long term financing	820,445	-
	Short term borrowings	31,797,344	37,294,089
		32,617,789	37,294,089
13.	**CURRENT PORTION OF NON-CURRENT LIABILITIES**		
	Lease liabilities (Note 7)	74,598,759	131,960,736
	Long term financing (Note 8)	14,527,753	-
		89,126,512	131,960,736
14.	**PROVISION FOR TAXATION AND LEVY PAYABLE - NET**		
	Provision for taxation		
	Provision for taxation	(249,653,662)	(1,364,364)
	Levy payable	(10,158,504)	(151,998,856)
		(259,812,166)	(153,363,220)
	Advance tax and prepaid levy	259,812,166	153,363,220
		-	-

15. CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

15.1.1 Deputy Commissioner Inland Revenue (DCIR) passed an order under section 122(1) and 122(5A) of the Income Tax Ordinance, 2001 for tax year 2013 whereby a demand of Rupees 83.595 million has been raised. 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.

15.1.2 During the year ended 30 June 2018, assessment under section 161 and section 205 of the Income Tax Ordinance, 2001 for the tax year 2014 was finalized by the Deputy Commissioner Inland Revenue (DCIR) creating a demand of Rupees 18.207 million against the 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 which was duly paid by the Company. 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 0.430 million. Further, ATIR remanded back the issue relating to default surcharge to assessing officer for fresh calculation. On 29 June 2026, DCIR passed an order to recover demand of Rupees 0.430 million and held that no default surcharge is payable by the Company. On 30 June 2026, the Company has duly paid the demand raised by DCIR.

15.1.3 Deputy Commissioner Inland Revenue (DCIR) passed an assessment order on 28 November 2018 under section 161 and section 205 of the Income Tax Ordinance, 2001 for the tax year 2015 whereby a demand of Rupees 22.358 million has been raised. 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, ATIR dismissed the department's appeal and upheld the relief provided by CIR(A). ATIR also dismissed the Company's appeal on 25 August 2025 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 has filed income tax reference before Honourable Lahore High Court, Lahore against the order passed by ATIR. No provision against the case has been made in these financial statements, as the management, based on the advice of the legal counsel, is confident of favorable outcome of the matter.

15.1.4 On 27 June 2022, Deputy Commissioner Inland Revenue (DCIR) passed an assessment order under section 161 and section 205 of the Income Tax Ordinance, 2001 for the tax year 2016 whereby a demand of Rupees 5.467 million including default surcharge has been raised against the 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.

15.1.5 On 24 March 2022, the Deputy Commissioner Inland Revenue (DCIR) passed 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 assessing officer for fresh consideration. Against the order of CIR(A), the Company has filed an appeal before ATIR, 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.

15.1.6 On 26 February 2022, Deputy Commissioner Inland Revenue (DCIR) passed an assessment order under section 177 and section 122(1) of the Income Tax Ordinance, 2001 for the tax year 2019 whereby a demand of Rupees 843.451 million has been raised against the 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 department has 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.

15.1.7 During the year ended 30 June 2020, Deputy Commissioner Inland Revenue (DCIR) issued a notice to recover an amount of Rupees 21.124 million against super tax for the tax year 2019 under section 4B of the Income Tax Ordinance, 2001. 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.

15.1.8 On 28 February 2022, Deputy Commissioner Inland Revenue (DCIR) issued an order for tax periods from July 2016 to June 2017 creating a demand of Rupees 1,353.135 million along with penalty and default surcharge on various issues under relevant provisions of the Sales Tax Act, 1990. Against the 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 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.

15.1.9 On 15 March 2022, Deputy Commissioner Inland Revenue (DCIR) issued an order for tax periods from July 2018 to June 2019 creating a demand of Rupees 901.257 million alongwith penalty and default surcharge on various issues under relevant provisions of the Sales Tax Act, 1990. Against the 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. No legal proceedings against the order passed by ATIR have been initiated by the department yet.

15.1.10 On 30 May 2023, Deputy Commissioner Inland Revenue (DCIR) passed an assessment order under section 161 and section 205 of the Income Tax Ordinance, 2001 for the tax year 2017 whereby a demand of Rupees 22.545 million including default surcharge has been raised against the 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.

15.1.11 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.

15.1.12 On 19 February 2026, Additional Commissioner Inland Revenue (ACIR) passed an assessment order under section 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2020 whereby a demand of Rupees 18.915 million has been raised against the Company on account of application of turnover tax at reduced rate. On 17 March 2026, the Company filed an appeal before CIR(A) against the order of ACIR which is pending adjudication. 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.

15.1.13 On 17 July 2026, subsequent to the reporting period, Additional Commissioner Inland Revenue (ACIR) passed an assessment order under section 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2023 whereby a demand of Rupees 59.987 million has been raised against the Company on account of application of turnover tax at reduced rate. On 11 August 2026, subsequent to the reporting period, the Company filed an appeal before CIR(A) against the order passed by ACIR which is pending adjudication. 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.

15.1.14 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). However, consequent to amendments introduced through the Tax Laws (Amendment) Act, 2024, the appeal was transferred to ATIR .On 10 September 2024, ATIR decided the case in favor of the Company. Being aggrieved with the order of ATIR, the tax department filed an appeal before Honourable Lahore High Court, Lahore 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.

15.1.15 On 31 March 2018, Deputy Commissioner Inland Revenue (DCIR) passed an assessment order under section 161 and 205 of the Income tax Ordinance, 2001 for the tax year 2013 whereby a demand of Rupees 7.814 million including default surcharge has been raised against the Company on account of non / short deduction of withholding tax in respect of stock given under sales promotional scheme. On 06 April 2018, the Company filed an appeal before CIR(A) against the order of DCIR. On 19 June 2018, CIR(A) decided the appeal in favor of the Company. On 16 August 2018, tax department filed an appeal before ATIR against the order passed by CIR(A). On 20 May 2024, ATIR remanded back the case to assessing officer for fresh consideration. On 15 June 2026, tax department initiated the remand back proceedings in accordance with the directives of ATIR. On 29 June 2026, DCIR raised a demand of Rupees 4.890 million. On 02 July 2026, subsequent to the reporting period, the Company filed an appeal before CIR(A) against the order passed by DCIR which is pending adjudication. The management, based on the advice of tax advisor, is confident of favorable outcome of the matter. Therefore, no provision has been recognized in these financial statements.

15.1.16 On 03 March 2026, Additional Commissioner Inland Revenue (ACIR) passed an assessment order under section 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2021 whereby a demand of Rupees 15.708 million has been raised against the Company on account of various issues. On 17 March 2026, the Company filed an appeal before CIR(A) against the order of ACIR which is pending adjudication. 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.

15.1.17 On 11 June 2026, Deputy Commissioner Inland Revenue (DCIR) passed an order under section 205 of the Income Tax Ordinance, 2001 for the tax year 2022 whereby a demand of Rupees 23.725 million on account of default surcharge relating to late payment of super tax has been raised against the Company. Being aggrieved with the order, the Company has filed an appeal before CIR(A) on 23 June 2026 which is pending adjudication. 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.

15.1.18 On 21 July 2026, subsequent to the reporting period, the Company has received a show cause notice from the Collector of Customs (Adjudication) alleging repeated mis-declarations and removal of bonded petroleum products without payment of leviable duties/taxes/levies amounting to Rupees 116.753 million during the period from 01 January 2024 to 30 June 2026. The management is in the process of filing reply of the aforementioned show cause notice. Based on advice of the legal advisor, the management is confident of favorable outcome of the matter. Therefore, no provision has been recognized in these financial statements.

15.1.19 Corporate guarantees of Rupees 4,059 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.

15.1.20 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.

15.1.21 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.

15.1.22 Guarantees of Rupees 17.5 million (2025: Rupees 15 million) and Rupees 2.25 million (2025: Rupees 2.25 million) are given by the banks of the Company to PARCO Gunvor Limited and Pakistan State Oil Company Limited respectively against fuel cards obtained by the Company for its employees.

15.1.23 Guarantee of Rupees 250 million (2025: Rupees Nil) is given by the bank of the Company to Pak Arab Refinery Limited against procurement of petroleum products.

		2026 Rupees	2025 Rupees
15.2	**Commitments**		
15.2.1	For capital expenditures	-	39,705,429

15.2.2 Following represent commitments arising from low value leases recognized on a straight-line basis as expense under the practical expedients applied by the Company. The amount of future payments under these leases and the period in which these payments will become due are as follows:

	2026 Rupees	2025 Rupees
Not later than 1 year	5,570,844	5,329,848
Later than 1 year	61,669,417	42,408,096

16. FIXED ASSETS		
Operating fixed assets (Note 16.1)	2,652,672,018	2,565,629,540
Capital work-in-progress (Note 16.2)	26,230,477	91,140,387
	2,678,902,495	2,656,769,927

16.1 Operating fixed assets

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

Description	Categories											
	Freehold land	Buildings on freehold land	Buildings on leasehold land	Machinery	Tanks and pipelines	Dispensing pumps	Furniture and fittings	Vehicles	Leasehold improvements	Office equipment	Computers	Total
	Rupees											
At 30 June 2024												
Cost / revalued amount	1,280,368,750	500,894,310	601,488,155	86,472,818	299,265,824	96,246,916	29,571,241	334,607,365	4,463,125	181,252,547	63,120,636	3,477,751,687
Accumulated depreciation	-	(181,406,060)	(190,978,968)	(35,875,344)	(71,566,971)	(15,559,709)	(16,471,362)	(243,244,981)	(2,348,563)	(76,439,067)	(35,697,936)	(869,588,961)
Net book value	1,280,368,750	319,488,250	410,509,187	50,597,474	227,698,853	80,687,207	13,099,879	91,362,384	2,114,562	104,813,480	27,422,700	2,608,162,726
Year ended 30 June 2025												
Opening net book value	1,280,368,750	319,488,250	410,509,187	50,597,474	227,698,853	80,687,207	13,099,879	91,362,384	2,114,562	104,813,480	27,422,700	2,608,162,726
Additions	-	170,617,511	14,858,411	25,431,870	38,111,572	23,322,027	2,358,811	1,130,803	-	1,041,065	11,243,404	288,115,474
Revaluation surplus	68,211,250	-	-	-	-	-	-	-	-	-	-	68,211,250
Transferred from right-of-use assets:												
Cost	-	-	-	-	-	-	-	79,026,315	-	-	-	79,026,315
Accumulated depreciation	-	-	-	-	-	-	-	(36,789,919)	-	-	-	(36,789,919)
	-	-	-	-	-	-	-	42,236,396	-	-	-	42,236,396
Disposals:												
Cost	-	-	-	-	(578,690)	(1,911,654)	-	(20,015,367)	-	-	(5,295,052)	(27,800,763)
Accumulated depreciation	-	-	-	-	174,875	732,136	-	10,840,641	-	-	2,630,902	14,378,554
	-	-	-	-	(403,815)	(1,179,518)	-	(9,174,726)	-	-	(2,664,150)	(13,422,209)
Write-off:												
Cost	-	-	(17,871,926)	-	-	-	(345,988)	-	-	-	(82,040)	(18,299,954)
Accumulated depreciation	-	-	9,044,056	-	-	-	180,056	-	-	-	77,765	9,301,877
	-	-	(8,827,870)	-	-	-	(165,932)	-	-	-	(4,275)	(8,998,077)
Transferred to 'non-current assets classified as held for sale'	(250,000,000)	-	-	-	-	-	-	-	-	-	-	(250,000,000)
Depreciation	-	(47,209,312)	(41,757,121)	(6,613,022)	(19,123,609)	(9,881,363)	(1,456,138)	(21,434,898)	(422,912)	(10,535,348)	(10,242,297)	(168,676,020)
Closing net book value	1,098,580,000	442,896,449	374,782,607	69,416,322	246,283,001	92,948,353	13,836,620	104,119,959	1,691,650	95,319,197	25,755,382	2,565,629,540
At 30 June 2025												
Cost / revalued amount	1,098,580,000	671,511,821	598,474,640	111,904,688	336,798,706	117,657,289	31,584,064	394,749,116	4,463,125	182,293,612	68,966,948	3,617,004,009
Accumulated depreciation	-	(228,615,372)	(223,692,033)	(42,488,366)	(90,515,705)	(24,708,936)	(17,747,444)	(290,629,157)	(2,771,475)	(86,974,415)	(43,231,566)	(1,051,374,469)
Net book value	1,098,580,000	442,896,449	374,782,607	69,416,322	246,283,001	92,948,353	13,836,620	104,119,959	1,691,650	95,319,197	25,755,382	2,565,629,540
Year ended 30 June 2026												
Opening net book value	1,098,580,000	442,896,449	374,782,607	69,416,322	246,283,001	92,948,353	13,836,620	104,119,959	1,691,650	95,319,197	25,755,382	2,565,629,540
Additions	-	-	16,736,482	7,369,400	4,055,820	16,893,646	4,707,888	167,885,834	10,456,143	6,453,881	16,678,524	251,237,618
Revaluation surplus	30,980,000	-	-	-	-	-	-	-	-	-	-	30,980,000
Transferred from right-of-use assets:												
Cost	-	-	-	-	-	-	-	64,854,585	-	-	-	64,854,585
Accumulated depreciation	-	-	-	-	-	-	-	(32,421,359)	-	-	-	(32,421,359)
	-	-	-	-	-	-	-	32,433,226	-	-	-	32,433,226
Disposals:												
Cost	-	-	(23,537,896)	-	(4,371,529)	(1,158,278)	-	(64,922,079)	-	(136,263)	(6,792,524)	(100,918,567)
Accumulated depreciation	-	-	11,163,469	-	1,266,474	376,166	-	43,923,711	-	93,501	4,600,500	61,423,821
	-	-	(12,374,427)	-	(3,105,055)	(782,110)	-	(20,998,368)	-	(42,762)	(2,192,024)	(39,494,746)
Transferred to 'non-current assets classified as held for sale':												
Cost	-	(46,421,316)	-	-	-	-	-	-	-	-	-	(46,421,316)
Accumulated depreciation	-	31,853,815	-	-	-	-	-	-	-	-	-	31,853,815
	-	(14,567,501)	-	-	-	-	-	-	-	-	-	(14,567,501)
Depreciation	-	(42,832,895)	(37,580,231)	(7,439,608)	(19,750,028)	(10,515,873)	(1,534,481)	(33,238,472)	(512,599)	(9,723,225)	(10,418,707)	(173,546,119)
Closing net book value	1,129,560,000	385,496,053	341,564,431	69,346,114	227,483,738	98,544,016	17,010,027	250,202,179	11,635,194	92,007,091	29,823,175	2,652,672,018
At 30 June 2026												
Cost / revalued amount	1,129,560,000	625,090,505	591,673,226	119,274,088	336,482,997	133,392,659	36,291,952	562,567,456	14,919,268	188,611,230	78,872,948	3,816,736,329
Accumulated depreciation	-	(239,594,452)	(250,108,795)	(49,927,974)	(108,999,259)	(34,848,643)	(19,281,925)	(312,365,277)	(3,284,074)	(96,604,139)	(49,049,773)	(1,164,064,311)
Net book value	1,129,560,000	385,496,053	341,564,431	69,346,114	227,483,738	98,544,016	17,010,027	250,202,179	11,635,194	92,007,091	29,823,175	2,652,672,018
Annual rate of depreciation (%)		10	10	10	8	10	10	20	20	10	30	

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

Description	Quantity Nos.	Cost	Accumulated depreciation	Net book value	Sale Proceeds	Gain / (loss)	Mode of disposal	Particulars of purchasers
			Rupees					
Building on leasehold land								
Canopy Structure	1	2,523,869	1,070,808	1,453,061	1,221,376	(231,685)	Negotiation	Hussain Filling Station, Peshawar
ZIC Service Center, PECHS Karachi	1	20,357,427	9,807,622	10,549,805	160,940	(10,388,865)	Negotiation	Muhammad Aftab, Karachi
Tanks and pipelines								
Storage Tanks	3	2,763,529	682,950	2,080,579	3,450,000	1,369,421	Negotiation	Iftikhar Filling Station, Rawalpindi
Storage Tank	1	1,608,000	583,524	1,024,476	778,159	(246,317)	Negotiation	Hussain Filling Station, Multan
Dispensing Pump	1	1,158,276	376,166	782,110	831,874	49,764	Negotiation	Shahid CNG and Fuel Station, Gujranwala
Vehicles								
Hyundai Tucson - ADX - 195	1	5,936,134	3,735,449	2,200,685	5,812,848	3,612,163	Company policy	Mr. Muhammad Imran, Company's Ex-employee, Lahore
KIA Stonic - AHS - 274	1	4,005,970	2,187,366	1,818,604	3,435,927	1,617,323	Company policy	Mr. Imran Rafique, Company's Ex-employee, Lahore
Audi e-tron - AJH - 095	1	26,642,160	15,183,900	11,458,260	36,000,000	24,541,740	Insurance claim	EFU General Insurance Limited, Lahore
KIA Sportage - AAS - 256	1	4,579,080	3,223,965	1,355,115	1,500,473	145,358	Company policy	Mr. Umar Aftab Rana, Company's employee, Lahore
		69,574,445	36,851,750	32,722,695	53,191,597	20,468,902		
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000		31,344,122	24,572,071	6,772,051	9,394,210	2,622,159		
		100,918,567	61,423,821	39,494,746	62,585,807	23,091,061		

16.1.2 The depreciation charge for the year has been allocated as follows:

	2026 Rupees	2025 Rupees
Distribution cost (Note 33)	103,526,001	107,107,024
Administrative expenses (Note 34)	70,020,118	61,568,996
	173,546,119	168,676,020

16.1.3 Buildings on leasehold land include two warehouses and water tank having net book value of Rupees 92.215 million (2025: Rupees 100.662 million) constructed on the land owned by Hi-Tech Blending (Private) Limited - subsidiary company. The Company has entered into a lease agreement for 20 years with Hi-Tech Blending (Private) Limited - subsidiary company ending on 30 June 2036, against a piece of land measuring 45 Kanals where the aforesaid warehouses and water tank are constructed.

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

Location	Usage of Immovable Property	Total area of land	Covered area of building
		Acres	Square feet
Mouza No. 107/9L, Sahiwal	Oil depot	6.70	199,513
Mouza Aza Khel Bala, Nowshera	Oil depot	8.89	9,257
HTL - ONE Fuel Station - Plot No. 2, Block K, Main Boulevard, Gulberg-II, Lahore	Retail outlet	0.39	1,847
Mouza Aza Khel Payan, Nowshera	Oil depot extension	1.34	-
7-KM, Sundar Raiwind Road, Bhai Kot, Lahore	Warehouse - 1	-	49,658
7-KM, Sundar Raiwind Road, Bhai Kot, Lahore	Warehouse - 2	-	53,348
Punjab Filling Station - Main Satiana Road, Faisalabad	Dealer of retail outlet	-	2,821
Ettehad Filling Station - Circular Road, Daska	Dealer of retail outlet	-	3,276
Green Fuel CNG - 1-KM, G.T. Road, Lalamusa	Dealer of retail outlet	-	4,981
A.B. Petroleum Filling Station - Tehsil Liaqatpur, Rahim Yar Khan	Dealer of retail outlet	-	3,054

Location	Usage of Immovable Property	Total area of land	Covered area of building
		Acres	Square feet
Jillani CNG - Lehtrar Road, Islamabad	Dealer of retail outlet	-	2,650
Dasti Filling Station - Jampur Road, Dera Ghazi Khan	Dealer of retail outlet	-	1,815
Rehman Filling Station - Chistian Road, Hasilpur	Dealer of retail outlet	-	2,525
Al-Fazal Filling Station - Sargodha Road, Jhang	Dealer of retail outlet	-	2,121
Karma Wala-1 Filling Station - Shahkot Road, Jaranwala	Dealer of retail outlet	-	2,059
Raja Adeel Filling Station - Arifwala Road, Arifwala	Dealer of retail outlet	-	2,892
Al-Karam Filling Station - Shamkay Bhattian, Lahore	Dealer of retail outlet	-	6,633
Green City Fuel Station - Hasilpur Road, Bahawalpur	Dealer of retail outlet	-	1,289
Khokhar Fuel Station - Small Industrial Estate, Jinnah Road, Gujranwala	Dealer of retail outlet	-	1,175
Minhas CNG - Multan Road, Lahore	Dealer of retail outlet	-	841
Rana Petroleum - Faisalabad Road, Okara	Dealer of retail outlet	-	2,633
Mudassir Zulfiqar Filling Station - Vehari Road, Multan	Dealer of retail outlet	-	8,084
Benzina II Filling Station - Benazir Road, Okara	Dealer of retail outlet	-	4,709
Nambardar Filling Station - Rawalpindi Road, Chakwal	Dealer of retail outlet	-	5,875
Suntrust CNG - Millat Road, Faisalabad	Dealer of retail outlet	-	4,086
Meezan Filling Station - Jhang Road, Toba Tek Singh	Dealer of retail outlet	-	6,227
M Nawaz Filling Station - Main Darban Road, Kotla Syedan, Dera Ismail Khan	Dealer of retail outlet	-	8,966
Big Khan Filling Station - Hajiabad Malakand University Road, Chakdara	Dealer of retail outlet	-	4,872
Tanoli Filling Station - Mouza Ghanda, Nawab Road, Mansehra	Dealer of retail outlet	-	3,368
Bahadur Filling Station - Mouza Ismail Khani, Bannu	Dealer of retail outlet	-	1,527
Arab Emirate Filling Station - Mouza Bandi, Tehsil Khawaja Khela, Swat	Dealer of retail outlet	-	4,580
Rashid Filling Station - Mouza Qambar-192, Tehsil Babuzai,Swat"	Dealer of retail outlet	-	1,369
Al - Rehman Filling Station - Mouza Ismail Khani, Bannu	Dealer of retail outlet	-	2,022
Naik Muhammad Filling Station - Near Bybass Thana, District Malakand	Dealer of retail outlet	-	1,620
Ghuman Brothers - Plot 105, Block K, Gulberg 3, Lahore	Dealer of retail outlet	-	1,667
Khalifa Filling Station - Jhang Road, Gojra	Dealer of retail outlet	-	2,120
Al-Sheikh Filling Station - Main G.T Road, Gujrat	Dealer of retail outlet	-	4,030
Moon CNG Filling Station - Mouza Humak, Islamabad	Dealer of retail outlet	-	1,893
Aabroo Petroleum & CNG - Jaranwala - Khurianwala Road, Jaranwala	Dealer of retail outlet	-	4,692
Abbasi & Khan Traders - Gujjar Kohala, Dhirkot	Dealer of retail outlet	-	1,284
Al-Mustafa Filling Station - Qaziwala Road, Chishtian	Dealer of retail outlet	-	1,981
Shah Sardar Petroleum - Mouza Dham Thor, Murree Road, Abbottabad	Dealer of retail outlet	-	3,301
Shams Petroleum Service - E-35, Hazara Expressway	Dealer of retail outlet	-	1,320
Roshan Filling Station - Farooqbad Road, Sheikhupura	Dealer of retail outlet	-	2,645
Chawinda Filling Station - Khawaja Sardar Road, Sialkot	Dealer of retail outlet	-	6,876
Jan Muhammad Filling Station - Ekka Ghund, Mohammand	Dealer of retail outlet	-	1,038
Phandu Filling Station/CNG - Phandu Chowk, Umar Road, Peshawar	Dealer of retail outlet	-	3,941
Four Star CNG Filling Station - Mardan Swabi Road, Bughdada	Dealer of retail outlet	-	1,503
Hussain Filling Station - Near Shah Alam Pull, Charsada Road, Peshawar	Dealer of retail outlet	-	3,565
Attock CNG & Filling Station - Iqbal Chowk, Choi East Attock City, Attock	Dealer of retail outlet	-	1,318
Rahat Fuel Station - Saidu Shareef Road, Tehsil Babuzai, Swat	Dealer of retail outlet	-	252

Location	Usage of Immovable Property	Total area of land	Covered area of building
		Acres	Square feet
Masha Allah CNG - M.C.C Kamra Road, Attock	Dealer of retail outlet	-	2,125
Al-Yousaf CNG Filling Station - Faisalabad Link Jail Road, Jhang	Dealer of retail outlet	-	1,389
Ekhwan Petroleum, Peshawar Road, Charsadda	Dealer of retail outlet	-	3,350
Nawaz Filling Station - Tehsil Thanna Baizai, Malakand	Dealer of retail outlet	-	8,970
Power Gas CNG & Filling Station - GT Road, Mouza Dheri Katti Khel, Nowshera	Dealer of retail outlet	-	3,164
Hill Top Filling Station - Tehsil Tara Khal, Sahdnoti	Dealer of retail outlet	-	1,167
HTL - TWO - Main Ferozepur Road, Lahore	Dealer of retail outlet	-	1,970
Al Haj CNG & Filling Station - University Road, Peshawar	Dealer of retail outlet	-	2,152
Friends CNG & Filling Station - Khayabani Villa, Chakri Road Rawalpindi	Dealer of retail outlet	-	1,584
Shayan 3 Filling Station - Muslim town, Peshawar	Dealer of retail outlet	-	1,277
Ibrahim Hussain Filling Station - Mahol, Chakwal	Dealer of retail outlet	-	2,063
Al Shams Petroleum Service - Swabi Road, Swabi	Dealer of retail outlet	-	5,575
Salman Filling Station - Chak Shahbaz Garhi Road, Mardan	Dealer of retail outlet	-	2,719
Lali Sons Filling Station - Faisalabad Road, Lalian	Dealer of retail outlet	-	3,274
Dharampura, Lahore	HTL Express Centre	-	1,436
Johar Town, Lahore	HTL Express Centre	-	4,500
Gulistan-e-Johar, Karachi	HTL Express Centre	-	3,149

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

Description	Categories							
	Buildings on leasehold land	Tanks and pipelines	Dispensing pumps	Machinery	Furniture and fittings	Office equipment	Computers	Total
	Rupees							
Punjab Filling Station - Main Satiana Road, Faisalabad	2,898,584	877,100	2,490,793	-	-	-	-	6,266,477
Ettehad Filling Station - Circular Road, Daska	1,911,755	877,100	1,528,010	-	-	-	-	4,316,865
Green Fuel CNG - 1 - KM G.T. Road, Lalamusa	2,725,893	1,132,550	-	-	-	-	-	3,858,443
A.B. Petroleum Filling Station - Tehsil Liaqatpur, Rahim Yar Khan	4,623,288	1,480,589	1,958,750	-	-	-	-	8,062,627
Jillani CNG - Lehtrar Road, Islamabad	7,147,011	1,386,830	842,830	-	-	-	-	9,376,671
Dasti Filling Station - Jampur Road, Dera Ghazi Khan	1,919,332	808,290	2,754,484	-	-	-	-	5,482,106
Rehman Filling Station - Chistian Road, Hasilpur	2,013,421	-	-	-	-	-	-	2,013,421
Al-Fazal Filling Station - Sargodha Road, Jhang	3,163,859	-	2,227,102	-	-	-	-	5,390,961
Karma Wala-1 Filling Station - Shahkot Road, Jaranwala	2,532,005	-	-	-	-	-	-	2,532,005
Raja Adeel Filling Station - Arifwala Road, Arifwala	1,853,000	-	-	-	-	-	-	1,853,000
Al-Karam Filling Station - Shamkay Bhattian, Lahore	3,556,882	-	3,244,171	-	-	-	-	6,801,053
Green City Fuel Station - Hasilpur Road, Bahawalpur	9,954,398	1,377,706	1,911,655	-	-	-	-	13,243,759
Khokhar Fuel Station - Small Industrial Estate, Jinnah Road, Gujranwala	2,101,400	1,377,706	3,212,099	-	-	-	-	6,691,205
Minhas CNG - Multan Road, Lahore	4,749,486	-	1,421,968	-	-	-	-	6,171,454
HTL - TWO - Main Ferozepur Road, Lahore	17,757,318	2,102,230	2,482,580	-	-	-	-	22,342,128
Rana Petroleum - Faisalabad Road, Okara	2,439,500	-	-	-	-	-	-	2,439,500
Mudassir Zulfiqar Filling Station - Vehari Road, Multan	2,176,375	-	-	-	-	-	-	2,176,375
Benzina II Filling Station - Benazir Road, Okara	2,318,142	3,037,269	8,036,682	-	-	-	-	13,392,093
Nambardar Filling Station - Rawalpindi Road, Chakwal	926,830	-	-	-	-	-	-	926,830
Suntrust CNG - Millat Road, Faisalabad	40,743,349	3,409,167	4,937,988	-	-	-	-	49,090,504
Meezan Filling Station - Jhang Road, Toba Tek Singh	1,313,475	-	-	-	-	-	-	1,313,475
M Nawaz Filling Station - Main Darban Road, Mouza Kotla Sayedan, Dera Ismail	3,274,200	1,269,700	2,452,163	-	-	-	-	6,996,063
Big Khan Filling Station - Hajjabad University Road, Chakdara	7,169,410	2,481,646	1,862,255	-	-	-	-	11,513,311
Tanoli Filling Station - Mouza Ghanda, Nawab Road, Mansehra	13,361,573	1,469,223	1,334,850	-	-	-	-	16,165,646
Toru Fuel Station - Mardan Road, Nowshera (under construction)	-	2,859,022	-	-	-	-	-	2,859,022
Abroo Petroleum & CNG - Jaranwala-Kurdiawala Road, Jaranwala	2,989,711	3,551,259	1,172,755	-	-	-	-	7,713,725
Khalifa Filling Station - Jhang Road, Gojra	3,164,915	4,406,779	1,435,500	-	-	-	-	9,007,194
Al-Sheikh Filling Station - Main G.T Road, Gujrat	11,563,910	4,429,207	1,708,511	-	-	-	-	17,701,628
Moon CNG Filling Station - Mouza Humak, Islamabad	3,014,908	3,551,259	2,272,869	-	-	-	-	8,839,036
Abbasi & Khan Traders - Gujjar Kohala, Dhirkot	2,621,313	3,445,266	1,435,500	-	-	-	-	7,502,079
Ghuman Brothers - Plot 105, Block K, Gulberg 3, Lahore	2,733,451	3,203,581	2,762,556	-	-	-	-	8,699,588
Attock CNG & Filling Station - Iqbal Chowk, Choi East Attock City, Attock	1,843,506	3,342,818	1,283,255	-	-	-	-	6,469,579
Shah Sardar Petroleum - Mouza Dham Thor, Murree Road, Abbottabad	10,388,121	6,812,887	4,212,608	-	-	-	-	21,413,616
Bahadur Filling Station - Mouza Ismail Khani, Bannu	2,887,200	-	1,222,256	-	-	-	-	4,109,456
Rahat Fuel Station - Saidu Shareef Road, Tehsil Babuzai, Swat	2,465,200	-	1,649,362	-	-	-	-	4,114,562
Arab Emirate Filling Station - Mouza Bandi, Tehsil Khawaja Khela, Swat	2,910,500	-	-	-	-	-	-	2,910,500
Rashid Filling Station - Mouza Qambar-192, Tehsil Babuzai, Swat	2,839,100	-	1,779,800	-	-	-	-	4,618,900
Al - Rehman Filling Station - Mouza Ismail Khani, Bannu	2,825,950	-	-	-	-	-	-	2,825,950
Naik Muhammad Filling Station - Near Bybass Thana, District Malakand	2,683,374	-	-	-	-	-	-	2,683,374
Al - Mustafa Filling Station - Qaziwala Road Chishtian	2,236,124	-	-	-	-	-	-	2,236,124
Shams Petroleum Service - E - 35, Hazara Expressway	2,609,871	-	1,514,000	-	-	-	-	4,123,871
Roshan Filling Station - Farooqbad Road, Sheikhupura	7,617,792	-	1,330,012	-	-	-	-	8,947,804
Chawinda Filling Station - Khawaja Sardar Road, Sialkot	15,121,957	5,729,531	8,917,238	-	-	-	-	29,768,726
Jan Muhammad Filling Station - Ekka Ghund, Mohammand	2,205,230	-	-	-	-	-	-	2,205,230
Phandu Filling Station / CNG - Phandu Chowk, Umar Road, Peshawar	2,244,646	-	-	-	-	-	-	2,244,646
Four Star CNG Filling Station - Mardan Swabi Road, Bughdada	1,857,799	-	-	-	-	-	-	1,857,799
Hussain Filling Station - Near Shah Alam Pull, Charsada Road, Peshawar	3,196,519	-	-	-	-	-	-	3,196,519
Masha Allah CNG - M.C.C Kamra Road, Attock	2,071,234	3,453,346	2,032,898	-	-	-	-	7,557,478
Al-Yousaf CNG Filling Station - Faisalabad Link Jail Road, Jhang	2,195,811	-	1,349,255	-	-	-	-	3,545,066
Ekhwan Petroleum - Peshawar Road, Charsadda	2,811,265	-	2,197,510	-	-	-	-	5,008,775
Nawaz Filling Station - Tehsil Thanna Bajzai, Malakand	8,839,271	-	3,205,016	-	-	-	-	12,044,287
Power Gas CNG & Filling Station - GT Road, Mouza Dheri Katti Khel, Nowshera	2,110,515	-	2,538,765	-	-	-	-	4,649,280
Hill Top Filling Station - Tehsil Tara Khal, Sadhonti	1,553,514	-	-	-	-	-	-	1,553,514
Friends CNG & Filling Station - Khayabani Villa, Chakri Road Rawalpindi	1,817,693	-	2,651,000	-	-	-	-	4,468,693

Description	Categories							
	Buildings on leasehold land	Tanks and pipelines	Dispensing pumps	Machinery	Furniture and fittings	Office equipment	Computers	Total
	Rupees							
Salman Filling Station - Chak Shahbaz Garhi Road, Mardan	3,153,750	-	1,504,000	-	-	-	-	4,657,750
Al Shams Petroleum Service - Swabi Road, Swabi	3,318,637	4,055,820	5,489,786	-	-	-	-	12,864,243
Ibrahim Hussain Filling Station - Mahol, Chakwal	2,068,306	-	2,251,573	-	-	-	-	4,319,879
Shayan 3 Filling Station - Muslim town, Peshawar	2,266,177	-	-	-	-	-	-	2,266,177
Al Haj CNG & Filling Station - University Road, Peshawar	4,282,219	-	4,997,287	-	-	-	-	9,279,506
KB Petroleum Faisalabad (Under construction)	2,896,996	5,118,209	-	-	-	-	-	8,015,205
HTL Express Centre - Dharampura, Lahore	27,571,142	-	-	3,197,442	145,431	478,583	-	31,392,598
HTL Express Centre - Garden Town, Lahore	7,442,541	-	-	2,471,843	56,796	1,741,346	-	11,712,526
HTL Express Centre - Johar Town, Lahore	16,713,760	-	-	7,727,402	153,621	-	24,000	24,618,783
HTL Express Centre - Sadi Town, Karachi	-	-	-	1,966,568	332,996	270,456	25,635	2,595,655
HTL Express Centre - Bahira Town, Lahore	-	-	-	5,122,603	233,862	1,968,556	14,040	7,339,061
HTL Express Centre - Gulistan-E-Johar, Karachi	11,978,196	-	-	6,117,945	1,115,829	811,290	-	20,023,260
HTL Express Centre - Khudadaad Colony, Karachi	-	-	-	1,524,751	126,500	841,438	-	2,492,689
HTL Express Centre - Askari XIV, Sector-A, Rawalpindi	9,133,147	-	-	4,419,000	854,206	2,808,753	-	17,215,106
	346,875,757	77,046,090	103,611,692	32,547,554	3,019,241	8,920,422	63,675	572,084,431

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

16.1.6 The fair value of freehold land has been determined by an independent valuer, Anderson Consulting (Private) Limited as at 30 June 2026. Forced sale value of freehold land as at 30 June 2026 is Rupees 960.126 million (2025: Rupees 933.793 million).

16.1.7 This includes apartment having book value of Rupees 20.515 million in Grand Hayatt (the "Project") at 1-Constitution Avenue, Islamabad. On 29 July 2016, Capital Development Authority (CDA) cancelled the leased deed of BNP (Private) Limited on the grounds of violating the terms and conditions of the said lease and sealed the Project. Against the alleged order, BNP (Private) Limited filed a writ petition before the Honorable Islamabad High Court ("IHC") challenging the cancellation of said lease. IHC dismissed the writ petition of BNP (Private) Limited. However, the honorable judge of IHC ruled that it is a duty of the Federal Government to ensure that the purchasers do not suffer due to Government's own wrongful actions and omissions, particularly when the regulatory failure of the CDA stands admitted. The Company and others filed appeals against the aforesaid judgment of IHC before Honorable Supreme Court of Pakistan. On 09 January 2019, Honorable Supreme Court of Pakistan passed order whereby the Court has ordered BNP (Private) Limited to pay Rupees 17.5 billion in eight years to CDA to revive the original lease together with all approvals and permissions already granted. The Court further ordered that BNP (Private) Limited shall complete the entire project within a reasonable time. CDA and BNP (Private) Limited have filed review petitions against the order of the Supreme Court of Pakistan which are still pending for review. Supreme Court of Pakistan referred the matter to the Public Accounts Committee (PAC) and asked them to submit its recommendation on the subject matter. During the year ended 30 June 2021, PAC endorsed the amount of Rupees 17.5 billion to be paid to CDA in six years for the revival of lease and de-sealing of the Project in accordance with the settlement held between CDA and BNP (Private) Limited. On 06 January 2021, on the directives of PAC and payment of first installment of settlement amount by BNP (Private) Limited, CDA de-sealed the Project. Pursuant to the settlement of the matter as stated above and de-sealing of the Project, BNP (Private) Limited and the Company started negotiations to finalize the terms and conditions of "Undertaking and Indemnity Agreement" to take the possession of the apartment. However, in March 2023, CDA has cancelled the lease deed of BNP (Private) Limited once again due to non-payment of due installment of settlement amount of Rupees 17.5 billion and taken the possession of the Project. BNP (Private) Limited filed petition before IHC against the cancellation of lease deed by CDA who decided the case against BNP (Private) Limited. Subsequently, BNP (Private) Limited filed petition before Supreme Court of Pakistan who also dismissed the petition and upheld the decisions of the Apex courts. On 15 April 2024, CDA handed over the possession of the apartment to the Company. However, BNP (Private) Limited has again started litigation against CDA in IHC. On 30 April 2026, IHC rejected the petition filed by BNP (Private) Limited and held that CDA's actions were in line with the legal requirements set by the Supreme Court of Pakistan. However, IHC has held that purchasers of the apartments cannot be removed from the Project until intra-court appeals are resolved. Against the order of IHC, the Company has filled intra court appeal which is pending adjudication. The management has assessed the accounting implications of the aforementioned developments in relation to the impairment of tangible fixed asset under IAS 36 'Impairment of Assets'. However, according to management's assessment, there is no impact of impairment on these financial statements.

		2026 Rupees	2025 Rupees
16.2	**Capital work-in-progress**		
	Civil works	9,020,450	40,658,296
	Dispensing pumps	9,155,668	26,049,314
	Tanks and pipelines	6,878,817	24,432,777
	Advance against purchase of vehicle	1,175,542	-
		26,230,477	91,140,387

16.2.1 Movement in capital work in progress is as follows:

	Categories				
	Civil works	**Dispensing pumps**	**Tanks and pipelines**	**Advance against purchase of vehicle**	**Total**
As at 30 June 2024	116,438,207	15,986,659	31,224,679	-	163,649,545
Add: Additions during the year	93,584,085	26,760,142	30,618,490	-	150,962,717
Less: Transferred to operating fixed assets during the year	(169,363,996)	(16,697,487)	(37,410,392)	-	(223,471,875)
As at 30 June 2025	40,658,296	26,049,314	24,432,777	-	91,140,387
Add: Additions during the year	41,720,041	-	6,571,689	1,175,542	49,467,272
Less: Written off during the year (Note 35)	-	-	(3,995,411)	-	(3,995,411)
Less: Disposed of during the year (Note 16.2.2)	(40,563,842)	-	(20,130,238)	-	(60,694,080)
Less: Transferred to operating fixed assets during the year	(32,794,045)	(16,893,646)	-	-	(49,687,691)
As at 30 June 2026	9,020,450	9,155,668	6,878,817	1,175,542	26,230,477

16.2.2 During the year ended 30 June 2026, the Company disposed of capital work-in-progress relating to Shikarpur oil depot having carrying value of Rupees 60.694 million against sales proceeds amounting to Rupees 20 million to Abdul Qudoos Khan Kalhoro, Shikarpur through negotiation, resulting in a loss on disposal amounting to Rupees 40.694 million (Note 35).

17. RIGHT-OF-USE ASSETS

	Land	**Buildings**	**Vehicles**	**Total**
	Rupees			
At 30 June 2024	404,609,981	90,708,857	96,168,080	591,486,918
Add: Additions during the year	18,944,972	29,429,516	1,855,998	50,230,486
Less: Impact of lease termination	(25,546,973)	-	-	(25,546,973)
Less: Book value of assets transferred to operating fixed assets - during the year	-	-	(42,236,396)	(42,236,396)
Less: Depreciation expense for the year	(57,914,442)	(51,668,571)	(15,321,809)	(124,904,822)
At 30 June 2025	340,093,538	68,469,802	40,465,873	449,029,213
Add: Additions during the year	22,259,883	97,611,410	-	119,871,293
Less: Impact of lease termination	(56,820,531)	(4,447,680)	-	(61,268,211)
Less: Book value of assets transferred to operating fixed assets - during the year	-	-	(32,433,226)	(32,433,226)
Less: Depreciation expense for the year	(53,117,113)	(58,606,647)	(6,844,808)	(118,568,568)
At 30 June 2026	252,415,777	103,026,885	1,187,839	356,630,501

Lease of land

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

Lease of buildings

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

Lease of vehicles

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

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

17.2 The depreciation charge for the year has been allocated as follows:

	2026 Rupees	2025 Rupees
Distribution cost (Note 33)	93,110,610	112,935,392
Administration expenses (Note 34)	25,457,958	11,969,430
	118,568,568	124,904,822

18. INTANGIBLE ASSETS - Computer softwares

Opening net book value	2,709,516	1,197,692
Add: Cost of additions during the year	-	2,777,527
Less: Written off during the year		
Cost	(2,777,527)	-
Accumulated amortization	555,511	-
	(2,222,016)	-
Less: Amortization charged during the year (Note 34)	(450,000)	(1,265,703)
Closing net book value	37,500	2,709,516
18.1 Cost as at 30 June	47,211,118	49,988,645
Accumulated amortization	(47,173,618)	(47,279,129)
Net book value as at 30 June	37,500	2,709,516

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

18.3 Intangible assets costing Rupees 45.711 million (2025: Rupees 43.552 million) are fully amortized and are still in use of the Company.

19. INVESTMENT IN SUBSIDIARY COMPANY

	2026 Rupees	2025 Rupees
Equity instrument - at cost		
Hi-Tech Blending (Private) Limited - unquoted		
130,000,060 (2025: 130,000,060) fully paid ordinary shares of Rupees 10 each		
Equity held 100% (2025: 100%)	1,300,000,600	1,300,000,600

19.1 Investment in Hi-Tech Blending (Private) Limited includes 60 (2025: 60) shares are in the name of nominees of the company. Out of 60 shares, 10 shares were in the name of Mr. Muhammad Basit Hassan (late) and 10 shares were in the name of Mrs. Arifa Shaukat (late). These shares shall be transferred to their legal heirs upon completion of legal formalities.

		2026 Rupees	2025 Rupees
20.	**LONG TERM SECURITY DEPOSITS**		
	Security deposits against leased assets	4,588,301	22,372,819
	Security deposits - others	16,976,150	13,966,150
		21,564,451	36,338,969
	Less: Current portion shown under current assets (Note 26)	(371,201)	(22,001,618)
		21,193,250	14,337,351
21.	**LONG TERM LOANS TO EMPLOYEES**		
	Considered good:		
	Loans to employees - other than executives (Note 21.1)	1,116,774	2,050,938
	Less: Current portion shown under current assets (Note 25)	(885,262)	(934,166)
		231,512	1,116,772

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

		2026 Rupees	2025 Rupees
22.	**DEFERRED INCOME TAX ASSET - net**		
	The net deferred income tax asset comprised of temporary differences relating to:		
	Deductible temporary differences		
	Unabsorbed tax depreciation	68,394,864	111,530,226
	Available unused tax losses	-	14,714,778
	Turnover tax carried forward	231,083,517	297,716,517
	Allowance for expected credit losses	2,173,059	2,098,391
	Provision for slow moving inventory items	4,031,095	6,110,834
	Provision for doubtful advances to suppliers	1,048,893	476,487
	Lease liabilities	117,213,094	148,952,108
		423,944,522	581,599,341
	Taxable temporary differences		
	Accelerated tax depreciation and amortization	(118,561,044)	(65,530,591)
	Right-of-use assets	(103,422,845)	(130,218,472)
	Un-realized gain on FVTPL investments	(970,302)	-
		(222,954,191)	(195,749,063)
	Net deferred income tax asset	200,990,331	385,850,278
	Deferred income tax asset not recognised in these financial statements	(197,767,017)	(264,400,017)
	Deferred income tax asset recognised in these financial statements	3,223,314	121,450,261

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

	2026		
	Opening Balance	Recognised in statement of profit or loss	Closing balance
		Rupees	
Unabsorbed tax depreciation	111,530,226	(43,135,362)	68,394,864
Available unused tax losses	14,714,778	(14,714,778)	-
Allowance for expected credit losses	2,098,391	74,668	2,173,059
Provision for slow moving and damaged inventory items	6,110,834	(2,079,739)	4,031,095
Provision for doubtful advances to suppliers	476,487	572,406	1,048,893
Lease liabilities	148,952,108	(31,739,014)	117,213,094
Accelerated tax depreciation and amortization	(65,530,591)	(53,030,453)	(118,561,044)
Right-of-use assets	(130,218,472)	26,795,627	(103,422,845)
Un-realized gain on FVTPL investments	-	(970,302)	(970,302)
Turnover tax carried forward			
Available	297,716,517	(66,633,000)	231,083,517
Movement in deferred income tax not recognized	(264,400,017)	66,633,000	(197,767,017)
Deferred income tax recognized	33,316,500	-	33,316,500
	121,450,261	(118,226,947)	3,223,314

	2025		
	Opening Balance	Recognised in statement of profit or loss	Closing balance
		Rupees	
Unabsorbed tax depreciation	86,999,447	24,530,779	111,530,226
Available unused tax losses	14,714,778	-	14,714,778
Allowance for expected credit losses	5,101,562	(3,003,171)	2,098,391
Provision for slow moving and damaged inventory items	10,245,587	(4,134,753)	6,110,834
Provision for doubtful advances to suppliers	476,487	-	476,487
Lease liabilities	187,722,138	(38,770,030)	148,952,108
Accelerated tax depreciation and amortization	(94,483,000)	28,952,409	(65,530,591)
Right-of-use assets	(171,531,207)	41,312,735	(130,218,472)
Turnover tax carried forward			
Available	171,549,704	126,166,813	297,716,517
Movement in deferred income tax not recognized	(66,633,000)	(197,767,017)	(264,400,017)
Deferred income tax recognized	104,916,704	(71,600,204)	33,316,500
	144,162,496	(22,712,235)	121,450,261

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

	Accounting year to which the tax credit relates	Amount	Accounting year in which tax credit will expire
		Rupees	
Turnover tax carried forward	2024	104,916,704	2027
	2025	126,166,813	2028
		231,083,517	

	Accounting year to which the tax loss relates	Amount	Accounting year in which tax loss will expire
		Rupees	
Available unused tax losses - unabsorbed tax depreciation	2024	235,844,358	Unlimited

		2026 Rupees	2025 Rupees
23.	**STOCK-IN-TRADE**		
	Lubricants (Note 23.1)	133,592,784	110,125,695
	Less: Provision for slow moving inventory items (Note 23.2)	(13,900,327)	(21,071,840)
		119,692,457	89,053,855
	Petroleum products (Note 23.3)		
	- Stock in hand (Note 23.4 and Note 23.5)	294,806,892	327,795,251
	- Stock in pipeline system (Note 23.6)	303,295,250	288,294,086
		598,102,142	616,089,337
	Dispensing pumps and other installations (Note 23.7)	21,930,546	25,879,546
		739,725,145	731,022,738

23.1 This includes stock amounting to Rupees 41.437 million (2025: Rupees 7.585 million) lying at customs bonded warehouse.

		2026 Rupees	2025 Rupees
23.2	Provision for slow moving inventory items:		
	Opening balance	21,071,840	35,329,612
	Less: Reversal of provision during the year (Note 36)	(7,171,513)	(14,257,772)
	Closing balance	13,900,327	21,071,840

23.3 Stock-in-trade of Rupees 598.102 million (2025: Rupees 616.089 million) is being carried at net realizable value. The aggregate amount of write-down of inventories to net realizable value recognised as an expense during the year was Rupees 23.991 million (2025: Rupees 4.768 million).

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

	2026 Rupees	2025 Rupees
Askar Oil Services (Private) Limited	478,301	360,036
Be Energy Limited	31,573,961	79,409,370
Gas and Oil Pakistan Limited	1,823,859	47,963,776
Karachi Hydrocorban Terminal Limited	1,560,793	8,793,367
Pakistan Molasses Company (Private) Limited	-	8,361,990
PARCO Gunvor Limited	19,625,165	31,735,440
Z.Y. & Co. Bulk Terminals (Private) Limited	18,638	8,576,958
	55,080,717	185,200,937

23.5 These include stock in transit of Rupees 13.555 million (2025: Rupees Nil).

23.6 This represents the Company's share of pipeline stock of High Speed Diesel and Petroleum Motor Gasoline amounting to Rupees 98.257 million (2025: Rupees 93.978 million) and Rupees 205.038 million (2025: Rupees 189.831 million) respectively held by Pak-Arab Pipeline Company Limited.

23.7 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.

	2026 Rupees	2025 Rupees
24. TRADE DEBTS		
Considered good:		
Local - unsecured:		
- Related party (Notes 24.1)	3,751,796	-
- Others	1,794,112,888	1,239,726,163
	1,797,864,684	1,239,726,163
Less: Allowance for expected credit losses (Note 24.3)	(7,493,306)	(7,235,831)
	1,790,371,378	1,232,490,332

24.1 This represents amount due from Hi-Tech Blending (Private) Limited - subsidiary company. The amount is neither past due nor impaired. The maximum aggregate amount receivable from the subsidiary company at the end of any month during the year was Rupees 3.752 million (2025: Rupees 1.463 million). The ageing analysis of this trade debt is as follows:

	2026 Rupees	2025 Rupees
Upto 1 month	3,751,796	-

24.2 As at the reporting date, trade debts due from other than related party of Rupees 503.57 million (2025: Rupees 127.617 million) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default.

The ageing analysis of trade debts other than related party is as follows:

	2026 Rupees	2025 Rupees
Neither past due nor impaired	1,283,049,166	1,104,873,503
Past due but not impaired		
1 to 6 months	497,249,445	124,631,552
6 months to 1 year	6,320,971	2,673,911
More than 1 year	-	311,366
	503,570,416	127,616,829
	1,786,619,582	1,232,490,332

24.3 Allowance for expected credit losses		
Opening balance	7,235,831	17,591,593
Add: Recognized during the year (Note 35)	2,854,030	-
Less: Reversal of allowance for expected credit losses (Note 36)	-	(10,355,762)
Less: Written off against allowance for expected credit losses during the year	(2,596,555)	-
Closing balance	7,493,306	7,235,831

		2026 Rupees	2025 Rupees
24.4	**Jurisdictions of trade debts**		
	Pakistan	1,797,864,684	1,239,726,163
24.5	**Types of counterparties**		
	Corporate	270,320,058	172,640,221
	Others	1,527,544,626	1,067,085,942
		1,797,864,684	1,239,726,163
25	**LOANS AND ADVANCES**		
	Considered good, unsecured:		
	Loans to employees - interest free and against salaries:		
	- Executives	932,496	2,940,710
	- Other employees	1,478,144	3,240,667
		2,410,640	6,181,377
	Advances to employees against expenses	2,485,442	3,362,342
	Current portion of long term loans to employees (Note 21)	885,262	934,166
	Advances to suppliers (Note 25.1)	89,029,496	131,882,063
	Margin against letter of credit	37,500,000	147,500,000
	Margin against bank guarantees	17,500,000	17,500,000
		149,810,840	307,359,948
25.1	**Advances to suppliers**		
	Unsecured:		
	Considered good	89,029,496	131,882,063
	Considered doubtful	3,616,872	1,643,057
		92,646,368	133,525,120
	Less: Provision for doubtful advances to suppliers (Note 25.1.1)	(3,616,872)	(1,643,057)
		89,029,496	131,882,063
25.1.1	**Provision for doubtful advances to suppliers**		
	Opening balance	1,643,057	1,643,057
	Add: Provision made during the year (Note 35)	1,973,815	-
	Closing balance	3,616,872	1,643,057
26.	**SHORT TERM DEPOSITS AND PREPAYMENTS**		
	Current portion of long term security deposits (Note 20)	371,201	22,001,618
	Short term security deposits	20,995,000	1,000,000
	Prepaid expenses	206,411	179,213
	Prepaid insurance	5,435,395	9,546,173
	Prepaid rent	3,060,750	847,420
		30,068,757	33,574,424

		2026 Rupees	2025 Rupees
27.	**OTHER RECEIVABLES**		
	Receivable from MAS Associates (Private) Limited - associated company (Note 27.1)	9,412,610	295,522
	Receivable from SK On Co., Ltd. (formerly SK Enmove Co., Ltd.) - related party (Note 27.2)	55,632,280	49,717,500
	Receivable from MAS Infosoft (Private) Limited - associated company (Note 27.3)	550,000	-
	Sales tax receivable	124,969,841	192,719,980
	Inland freight equalization margin	347,961,329	163,122,234
	Price differential claims (Note 27.4)	223,813,864	-
	Others	1,669,769	6,669,004
		764,009,693	412,524,240

27.1 It is neither past due nor impaired. The maximum aggregate amount receivable from associated company at the end of any month during the year was Rupees 9.413 million (2025: Rupees 0.479 million).

27.2 This represents promotional incentive receivable from SK On Co., Ltd. (formerly SK Enmove Co., Ltd.) - principal supplier and long term partner. It is neither past due nor impaired. The maximum aggregate amount receivable from SK On Co., Ltd. (formerly SK Enmove Co., Ltd.) - principal supplier and long term partner at the end of any month during the year was Rupees 56.11 million (2025: Rupees 139.275 million).

27.3 It is neither past due nor impaired. The maximum aggregate amount receivable from associated company at the end of any month during the year was Rupees 0.55 million (2025: Rupees Nil).

27.4 During the year ended 30 June 2026, the Company received directives from Ministry of Energy (Petroleum Division) through which the Company was directed to supply Motor Gasoline and High Speed Diesel at prices directed by the Ministry during the period from 14 March 2026 to 02 April 2026 and the price differential relating to supply of Motor Gasoline and High Speed Diesel during the above-mentioned period shall be reimbursed to Oil Marketing Companies (OMCs) as per the mechanism developed by Oil and Gas Regulatory Authority (OGRA). On 17 March 2026, OGRA introduced the mechanism for reimbursement of these Price Differential Claims (PDCs) to OMCs. On 16 April 2026, OGRA further amended the mechanism for reimbursement of these PDCs in a phased manner. During the year ended 30 June 2026, the Company has received PDCs amounting to Rupees 228.307 million. Remaining amount of PDCs shall be received after completing all legal formalities.

		2026 Rupees	2025 Rupees
28.	**SHORT TERM INVESTMENTS**		
	Fair value through profit or loss		
	Equity instrument (Note 28.1)	9,848,025	9,186,705
	Mutual Funds (Note 28.2)	224,299,928	231,164,814
		234,147,953	240,351,519
28.1	**Equity instrument**		
	Quoted - other than related party:		
	Engro Fertilizer Limited		
	49,500 (2025: 49,500) fully paid ordinary shares of Rupees 10 each	9,186,705	8,227,890
	Unrealized gain on remeasurement of investment at fair value through profit or loss	661,320	958,815
		9,848,025	9,186,705

		2026 Rupees	2025 Rupees
28.2	**Mutual funds**		
	AL Habib Cash Fund		
	2,154,638.3256 (2025: 2,232,569.9563) units	219,076,969	227,130,825
	NBP Islamic Daily Dividend Fund		
	66,355.3008 (2025: 61,758.8753) units	663,553	617,589
	UBL Liquidity Plus Fund - Class 'C'		
	28,352.6701 (2025: 26,496.9405) units	2,877,420	2,685,819
	MCB Cash Management Optimizer		
	6,149.1484 (2025: 5,744.2403) units	629,112	585,248
	Meezan Rozana Amdani Fund		
	9,452.7738 (2025: 8,863.4045) units	472,639	443,170
		223,719,693	231,462,651
	Unrealized gain / (loss) on remeasurement of investments at fair value through profit or loss - net	580,235	(297,837)
		224,299,928	231,164,814

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

		2026 Rupees	2025 Rupees
29.	**CASH AND BANK BALANCES**		
	Cash in hand	9,352,796	10,160,847
	Cash at banks:		
	- Saving accounts (Note 29.1)	910,690	6,537,577
	- Current accounts	50,527,518	129,191,477
		51,438,208	135,729,054
		60,791,004	145,889,901

29.1 Saving accounts carry profit at the rates ranging from 7.42% to 20.50% (2025: 8% to 19%) per annum.

29.2 Bank balances of Rupees 0.17 million (2025: 0.242 million) and short term investments of Rupees 187.921 million (2025: Rupees 186.444 million) represents un-utilized proceeds of initial public offer.

30. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	Transferred from fixed assets	Transferred from investment property (Note 30.1)	Total
		Rupees	
As at 30 June 2024	-	135,000,000	135,000,000
Add: Transferred during the year	250,000,000	-	250,000,000
Add: Fair value adjustment	-	25,000,000	25,000,000
As at 30 June 2025	250,000,000	160,000,000	410,000,000
Add: Transferred during the year	14,567,501	-	14,567,501
Less: Fair value adjustment	-	(15,000,000)	(15,000,000)
Less: Disposed of during the year	(264,567,501)	-	(264,567,501)
As at 30 June 2026	-	145,000,000	145,000,000

30.1 On 02 December 2024, the Company has entered into an agreement to sell, relating to sale of land measuring 01 kanal and 05 marlas situated at 22-A, Zafar Ali Road, Lahore at Rupees 160 million. On 04 August 2026, subsequent to the reporting period, the land has been disposed of for Rupees 145 million.

30.2 Detail of assets disposed of during the year is as follows:

Description	Quantity	Revalued amount / Cost	Accumulated depreciation	Net book value	Sale proceeds	(Loss) / gain (Note 35)	Mode of disposal	Particulars of purchaser
				Rupees				
Freehold land	1	250,000,000	-	250,000,000	200,000,000	(50,000,000)	Negotiation	Muhammad Waseem, Lahore
Building on freehold land	1	46,421,316	31,853,815	14,567,501	50,000,000	35,432,499	Negotiation	Muhammad Waseem, Lahore
		296,421,316	**31,853,815**	**264,567,501**	**250,000,000**	**(14,567,501)**		

	2026 Rupees	2025 Rupees
31. GROSS REVENUE FROM CONTRACTS WITH CUSTOMERS		
Lubricants (Note 31.2)	13,141,270,519	11,970,268,190
Petroleum products (Note 31.2)	27,196,427,765	23,774,266,197
Others (Note 31.1)	75,093,867	83,359,334
	40,412,792,151	35,827,893,721
31.1 Others		
Dispensing pumps	8,142,000	12,716,689
Franchise and joining fee	66,951,867	70,642,645
	75,093,867	83,359,334

31.2 Lubricants amounting to Rupees 0.438 million (2025: Rupees 2.582 million) and petroleum products amounting to Rupees 19.336 million (2025: Rupees Nil) are sold to Hi-Tech Blending (Private) Limited - subsidiary company.

		2026 Rupees	2025 Rupees
31.3	**Geographical region**		
	Pakistan	40,412,792,151	35,827,893,721

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

31.5 The amount of Rupees 88.606 million included in contract liabilities at 30 June 2025 has been recognised as revenue during the year (2025: Rupees 49.137 million).

		2026 Rupees	2025 Rupees
32.	**COST OF SALES**		
	Opening stock of lubricants and other items	136,005,241	462,418,247
	Lubricants and other items purchased during the year	7,720,940,457	7,196,905,630
		7,856,945,698	7,659,323,877
	Closing stock of lubricants and other items	155,523,330	136,005,241
	Cost of lubricants and other items sold	7,701,422,368	7,523,318,636
	Opening stock of petroleum products	616,089,337	1,362,147,196
	Petroleum products purchased during the year	17,912,162,532	16,145,447,927
	Petroleum development levy	7,352,530,195	6,032,072,718
	Climate support levy	228,320,600	-
	Inland freight equalization margin - net	656,215,556	556,967,921
		26,149,228,883	22,734,488,566
	Closing stock of petroleum products	598,102,142	616,089,337
	Cost of petroleum products sold	26,167,216,078	23,480,546,425
	Total	33,868,638,446	31,003,865,061

		2026 Rupees	2025 Rupees
33.	**DISTRIBUTION COST**		
	Salaries and other benefits (Note 33.1)	465,341,115	478,021,116
	Sales promotion and advertisements - net (Note 33.2)	167,368,481	34,179,424
	Freight outward	73,041,252	77,043,526
	Rent, rates and taxes (Note 33.3)	12,148,847	8,394,548
	Travelling and conveyance	48,507,239	59,206,168
	Insurance	37,619,553	42,213,777
	Utilities	30,555,404	32,712,442
	Repair and maintenance	17,660,370	29,462,296
	Fee and subscription	4,476,194	8,071,736
	Vehicles' running and maintenance	97,447,842	94,087,605
	Communication	15,890,710	12,835,554
	Entertainment	16,002,131	29,793,370
	Depreciation on operating fixed assets (Note 16.1.2)	103,526,001	107,107,024
	Depreciation on right-of-use assets (Note 17.2)	93,110,610	112,935,392
	Hospitality charges	20,086,693	20,435,475
	Printing and stationery	1,613,633	1,352,764
	Security charges	29,521,357	29,079,726
	Miscellaneous	40,507,074	15,698,053
		1,274,424,506	1,192,629,996

33.1 Salaries other benefits include provident fund contribution of Rupees 18.498 million (2025: Rupees 17.808 million) by the Company.

33.2 These are net off incentives in the shape of reimbursement against sales promotion expenses and advertisements amounting to Rupees 76.568 million (2025: Rupees 165.011 million) from SK On Co., Ltd. (formerly SK Enmove Co., Ltd.) - principal supplier and long term partner.

33.3 This includes rent expense of Rupees 10.223 million (2025: Rupees 7.108 million) relating to leases of low value asset.

		2026 Rupees	2025 Rupees
34.	**ADMINISTRATIVE EXPENSES**		
	Salaries, wages and other benefits (Note 34.1)	534,999,308	530,212,334
	Rates and taxes	2,406,906	2,539,949
	Travelling and conveyance	25,811,935	18,195,251
	Insurance	20,131,877	25,365,019
	Vehicles' running and maintenance	35,851,012	35,395,478
	Utilities	5,294,777	10,362,032
	Repair and maintenance	5,973,268	7,105,283
	Fee and subscription	32,366,743	21,117,283
	Printing and stationery	1,162,250	1,296,372
	Communication	10,740,454	11,542,400
	Entertainment	23,035,038	20,464,586
	Legal and professional	41,211,686	43,109,324
	Auditors' remuneration (Note 34.2)	6,729,927	6,361,791
	Depreciation on operating fixed assets (Note 16.1.2)	70,020,118	61,568,996
	Depreciation on right-of-use assets (Note 17.2)	25,457,958	11,969,430
	Amortization on intangible assets (Note 18)	450,000	1,265,703
	Security charges	2,060,000	2,364,000
	Miscellaneous	1,903,876	-
		845,607,133	810,235,231

34.1 Salaries, wages and other benefits include provident fund contribution of Rupees 14.719 million (2025: Rupees 15.871 million) by the Company.

		2026 Rupees	2025 Rupees
34.2	**Auditors' remuneration**		
	Annual audit fee	2,927,592	2,927,592
	Certifications	1,345,725	1,440,835
	Half year review	1,517,264	1,517,264
	Reimbursable expenses	476,100	476,100
	Punjab sales tax on auditors' remuneration	463,246	-
		6,729,927	6,361,791

		2026 Rupees	2025 Rupees
35.	**OTHER EXPENSES**		
	Allowance for expected credit losses (Note 24.3)	2,854,030	-
	Provision for doubtful advances to suppliers (Note 25.1.1)	1,973,815	-
	Sales tax receivable written off	-	964,630
	Fixed assets written off	-	8,998,077
	Capital work-in-progress written off (Note 16.2.1)	3,995,411	-
	Loss on disposal of capital work-in-progress (Note 16.2.2)	40,694,080	-
	Intangible asset written off (Note 18)	2,222,016	-
	Loss on disposal of non-current assets classified as held for sale (Note 30.2)	14,567,501	-
	Fair value loss on investment property classified as held for sale (Note 30)	15,000,000	-
	Advances to suppliers written off	17,355,203	-
	Advances to employees written off	-	110,422
	Security deposits written off	-	1,197,595
	Charities and donations (Note 35.1)	18,095,040	19,313,880
	Workers' welfare fund (Note 10.3)	16,245,347	2,822,582
	Workers' profit participation fund (Note 10.2)	17,640,729	7,197,583
	Exchange loss - net	221,919	9,149,205
	Penalty	5,293,852	3,614,438
		156,158,943	53,368,412

35.1 These include amount of Rupees 18 million (2025: Rupees 18 million) paid to Sabra Hamida Trust, 1-A, Danepur Road, GOR-1, Lahore, in which Mr. Hassan Tahir - Chief Executive, Mr. Shaukat Hassan - Director, Mrs. Mehvish Khan - Director, Mrs. Mavira Tahir - Director and Mr. Ali Hassan - Director are trustees.

		2026 Rupees	2025 Rupees
36.	**OTHER INCOME**		
	Income from financial assets:		
	Dividend income	21,581,505	31,398,163
	Profit on bank deposits	995,009	865,437
	Interest on short term loan to subsidiary company	-	33,414,160
	Gain on disposal of investments at fair value through profit or loss	750,404	9,669
	Unrealized gain on remeasurement of investments at fair value through profit or loss - net	1,241,555	660,978
	Reversal of allowance for expected credit losses (Note 24.3)	-	10,355,762
	Income from non-financial assets:		
	Credit balances written back	-	1,652,734
	Fair value gain on investment property classified as held for sale	-	25,000,000
	Gain on disposal of operating fixed assets	23,091,061	2,283,526
	Gain on termination of leases	12,438,386	10,982,771
	Income from handling and storage services	127,589,709	107,323,063
	Reversal of provision for slow moving inventory items (Note 23.2)	7,171,513	14,257,772
	Common facility charges	10,284,564	1,379,930
	Miscellaneous	10,000	6,400
	Others:		
	Rental and other income from HTL Express Centres	39,094,770	40,098,026
		244,248,476	279,688,391
37.	**FINANCE COST**		
	Mark-up on short term borrowings	168,687,568	281,299,687
	Mark-up on long term financing	5,889,804	-
	Interest expense on lease liabilities (Note 7.1)	61,263,575	79,207,002
	Bank charges and commission	22,730,765	44,692,416
	Interest on workers' profit participation fund (Note 10.2)	467,350	-
	Interest on employees' provident fund trust	3,868,637	-
	Delayed payment surcharge by oil refineries	17,952,620	-
		280,860,319	405,199,105
38.	**LEVY**		
	Minimum tax differential	-	147,770,337
	Final taxes	8,314,570	4,709,724
	Prior year adjustment	1,843,934	(481,205)
		10,158,504	151,998,856

38.1 Levy represents final taxes levied under the Income Tax Ordinance, 2001, any excess over the amount designated as provision for current tax and related super tax on income calculated as per section 4C of the Income Tax Ordinance, 2001.

	2026 Rupees	2025 Rupees
39. TAXATION		
Current tax	249,653,662	1,364,364
Deferred tax	118,226,947	22,712,235
	367,880,609	24,076,599

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

	2026 Rupees	2025 Rupees
Relationship between tax expense and accounting profit		
Profit / (loss) before levy and taxation	791,261,171	(142,705,446)
Tax at the applicable rate of 29% (2025: 29%)	229,465,740	-
Effect of minimum tax	-	147,770,337
Effect of dividend income taxed at a lower rate	6,156,419	4,709,724
Effect of capital gain taxed at a lower rate	187,601	1,364,364
Effect of change in prior year's tax	1,843,934	(481,205)
Effect arising as a consequence of recognition of deferred income tax	118,226,947	22,712,235
Effect of super tax	83,559,425	-
Effect of absorption of brought forward business losses and unabsorbed tax depreciation	(57,850,140)	-
Effect of expenses and income that are not considered in determining taxable liability	(3,550,813)	-
	378,039,113	176,075,455
Levy and taxation as per applicable tax laws:		
Levy (Note 38)	(10,158,504)	(151,998,856)
Taxation (Note 39)	(367,880,609)	(24,076,599)
	-	-

40. EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings / (loss) per share which based on:		
Profit / (loss) after taxation attributable to ordinary shareholders (Rupees)	413,222,058	(318,780,901)
Weighted average number of shares (Number)	139,204,800	139,204,800
Earnings / (loss) per share - basic and diluted (Rupees)	2.97	(2.29)

		2026 Rupees	2025 Rupees
41.	**CASH GENERATED FROM / (USED IN) OPERATIONS**		
	Profit / (loss) before levy and taxation	791,261,171	(142,705,446)
	Adjustments for non-cash charges and other items:		
	Depreciation on operating fixed assets (Note 16.1.2)	173,546,119	168,676,020
	Depreciation on right-of-use assets (Note 17.2)	118,568,568	124,904,822
	Amortization on intangible assets (Note 34)	450,000	1,265,703
	Allowance for expected credit losses (Note 35)	2,854,030	-
	Reversal of allowance for expected credit losses (Note 36)	-	(10,355,762)
	Reversal of provision for slow moving inventory items (Note 36)	(7,171,513)	(14,257,772)
	Provision for doubtful advances to suppliers (Note 35)	1,973,815	-
	Gain on disposal of operating fixed assets (Note 36)	(23,091,061)	(2,283,526)
	Dividend income (Note 36)	(21,581,505)	(31,398,163)
	Profit on bank deposits (Note 36)	(995,009)	(865,437)
	Interest income on short term loan to subsidiary company (Note 36)	-	(33,414,160)
	Gain on disposal of investments at fair value through profit or loss (Note 36)	(750,404)	(9,669)
	Unrealized gain on remeasurement of investments at fair value through profit or loss - net (Note 36)	(1,241,555)	(660,978)
	Fixed assets written off (Note 35)	-	8,998,077
	Loss on disposal of capital work-in-progress (Note 35)	40,694,080	-
	Capital work-in-progress written off (Note 35)	3,995,411	-
	Loss on disposal of non-current assets classified as held for sale (Note 35)	14,567,501	-
	Fair value loss on investment property classified as held for sale (Note 35)	15,000,000	-
	Intangible asset written off (Note 35)	2,222,016	-
	Advances to suppliers written off (Note 35)	17,355,203	-
	Credit balances written back (Note 36)	-	(1,652,734)
	Fair value gain on investment property classified as held for sale (Note 36)	-	(25,000,000)
	Sales tax receivable written off (Note 35)	-	964,630
	Gain on termination of leases (Note 36)	(12,438,386)	(10,982,771)
	Exchange loss - net (Note 35)	221,919	9,149,205
	Workers' profit participation fund (Note 35)	17,640,729	7,197,584
	Workers' welfare fund (Note 35)	16,245,347	2,822,582
	Finance cost (Note 37)	280,860,319	405,199,105
	Advances to employees written off (Note 36)	-	110,422
	Security deposits written off (Note 36)	-	1,197,595
	Working capital changes (Note 41.1)	(698,040,029)	279,860,935
		732,146,766	736,760,262

	2026 Rupees	2025 Rupees
41.1 Working capital changes		
(Increase) / decrease in current assets:		
Stock-in-trade	(1,530,894)	1,068,568,855
Trade debts	(560,735,076)	(212,688,416)
Loans and advances	138,171,186	(47,629,685)
Short term deposits and prepayments	(18,124,750)	2,683,975
Other receivables	(351,485,453)	(47,612,752)
	(793,704,987)	763,321,977
Increase / (decrease) in current liabilities:		
Trade and other payables	147,191,932	(524,377,689)
Contract liabilities	(51,526,974)	40,916,647
	95,664,958	(483,461,042)
	(698,040,029)	279,860,935

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

	2026				
		Liabilities from financing activities			
	Long term financing	Lease liabilities	Short term borrowings	Unclaimed dividend	Total
			Rupees		
Balance as at 01 July 2025	-	513,627,957	1,618,958,452	5,372,861	2,137,959,270
Finance obtained	89,804,745	-	13,965,887,147	-	14,055,691,892
Repayment of financing	(6,255,700)	-	(14,382,503,884)	-	(14,388,759,584)
Acquisitions - finance leases	-	119,871,293	-	-	119,871,293
Other change - non-cash movement	-	(95,708,218)	-	-	(95,708,218)
Repayment of lease liabilities	-	(116,595,719)	-	-	(116,595,719)
Dividend paid	-	-	-	(73,659)	(73,659)
Balance as at 30 June 2026	83,549,045	421,195,313	1,202,341,715	5,299,202	1,712,385,275

	2025			
	Liabilities from financing activities			
	Lease liabilities	Short term borrowings	Unclaimed dividend	Total
		Rupees		
Balance as at 01 July 2024	647,317,717	1,777,187,767	5,689,417	2,430,194,901
Finance obtained	-	24,429,904,470	-	24,429,904,470
Repayment of financing	-	(24,588,133,785)	-	(24,588,133,785)
Acquisitions - finance leases	50,230,486	-	-	50,230,486
Other change - non-cash movement	(36,557,621)	-	-	(36,557,621)
Repayment of lease liabilities	(147,362,625)	-	-	(147,362,625)
Dividend paid	-	-	(316,556)	(316,556)
Balance as at 30 June 2025	513,627,957	1,618,958,452	5,372,861	2,137,959,270

		2026 Rupees	2025 Rupees
41.3	**Non-cash financing activities**		
	Acquisition of right-of-use assets	119,871,293	50,230,486
	Other change - non-cash movement	95,708,218	36,557,621

42. PROVIDENT FUND

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

43. TRANSACTIONS WITH RELATED PARTIES

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

Relationship	Nature of transaction	2026 Rupees	2025 Rupees
Subsidiary company			
Hi-Tech Blending (Private) Limited	Sale of lubricants	437,813	2,582,362
	Sale of petroleum products	19,336,143	-
	Purchase of lubricants	6,954,894,780	6,975,090,919
	Lease rentals paid	3,000,000	3,000,000
	Short term loan given	-	512,800,000
	Short term loan repaid	-	(512,800,000)
	Interest received on short term loan	-	36,714,195
Associated company			
MAS Associates (Private) Limited	Share of common expenses	10,284,564	1,379,930
Other related parties			
SK On Co., Ltd. (formerly SK Enmove Co., Ltd.)	Purchase of lubricants	312,879,598	153,865,101
	Incentive	76,568,092	122,329,750
Hi-Tech Lubricants Limited Employee's Provident Fund Trust	Contribution	33,217,487	33,678,835
Sabra Hamida Trust	Donations	18,000,000	18,000,000

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

Name of related party	Basis of relationship	Transactions entered or agreements and / or arrangements in place during the financial year ended	% age of shareholding held by the Company
Hi-Tech Blending (Private) Limited	Wholly-owned subsidiary company	Yes	100%
MAS Associates (Private) Limited	Common directorship	Yes	None
SK On Co., Ltd. (formerly SK Enmove Co., Ltd.)	Principal supplier and long term partner	Yes	None
Hi-Tech Energy (Private) Limited	Common directorship	No	None
MAS Infosoft (Private) Limited	Common directorship	Yes	None
MAS Services	Common partnership of directors	No	None
Haut Buys (Private) Limited	Common directorship	No	None
Sabra Hamida Trust	Common trusteeship of directors	Yes	None
WASL Investment Finance Limited	Common directorship	No	None
WASL Mobility Modaraba	Common directorship	No	None
WASL Modaraba Management Limited	Common directorship	No	None
Alliance Francaise De Lahore Foundation	Common trusteeship of directors	No	None
Food Check (Private) Limited	Common directorship	No	None
MAS Associates Employees Provident Fund Trust	Common trusteeship of directors	No	None
Hi-Tech Lubricants Limited Employees Provident Fund Trust	Common trusteeship of directors	Yes	None
Hi-Tech Blending (Private) Limited Provident Fund Trust	Subsidiary company's employee provident fund trust	No	None
MAS Services Employees Provident Fund Trust	Common trusteeship of directors	No	None
Haut Notch (Private) Limited	Common directorship	No	None
Gulf Rubber Products (Private)	Common directorship	No	None
ANALI	Common partnership of director	No	None
14th Gate Restructuring Company Limited	Common directorship	No	None
Milestone Center for Cognitive and Language Development	Common trusteeship of director	No	None
Mr. Shaukat Hassan	Director of the Company	Yes	None
Mr. Muhammad Ali Hassan	Director of the Company	Yes	None
Mr. Hassan Tahir	Director of the Company	Yes	None
Ms. Mavira Tahir	Director of the Company	Yes	None
Mr. Faraz Akhtar Zaidi	Director of the Company	Yes	None
Mr. Shafiq Ur Rehman	Director of the Company	Yes	None
Mr. Mehmood Akhtar	Director of the Company	Yes	None
Mr. Donghyun Kim	Director of the Company	No	None
Mr. Muntizer Abbas Hussain	Director of the Company	Yes	None
Ms. Mehvish Khan	Director of the Company	Yes	None

43.2 Detail of compensation to key management personnel comprising of chief executive officer and executives is disclosed in note 44.

44. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	2026				2025			
		Directors				Directors		
	Chief Executive	Executives	Non-Executives	Executives	Chief Executive	Executives	Non-Executives	Executives
	Rupees							
Managerial remuneration	15,483,871	13,935,484	39,483,871	199,280,241	15,483,871	13,935,484	39,096,774	173,786,748
Bonus	9,574,494	9,574,494	-	-	2,000,000	1,800,000	-	22,271,346
Allowances								
House rent	6,967,742	6,270,968	17,767,742	89,676,108	6,967,742	6,270,968	17,593,548	78,204,037
Medical	1,548,387	1,393,548	3,948,387	19,927,984	1,548,387	1,393,548	3,909,677	17,378,671
Travelling	3,000,000	3,000,000	7,500,000	1,260,350	3,000,000	3,000,000	7,500,000	873,175
Others incentives	-	-	-	5,410,874	-	-	-	41,822,607
Contribution to provident fund trust	-	-	-	18,175,414	-	-	-	16,258,610
Leave fare assistance	-	-	-	10,825,396	-	-	-	2,173,609
	36,574,494	34,174,494	68,700,000	344,556,367	29,000,000	26,400,000	68,099,999	352,768,803
	1	**1**	**4**	**80**	**1**	**1**	**4**	**77**

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

44.2 Aggregate amount charged in these financial statements for meeting fee to three directors (2025: five directors) is Rupees 3.65 million (2025: Rupees 4.4 million).

45. NUMBER OF EMPLOYEES

	2026		2025	
	Permanent	**Contractual**	Permanent	Contractual
Total number of employees as on 30 June	293	249	371	158
Average number of employees during the year	331	205	381	146

46. CAPACITY AND PRODUCTION

Considering the nature of the Company's business, the information regarding production has no relevance. However, product storage capacities at Company's facility and production capacity of the solar system during the current year are detailed below:

		Metric Tons	
Product storage capacity	**SKO**	**PMG**	**HSD**
Sahiwal depot	198	2,040	1,858
Nowshera depot	-	1,401	1,551

	kWh	
Solar system	**2026**	**2025**
Installed	193,815	175,200
Actual	127,138	63,290

46.1 Reason for low production

Low capacity utilization of solar system is due to combination of environmental, technical, structural and maintenance factors.

47. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

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

Recurring fair value measurements at 30 June 2026	Level 1	Level 2	Level 3	Total
		Rupees		
Financial assets				
Financial assets at fair value through profit or loss	234,147,953	-	-	234,147,953

Recurring fair value measurements at 30 June 2025	Level 1	Level 2	Level 3	Total
		Rupees		
Financial assets				
Financial assets at fair value through profit or loss	240,351,519	-	-	240,351,519

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

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

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

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

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

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

(ii) Valuation techniques used to determine fair values

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

48. FAIR VALUE MEASUREMENTS - NON-FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

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

At 30 June 2026	Level 1	Level 2	Level 3	Total
		Rupees		
Freehold land	-	1,129,560,000	-	1,129,560,000
Non-current asset classified as held for sale - Transferred from investment property	-	145,000,000	-	145,000,000
	-	1,274,560,000	-	1,274,560,000

At 30 June 2025	Level 1	Level 2	Level 3	Total
		Rupees		
Freehold land	-	1,098,580,000	-	1,098,580,000
Non-current asset classified as held for sale - Transferred from fixed assets	-	250,000,000	-	250,000,000
Non-current asset classified as held for sale - Transferred from investment property	-	160,000,000	-	160,000,000
	-	1,508,580,000	-	1,508,580,000

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

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

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

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

Valuation processes

The Company engages external, independent and qualified valuer to determine the fair value of the Company's freehold land and investment property transferred to non-current asset classified as held for sale at the end of every financial year. As at 30 June 2026, the fair value of the freehold land and investment property transferred to non-current asset classified as held for sale has been determined by Anderson Consulting (Private) Limited, an independent valuer.

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

49. FINANCIAL RISK MANAGEMENT

49.1 Financial risk factors

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

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

(a) Market risk

(i) Currency risk

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

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

	2026 USD	2025 USD
Other receivables	200,000	100,000
Trade and other payables	(250,245)	-
Net exposure	(50,245)	100,000

The following significant exchange rates were applied during the year:

	2026	2025
	Rupees per US Dollar	
Average rate	280.64	279.98
Reporting date rate	278.16	284.10

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD with all other variables held constant, the impact on profit before levy and taxation for the year would have been Rupees 0.685 million (2025: loss before levy and taxation for the year would have been Rupees 1.392 million) higher / lower, mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. The sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) Other price risk

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

Sensitivity analysis

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

Index	Impact on profit / (loss) before levy and taxation	
	2026 Rupees	2025 Rupees
PSX 100 (5% increase)	492,401	(459,335)
PSX 100 (5% decrease)	(492,401)	459,335

(iii) Interest rate risk

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

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

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

	2026 Rupees	2025 Rupees
Fixed rate instruments		
Financial liabilities		
Lease liabilities	420,252,584	477,673,587
Floating rate instruments		
Financial assets		
Bank balances - saving accounts	910,690	6,537,577
Financial liabilities		
Lease liabilities	942,729	35,954,370
Short term borrowings	1,202,341,715	1,618,958,452
Long term financing	83,549,045	-
	1,286,833,489	1,654,912,822

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the reporting date, fluctuates by 1% higher / lower with all other variables held constant, profit before levy and taxation for the year would have been Rupees 12.602 million lower / higher (2025: loss before levy and taxation for the year would have been Rupees 16.154 million higher / lower), mainly as a result of higher / lower interest expense / income on floating rate financial instruments. This analysis is prepared assuming the amounts of assets and liabilities outstanding at reporting dates were outstanding for the whole year.

(b) Credit risk

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

	2026 Rupees	2025 Rupees
Long term security deposits	16,976,150	13,966,150
Long term loans to employees	231,512	1,116,772
Short term security deposits	20,995,000	1,000,000
Trade debts	1,790,371,378	1,232,490,332
Loans and advances	58,295,902	172,115,543
Other receivables	639,039,852	219,804,260
Accrued interest	13,102	10,052
Short term investments	234,147,953	240,351,519
Bank balances	51,438,208	135,729,054
	2,811,509,057	2,016,583,682

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

	Rating			2026	2025
	Short term	Long term	Agency	Rupees	Rupees
Short term investments					
Engro Fertilizer Limited	A1+	AA	PACRA	9,848,025	9,186,705
AL Habib Cash Fund	AAA(f)		VIS	219,654,173	226,827,322
NBP Islamic Daily Dividend Fund	AA+(f)		PACRA	663,553	617,589
UBL Liquidity Plus Fund - Class 'C'	AA+(f)		VIS	2,878,686	2,689,057
MCB Cash Management Optimizer	AA+(f)		PACRA	630,877	587,676
Meezan Rozana Amdani Fund	AA+(f)		VIS	472,639	443,170
				234,147,953	240,351,519
Banks					
Bank Alfalah Limited	A1+	AAA	PACRA	7,922,531	41,928,865
Bank AL-Habib Limited	A1+	AAA	PACRA	1,387,801	1,414,930
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	1,551,726	531,029
MCB Bank Limited	A1+	AAA	PACRA	3,505,324	5,991,283
National Bank of Pakistan	A1+	AAA	PACRA	330,268	330,268
Habib Bank Limited	A1+	AAA	VIS	5,176,666	34,487,895
Askari Bank Limited	A1+	AA+	PACRA	450,507	350,507
United Bank Limited	A1+	AAA	VIS	313,454	-
JS Bank Limited	A1+	AA	PACRA	295,442	295,438
Al-Baraka Bank (Pakistan) Limited	A1	AA-	VIS	238,399	238,399
Meezan Bank Limited	A1+	AAA	VIS	23,174,216	24,756,551
Dubai Islamic Bank Pakistan Limited	A1+	AA	VIS	108,519	108,519
Faysal Bank Limited	A1+	AA	PACRA	1,006,091	774,056
Bank Makramah Limited	A2	A-	VIS	7,246	7,246
Samba Bank Limited	A1+	AA	PACRA	600,164	600,166
Mobilink Microfinance Bank Limited	A1	A	PACRA	5,369,854	23,913,902
				51,438,208	135,729,054
				285,586,161	376,080,573

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

Trade debts

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

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

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2026 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the Gross Domestic Product, unemployment, interest, and the inflation Index of the country in which it majorly sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at 30 June 2026 and 30 June 2025 was determined as follows:

	Sales		
	Expected loss rate	Trade debts	Loss allowance
	%	Rupees	
At 30 June 2026			
Up to 30 days	0.00	-	-
31 to 60 days	23.32	6,238,003	1,454,506
181 to 360 days	35.83	7,017,560	2,514,392
Above 360 days	100	3,524,408	3,524,408
		16,779,971	7,493,306
Trade debts which are not subject to risk of default		1,781,084,713	-
		1,797,864,684	7,493,306

	Sales		
	Expected loss rate	Trade debts	Loss allowance
	%	Rupees	
At 30 June 2025			
Up to 30 days	0.00	93,902,614	-
31 to 60 days	11.33	33,007,092	3,740,476
181 to 360 days	39.45	4,416,038	1,742,127
Above 360 days	100	1,753,228	1,753,228
		133,078,972	7,235,831
Trade debts which are not subject to risk of default		1,106,647,191	-
		1,239,726,163	7,235,831

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by maintaining sufficient cash and bank balances and the availability of funding through an adequate amount of committed credit facilities. As 30 June 2026, the Company had Rupees 859.523 million (2025: Rupees 38.965 million) available borrowing limits from financial institutions and Rupees 60.791 million (2025: Rupees 145.889 million) cash and bank balances. Management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amounts disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2026:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 years
	Rupees					
Non-derivative financial liabilities:						
Long term financing	83,549,045	110,527,860	12,188,046	12,188,046	24,376,092	61,775,676
Lease liabilities	421,195,313	761,464,302	74,384,476	50,467,751	109,875,628	526,736,447
Long term deposits	26,000,000	26,000,000	-	-	-	26,000,000
Trade and other payables	2,054,603,761	2,054,603,761	2,054,603,761	-	-	-
Unclaimed dividend	5,299,202	5,299,202	5,299,202	-	-	-
Accrued mark-up / profit	32,617,789	32,617,789	32,617,789	-	-	-
Short term borrowings	1,202,341,715	1,202,341,715	1,202,341,715	-	-	-
	3,825,606,825	4,192,854,629	3,381,434,989	62,655,797	134,251,720	614,512,123

Contractual maturities of financial liabilities as at 30 June 2025:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 years
	Rupees					
Non-derivative financial liabilities:						
Lease liabilities	513,627,957	935,576,561	103,996,048	79,507,589	116,096,854	635,976,070
Long term deposits	26,000,000	26,000,000	-	-	-	26,000,000
Trade and other payables	1,844,080,979	1,844,080,979	1,844,080,979	-	-	-
Unclaimed dividend	5,372,861	5,372,861	5,372,861	-	-	-
Accrued mark-up / profit	37,294,089	37,294,089	37,294,089	-	-	-
Short term borrowings	1,618,958,452	1,618,958,452	1,618,958,452	-	-	-
	4,045,334,338	4,467,282,942	3,609,702,429	79,507,589	116,096,854	661,976,070

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark-up rates effective as at 30 June. The rates of interest / mark up have been disclosed in note 7, 8 and note 11 to these financial statements.

49.2 Financial instruments by categories

	2026		
	At amortized cost	At fair value through profit or loss	Total
	Rupees		
Financial assets			
Long term security deposits	16,976,150	-	16,976,150
Long term loans to employees	231,512	-	231,512
Short term security deposits	20,995,000	-	20,995,000
Trade debts	1,790,371,378	-	1,790,371,378
Loans and advances	58,295,902	-	58,295,902
Other receivables	639,039,852	-	639,039,852
Accrued interest	13,102	-	13,102
Short term investments	-	234,147,953	234,147,953
Cash and bank balances	60,791,004	-	60,791,004
	2,586,713,900	234,147,953	2,820,861,853

	2025		
	At amortized cost	At fair value through profit or loss	Total
	Rupees		
Financial assets			
Long term security deposits	13,966,150	-	13,966,150
Long term loans to employees	1,116,772	-	1,116,772
Short term security deposits	1,000,000	-	1,000,000
Trade debts	1,232,490,332	-	1,232,490,332
Loans and advances	172,115,543	-	172,115,543
Other receivables	219,804,260	-	219,804,260
Accrued interest	10,052	-	10,052
Short term investments	-	240,351,519	240,351,519
Cash and bank balances	145,889,901	-	145,889,901
	1,786,393,010	240,351,519	2,026,744,529

	At Amortized Cost	
	2026 Rupees	2025 Rupees
Financial liabilities		
Long term financing	83,549,045	-
Lease liabilities	421,195,313	513,627,957
Long term deposits	26,000,000	26,000,000
Trade and other payables	2,054,603,761	1,844,080,979
Short term borrowings	1,202,341,715	1,618,958,452
Accrued mark-up / profit	32,617,789	37,294,089
Unclaimed dividend	5,299,202	5,372,861
	3,825,606,825	4,045,334,338

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

	2026		
	Financial assets	Non-financial assets	Assets as per statement of financial position
	Rupees		
Assets			
Long term security deposits	16,976,150	4,217,100	21,193,250
Long term loans to employees	231,512	-	231,512
Short term deposits and prepayments	20,995,000	9,073,757	30,068,757
Trade debts	1,790,371,378	-	1,790,371,378
Loans and advances	58,295,902	91,514,938	149,810,840
Other receivables	639,039,852	124,969,841	764,009,693
Accrued interest	13,102	-	13,102
Short term investments	234,147,953	-	234,147,953
Cash and bank balances	60,791,004	-	60,791,004
	2,820,861,853	229,775,636	3,050,637,489

	2026		
	Financial liabilities	Non-financial liabilities	Liabilities as per statement of financial position
	Rupees		
Liabilities			
Long term financing	83,549,045	-	83,549,045
Contract liabilities	-	46,349,763	46,349,763
Lease liabilities	421,195,313	-	421,195,313
Long term deposits	26,000,000	-	26,000,000
Trade and other payables	2,054,603,761	270,207,368	2,324,811,129
Short term borrowings	1,202,341,715	-	1,202,341,715
Accrued mark-up / profit	32,617,789	-	32,617,789
Unclaimed dividend	5,299,202	-	5,299,202
	3,825,606,825	316,557,131	4,142,163,956

	2025		
	Financial assets	Non-financial assets	Assets as per statement of financial position
	Rupees		
Assets			
Long term security deposits	13,966,150	371,201	14,337,351
Long term loans to employees	1,116,772	-	1,116,772
Short term deposits and prepayments	1,000,000	32,574,424	33,574,424
Trade debts	1,232,490,332	-	1,232,490,332
Loans and advances	172,115,543	135,244,405	307,359,948
Other receivables	219,804,260	192,719,980	412,524,240
Accrued interest	10,052	-	10,052
Short term investments	240,351,519	-	240,351,519
Cash and bank balances	145,889,901	-	145,889,901
	2,026,744,529	360,910,010	2,387,654,539

	2025		
	Financial liabilities	Non-financial liabilities	Liabilities as per statement of financial position
	Rupees		
Liabilities			
Lease liabilities	513,627,957	-	513,627,957
Long term deposits	26,000,000	-	26,000,000
Trade and other payables	1,839,489,705	232,225,963	2,071,715,668
Contract liabilities	-	97,876,737	97,876,737
Short term borrowings	1,618,958,452	-	1,618,958,452
Accrued mark-up / profit	37,294,089	-	37,294,089
Unclaimed dividend	5,372,861	-	5,372,861
	4,040,743,064	330,102,700	4,370,845,764

49.3 Offsetting financial assets and financial liabilities

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

50. DISCLOSURE REQUIREMENT FOR COMPANY NOT ENGAGED IN SHARIAH NON-PERMISSIBLE BUSINESS ACTIVITIES AS ITS CORE BUSINESS ACTIVITIES

Description	2026 Rupees	2025 Rupees
Financing (long-term, short-term, or lease financing) obtained as per Islamic mode	83,549,045	-
Interest or mark-up accrued on any conventional loan or advance	31,797,344	37,294,089
Long-term and short-term Shariah compliant Investments	10,984,217	10,247,464
Shariah-compliant bank deposits, bank balances, and TDRs	24,527,225	25,877,525
Revenue earned from a Shariah-compliant business segment (Note 31)	40,412,792,151	35,827,893,721
Break-up of late payments or liquidated damages	17,952,620	-
Gain or loss or dividend earned on Shariah compliant investments or share of profit from Shariah-compliant associates	836,377	913,724
Profit earned from Shariah-compliant bank deposits, bank balances, or TDRs	-	-
Exchange gain earned from actual currency	-	-
Exchange gains earned using conventional derivative financial instruments	-	-
Profit paid on Islamic mode of financing	5,069,359	-
Total Interest earned on any conventional loan or advance	-	33,414,160
Source and detailed breakup of other income, including breakup of other or miscellaneous portions of other income into Shariah-compliant and non compliant income		
Shariah-compliant		
Fair value gain on investment property classified as held for sale	-	25,000,000
Dividend income	836,377	913,724
Gain on disposal of operating fixed assets	23,091,061	2,283,526
Gain on termination of leases	12,438,386	10,982,771
Income from handling and storage services	127,589,709	107,323,063
Reversal of provision for slow moving and damaged inventory items	7,171,513	14,257,772
Common facility charges	10,284,564	1,379,930
Reversal of allowance for expected credit losses	-	10,355,762
Rental and other income from HTL Express Centres	39,094,770	40,098,026
Credit balances written back	-	1,652,734
Unrealized gain on remeasurement of investment at fair value through profit or loss	661,320	660,978
Miscellaneous	10,000	6,400
Non shariah-compliant		
Profit on bank deposits	995,009	865,437
Gain on disposal of investments at fair value through profit or loss	750,404	9,669
Interest on short term loan to subsidiary company	-	33,414,160
Unrealized gain on remeasurement of investments at fair value through profit or loss - net	580,235	-
Dividend income	20,745,128	30,484,439

Relationship with Shariah-compliant financial institutions, including banks, takaful operators and their windows, etc

Relationship with shariah-compliant banks:

Name	Relationship as at reporting date
Al-Baraka Bank (Pakistan) Limited	Bank balance
Meezan Bank Limited	Bank balance
Dubai Islamic Bank Pakistan Limited	Bank balance
Faysal Bank Limited	Bank balance
First Habib Modaraba	Long term financing

51. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. Consistent with others in the industry, and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent lease liabilities, long term financing and short term borrowings obtained by the Company as referred to in note 7, 8 and note 11 to the financial statements. Total capital employed includes 'total equity' as shown in the statement of financial position plus 'borrowings'.

		2026	2025
Borrowings	Rupees	1,286,833,489	1,654,723,436
Total equity	Rupees	4,131,993,088	3,687,791,030
Total capital employed	Rupees	5,418,826,577	5,342,514,466
Gearing ratio	Percentage	23.75%	30.97%

The decrease in gearing ratio is due to decrease in borrowings of the Company.

52. UNUTILIZED CREDIT FACILITIES

	Non-funded		**Funded**	
	2026	2025	**2026**	2025
	Rupees	Rupees	**Rupees**	Rupees
Total facilities	1,691,250,000	1,940,815,000	2,146,356,000	1,693,878,298
Utilized at the end of the year	1,155,424,378	1,488,274,510	1,286,833,489	1,654,912,822
Unutilized at the end of the year	535,825,622	452,540,490	859,522,511	38,965,476

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

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

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

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

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

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

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

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

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

During the year ended on 30 June 2020, the Company started its OMC operations and expediently worked on completion of its Nowshera oil storage. During the year ended 30 June 2021, Company has completed its oil storage at Nowshera. On 09 August 2021, OGRA acknowledged the satisfactory completion of Nowshera oil storage based on third party inspection report. During the year ended 30 June 2022, the Company has started work on new oil storage facility at Shikarpur. On 16 March 2023, OGRA has granted permission to the Company to operate new storage facility at Nowshehra and marketing of petroleum products in the province of Khyber Pakhtunkhwa. During the year ended 30 June 2026, the Company has disposed of the under-constructed Shikarpur oil storage facility and acquired a new site at Daulatpur to construct the new oil storage facility, subsequent to the reporting period. Currently, the Company has eight operational HTL Express Centers, four in Lahore, three in Karachi and one in Rawalpindi. Further, the Company has sixty retail outlets operational for sale of petroleum products as on 30 June 2026. Detail of payments out of IPO proceeds during the year ended 30 June 2026 is as follows:

	Rupees
Un-utilized IPO proceeds as at 01 July 2025	186,686,602
Add: Profit on bank deposits	522,346
Add: Dividend on investment in mutual funds	20,851,380
Add: Gain on disposal of investment in mutual fund	750,404
Add: Unrealised gain on investment in mutual funds	(576,406)
Less: Payments made relating to OMC Project	(13,789,514)
Less: Withholding tax on profit on bank deposits	(104,469)
Less: Withholding tax on dividend from mutual funds	(6,046,898)
Less: Withholding tax on disposal of mutual funds	(187,601)
Less: Bank charges	(14,591)
Un-utilized IPO proceeds as at 30 June 2026	188,091,253

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

54. SEGMENT INFORMATION

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

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

	LUBRICANTS		PETROLEUM PRODUCTS		UNALLOCATED		TOTAL - COMPANY	
	2026	2025	2026	2025	2026	2025	2026	2025
	Rupees							
Net revenue from contracts with customers	9,748,658,007	9,810,585,892	27,224,044,035	23,232,318,076	-	-	36,972,702,042	33,042,903,968
Cost of sales	(7,672,596,027)	(8,396,842,285)	(26,196,042,419)	(22,607,022,776)	-	-	(33,868,638,446)	(31,003,865,061)
Gross profit	2,076,061,980	1,413,743,607	1,028,001,616	625,295,300	-	-	3,104,063,596	2,039,038,907
Distribution cost	(678,954,504)	(751,681,615)	(595,470,002)	(452,917,811)	-	-	(1,274,424,506)	(1,204,599,426)
Administrative expenses	(587,445,137)	(782,528,545)	(258,161,996)	(15,737,256)	-	-	(845,607,133)	(798,265,801)
Other expenses	(58,859,510)	52,801,621	(97,299,433)	(106,170,033)	-	-	(156,158,943)	(53,368,412)
	(1,325,259,151)	(1,481,408,539)	(950,931,431)	(574,825,100)	-	-	(2,276,190,582)	(2,056,233,639)
Other income	40,284,599	141,657,723	203,963,877	138,030,668	-	-	244,248,476	279,688,391
Profit from operations	791,087,428	73,992,791	281,034,062	188,500,868	-	-	1,072,121,490	262,493,659
Finance cost	(115,535,445)	(347,807,158)	(165,324,874)	(57,391,947)	-	-	(280,860,319)	(405,199,105)
Profit / (loss) before levy and taxation	675,551,983	(273,814,367)	115,709,188	131,108,921	-	-	791,261,171	(142,705,446)
Levy	-	-	-	-	(10,158,504)	(151,998,856)	(10,158,504)	(151,998,856)
Profit / (loss) before taxation	675,551,983	(273,814,367)	115,709,188	131,108,921	(10,158,504)	(151,998,856)	781,102,667	(294,704,302)
Taxation	-	-	-	-	(367,880,609)	(24,076,599)	(367,880,609)	(24,076,599)
Profit/ (loss) after taxation	675,551,983	(273,814,367)	115,709,188	131,108,921	(378,039,113)	(176,075,455)	413,222,058	(318,780,901)

		LUBRICANTS		PETROLEUM PRODUCTS		TOTAL - COMPANY	
		2026	2025	2026	2025	2026	2025
		Rupees					
54.1	Reconciliation of reportable segment assets and liabilities:						
	Total assets for reportable segments	4,578,272,034	5,453,618,737	3,373,115,669	2,282,248,716	7,951,387,703	7,735,867,453
	Unallocated assets					322,769,341	322,769,341
	Total assets as per statement of financial position					8,274,157,044	8,058,636,794
	Total liabilities for reportable segments	2,155,415,439	1,647,359,894	431,893,484	1,168,630,837	2,587,308,923	2,815,990,731
	Unallocated liabilities					1,554,855,033	1,554,855,033
	Total liabilities as per statement of financial position					4,142,163,956	4,370,845,764

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

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

54.4 Revenue from major customers

The Company's revenue is earned from a large mix of customers.

55. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors has proposed a final cash dividend for the year ended 30 June 2026 of Rupees 1.15 per share (2025: Rupees Nil) at their meeting held on 18 September 2026. However, this event has been considered as non-adjusting event under IAS 10 'Events after the Reporting Period' and has not been recognized in these financial statements.

56. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 18 September 2026 by the Board of Directors of the Company.

57. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant rearrangements / reclassifications have been made except for presentation of contract liabilities amounting to Rupees 97.877 million on the face of statement of financial position instead of grouping under trade and other payables for better presentation.

58. GENERAL

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

Chief Executive | Director | Chief Financial Officer



CONSOLIDATED **FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2026

INDEPENDENT **AUDITOR'S REPORT**

To the members of Hi-Tech Lubricants Limited

Opinion

We have audited the annexed consolidated financial statements of Hi-Tech Lubricants Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 30 June 2026, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2026, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following are the Key audit matters:

Sr. No.	Key audit matters	How the matters were addressed in our audit
1.	**Revenue recognition** The Group recognized net revenue of Rupees 37,583.205 million for the year ended 30 June 2026. We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Group and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets. For further information on revenue, refer to the following: - Material accounting policy information, Revenue recognition note 2.21 to the consolidated financial statements. - Net revenue from contracts with customers as shown on the face of consolidated statement of profit or loss.	Our procedures included, but were not limited to: • We obtained an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue. • We compared a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents. • We compared a sample of revenue transactions recorded around the year-end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period. • We tested the effectiveness of the Group's internal controls over the calculation and recognition of discounts. • We assessed whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers'. • We also considered the appropriateness of disclosures in the consolidated financial statements.

Sr. No.	Key audit matters	How the matters were addressed in our audit
2.	**Stock-in-trade existence and valuation** Stock-in-trade as at 30 June 2026 amounted to Rupees 3,251.441 million and represented a material position in the consolidated statement of financial position. Stock-in-trade is stated at lower of cost and net realizable value. We identified existence and valuation of stock-in-trade as a key audit matter due to its size, representing 21.33% of the total assets of the Company as at 30 June 2026, and the judgment involved in valuation. For further information on stock-in-trade, refer to the following: - Material accounting policy information, Stock-in-trade note 2.8.2 to the consolidated financial statements. - Stock-in-trade note 22 to the consolidated financial statements.	Our procedures over existence and valuation of stock-in-trade included, but were not limited to: • To test the quantity of stock-in-trade at all locations, we assessed the corresponding stock-in-trade observation instructions and participated in stock-in-trade counts on sites. Based on samples, we performed test counts and compared the quantities counted by us with the results of the counts of the management. • For a sample of stock-in-trade items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets. • We tested that the ageing report used by management correctly aged stock-in-trade items by agreeing a sample of aged stock-in-trade items to the last recorded invoice. • On a sample basis, we tested the net realizable value of stock-in-trade items to recent selling prices and re-performed the calculation of the stock-in-trade write down, if any. • We assessed the percentage write down applied to older stock-in-trade with reference to historic stock-in-trade write downs and recoveries on slow moving stock-in-trade. • In the context of our testing of the calculation, we analysed individual cost components and traced them back to the corresponding underlying documents. We furthermore challenged changes in unit costs. • We also made inquires of management, including those outside of the finance function, and considered the results of our testing above to determine whether any specific write downs were required.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore

Date: 21 September 2026

UDIN: AR202610158NL1I3SrHA

CONSOLIDATED STATEMENT OF **FINANCIAL POSITION**

As at 30 June 2026

	Note	2026 Rupees	2025 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
150,000,000 (2025: 150,000,000) ordinary shares of Rupees 10 each		1,500,000,000	1,500,000,000
Issued, subscribed and paid-up share capital	4	1,392,048,000	1,392,048,000
Capital reserve - share premium	5	1,441,697,946	1,441,697,946
Capital reserve - surplus on revaluation of freehold land	6	2,076,539,748	2,214,713,998
Revenue reserve - un-appropriated profit		1,774,554,469	1,076,599,030
Total equity		6,684,840,163	6,125,058,974
LIABILITIES			
Non-current liabilities			
Long term financing	7	750,259,137	422,694,812
Lease liabilities	8	330,465,373	365,994,276
Long term deposits	9	26,000,000	26,000,000
Deferred liabilities	10	275,198,378	158,333,267
		1,381,922,888	973,022,355
Current liabilities			
Trade and other payables	11	3,892,256,275	3,424,661,525
Contract liabilities - un-secured		49,714,306	98,699,643
Accrued mark-up / profit	12	77,183,965	63,829,553
Short term borrowings	13	2,891,043,596	2,352,877,670
Current portion of non-current liabilities	14	262,306,054	235,898,930
Unclaimed dividend		5,299,202	5,372,861
		7,177,803,398	6,181,340,182
Total liabilities		8,559,726,286	7,154,362,537
Contingencies and commitments	15		
TOTAL EQUITY AND LIABILITIES		15,244,566,449	13,279,421,511
ASSETS			
Non–current assets			
Fixed assets	16	6,893,493,941	6,662,504,508
Right-of-use assets	17	346,398,131	438,073,505
Intangible assets	18	397,499	5,229,515
Long term security deposits	19	26,188,050	19,931,951
Long term loans to employees	20	231,512	1,116,772
		7,266,709,133	7,126,856,251
Current assets			
Stores	21	145,846,988	100,551,505
Stock-in-trade	22	3,251,441,379	2,791,955,568
Trade debts	23	1,988,018,574	1,315,356,996
Loans and advances	24	1,069,355,170	447,576,236
Short term deposits and prepayments	25	32,786,696	42,925,735
Other receivables	26	732,043,007	350,572,008
Advance income tax and prepaid levy - net	27	296,471,521	298,762,187
Accrued interest		13,102	10,052
Short term investments	28	234,147,953	240,351,519
Cash and bank balances	29	82,732,926	154,503,454
		7,832,857,316	5,742,565,260
Non-current assets classified as held for sale	30	145,000,000	410,000,000
		7,977,857,316	6,152,565,260
TOTAL ASSETS		15,244,566,449	13,279,421,511

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

Chief Executive | Director | Chief Financial Officer

CONSOLIDATED STATEMENT OF **PROFIT OR LOSS**

For the year ended 30 June 2026

	Note	2026 Rupees	2025 Rupees
GROSS REVENUE FROM CONTRACTS WITH CUSTOMERS	31	41,134,773,280	36,378,368,093
Discounts		(954,652,580)	(500,531,587)
Sales tax		(2,596,915,593)	(2,369,339,396)
NET REVENUE FROM CONTRACTS WITH CUSTOMERS		37,583,205,107	33,508,497,110
COST OF SALES	32	(33,917,180,348)	(30,430,628,415)
GROSS PROFIT		3,666,024,759	3,077,868,695
DISTRIBUTION COST	33	(1,319,321,090)	(1,249,100,144)
ADMINISTRATIVE EXPENSES	34	(1,061,603,558)	(1,044,222,129)
OTHER EXPENSES	36	(208,609,772)	(142,262,071)
		(2,589,534,420)	(2,435,584,344)
OTHER INCOME	37	311,391,850	275,139,568
PROFIT FROM OPERATIONS		1,387,882,189	917,423,919
FINANCE COST	38	(492,037,093)	(594,995,113)
PROFIT BEFORE LEVY AND TAXATION		895,845,096	322,428,806
LEVY	39	(10,568,736)	(171,654,910)
PROFIT BEFORE TAXATION		885,276,360	150,773,896
TAXATION	40	(412,320,921)	(48,966,101)
PROFIT AFTER TAXATION		472,955,439	101,807,795
EARNINGS PER SHARE - BASIC AND DILUTED	41	3.40	0.73

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

Chief Executive | Director | Chief Financial Officer

CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

For the year ended 30 June 2026

	2026 Rupees	2025 Rupees
PROFIT AFTER TAXATION	472,955,439	101,807,795
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Surplus on revaluation of freehold land	86,825,750	101,739,250
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the year	86,825,750	101,739,250
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	559,781,189	203,547,045

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

Chief Executive | Director | Chief Financial Officer

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

For the year ended 30 June 2026

	Share capital	Reserves				Total reserves	Total equity
		Capital reserves			Revenue reserve		
		Share premium	Surplus on revaluation of freehold land	Sub Total	Un-appropriated Profit		
	Rupees						
Balance as at 30 June 2024	1,392,048,000	1,441,697,946	2,112,974,748	3,554,672,694	974,791,235	4,529,463,929	5,921,511,929
Profit for the year	-	-	-	-	101,807,795	101,807,795	101,807,795
Other comprehensive income for the year	-	-	101,739,250	101,739,250	-	101,739,250	101,739,250
Total comprehensive income for the year	-	-	101,739,250	101,739,250	101,807,795	203,547,045	203,547,045
Balance as at 30 June 2025	1,392,048,000	1,441,697,946	2,214,713,998	3,656,411,944	1,076,599,030	4,733,010,974	6,125,058,974
Profit for the year	-	-	-	-	472,955,439	472,955,439	472,955,439
Other comprehensive income for the year	-	-	86,825,750	86,825,750	-	86,825,750	86,825,750
Total comprehensive income for the year	-	-	86,825,750	86,825,750	472,955,439	559,781,189	559,781,189
Transferred from surplus on revaluation on disposal of freehold land classified as 'non-current asset held for sale'	-	-	(225,000,000)	(225,000,000)	225,000,000	-	-
Balance as at 30 June 2026	1,392,048,000	1,441,697,946	2,076,539,748	3,518,237,694	1,774,554,469	5,292,792,163	6,684,840,163

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

Chief Executive | Director | Chief Financial Officer

CONSOLIDATED STATEMENT OF **CASH FLOWS**

For the year ended 30 June 2026

	Note	2026 Rupees	2025 Rupees
Cash flows from operating activities			
Cash generated from operations	42	227,773,018	979,449,194
Finance cost paid		(443,453,460)	(607,855,888)
Income tax paid		(286,958,143)	(210,412,314)
Workers' profit participation fund paid	11.3	(193,062,513)	-
Workers' welfare fund paid	11.4	(2,714,919)	-
Long term loans to employees - net		885,260	934,164
(Increase) / decrease in long term security deposits		(28,257,721)	20,444,925
Increase in long term deposits		-	11,000,000
Net cash (used in) / generated from operating activities		(725,788,478)	193,560,081
Cash flows from investing activities			
Capital expenditure on fixed assets		(696,229,190)	(535,622,383)
Capital expenditure on intangible assets		-	(2,777,527)
Proceeds from disposal of fixed assets		235,011,102	15,705,735
Proceeds from disposal of non-current assets classified as held for sale		250,000,000	-
Short term investments made		(14,804,475)	(22,963,811)
Short term investments disposed of		23,000,000	6,000,000
Dividends received		21,581,505	31,398,163
Profit on bank deposits received		991,959	9,518,151
Net cash used in investing activities		(180,449,099)	(498,741,672)
Cash flows from financing activities			
Short term borrowings - net		538,165,926	288,634,996
Dividend paid		(73,659)	(316,556)
Long term financing obtained		499,989,668	-
Repayment of long term financing		(86,975,012)	(78,036,139)
Repayment of lease liabilities		(116,639,874)	(161,909,701)
Net cash from financing activities		834,467,049	48,372,600
Net decrease in cash and cash equivalents		(71,770,528)	(256,808,991)
Cash and cash equivalents at beginning of the year		154,503,454	411,312,445
Cash and cash equivalents at end of the year	29	82,732,926	154,503,454

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

Chief Executive | Director | Chief Financial Officer

1. THE GROUP AND ITS OPERATIONS

The Group consists of:

Holding Company

Hi-Tech Lubricants Limited

Subsidiary Company

Hi-Tech Blending (Private) Limited

1.1 Hi-Tech Lubricants Limited ("the Holding Company") was incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited. The registered office of the Holding Company is situated at 1-A, Danepur Road, GOR-1, Lahore. The principal activity of the Holding Company is to procure and distribute lubricants and petroleum products. During the year ended 30 June 2017, Oil and Gas Regulatory Authority (OGRA) granted license to the Holding Company to establish an Oil Marketing Company (OMC), subject to some conditions. On 31 May 2019, Oil and Gas Regulatory Authority (OGRA) has granted permission to the Holding Company to operate new storage facility at Sahiwal and marketing of petroleum products in the Province of Punjab. On 20 January 2020, the Holding Company has started marketing and sale of petroleum products. On 21 February 2020, OGRA has granted permission to the Holding Company to apply for No Objection Certificates (NOCs) from concerned departments to setup petrol pumps in Khyber Pakhtunkhwa Province. On 09 August 2021, OGRA has acknowledged the satisfactory completion of oil storage facility at Nowshera, Khyber Pakhtunkhwa . On 13 January 2022, OGRA has further extended / renewed the provisional license for setting up of an OMC upto 31 December 2023. On 16 March 2023, OGRA has granted permission to the Holding Company to operate new storage facility at Nowshehra and marketing of petroleum products in the province of Khyber Pakhtunkhwa. On 21 December 2023, OGRA has further extended / renewed the provisional license for setting up of an OMC upto 31 December 2025. On 30 December 2025, OGRA has further extended / renewed the provisional license for setting up of an OMC upto 31 December 2027.

1.2 Hi-Tech Blending (Private) Limited

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

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

Business units	Address
Registered and head office	1-A, Danepur Road, GOR-1, Lahore
Regional office – Karachi	House No. F-4/1, Block-4, KDA Scheme No. 5, Kehkashan Clifton, Karachi
Regional office – Islamabad	Office No. 501-505, Plot No. 4, New Blue Area, Pakland Tower-2, Islamabad
Regional office – Multan	House No. 95, Block C, Phase III, Model Town, Multan
Regional office – Peshawar	Office No. 280, 3rd Floor, Deans Trade Centre, Islamia Road, Peshawar
Customs bonded warehouse	7-KM, Sundar Raiwind Road, Bhai Kot, Lahore
Blending plant and warehouse	7-KM, Sundar Raiwind Road, Bhai Kot, Lahore
Oil Depot – OMC Project	Mouza No. 107/9L, Sahiwal
OMC Project office	House No. 57 C-1, Gulberg III, Lahore
Oil Depot – OMC Project	Mouza Aza Khel Bala, Nowshera
Oil Depot – Extension	Mouza Aza Khel Payan, Nowshera
HTL Express Centre	Dharampura, Lahore
HTL Express Centre	Garden Town, Lahore
HTL Express Centre	Johar Town, Lahore
HTL Express Centre	Gulistan-e-Johar, Karachi
HTL Express Centre	Askari XIV, Sector – A, Rawalpindi
HTL Express Centre	Khudadaad Colony, Karachi
HTL Express Centre	Sadi Town, Karachi

Business units	Address
HTL Express Centre	Bahria Town, Lahore
Punjab Filling Station	Main Satiana Road, Faisalabad
Green Fuel CNG	1-KM, G.T. Road, Lalamusa
Ettehad Filling Station	Circular Road, Daska
A.B. Petroleum Filling Station	Tehsil Liaqatpur, Rahim Yar Khan
Jillani CNG	Lehtrar Road, Islamabad
Dasti Filling Station	Jampur Road, Dera Ghazi Khan
Rehman Filling Station	Chistian Road, Hasilpur
Al-Fazal Filling Station	Sargodha Road, Jhang
Karma Wala-1 Filling Station	Shahkot Road, Jaranwala
Raja Adeel Filling Station	Arifwala Road, Arifwala
Al Karam Filling Station	Shamkay Bhattian, Lahore
Green City Fuel Station	Hasilpur Road, Bahawalpur
Khokhar Fuel Station	Small Industrial Estate, Jinnah Road, Gujranwala
Minhas CNG	Multan Road, Lahore
Rana Petroleum	Faisalabad Road, Okara
Mudassir Zulfiqar Filling Station	Makhdoom Rasheed, Multan
Benzina ll Filling Station	Benazir Road, Okara
Nambardar Petroleum Service	Rawalpindi Road, Chakwal
Suntrust CNG	Millat Road, Faisalabad
Meezan Filling Station	Jhang Road, Toba Tek Singh
Bahadur Filling Station	Mouza Ismail Khani, Bannu
M Nawaz Filling Station	Main Darban Road, Dera Ismail Khan
Tanoli Filling Station	Mouza Ghanda, Nawab Road, Mansehra
Rahat Filling Station	Saidu Shareef Road, Tehsil Babuzai, Swat
Arab Emirate Filling Station	Mouza Bandi, Tehsil Khawaja Khela, Swat
Rashid Khan Filling Station	Mouza Qambar-192, Tehsil Babuzai, Swat
Al Rehman Filling Station	Mouza Ismail Khani, Bannu
Naik Muhammad Filling Station	Near Bybass Thana, District Malakand
Big Khan Filling Station	Hajiabad Malakand University Road, Chakdara
Ghuman Brothers Filling Station	Plot 105, Block K, Gulberg 3, Lahore
Khalifa Filling Station	Jhang Road, Gojra
Al Sheikh Filling Station	Main G.T Road, Gujrat
Moon CNG Filling Station	Mouza Humak, Islamabad
Aabroo Petroleum & CNG	Jaranwala-Khurianwala Road, Jaranwala
Abbasi & Khan Traders	Gujjar Kohala, Dhirkot
AL Mustafa Filling Station	Qaziwala Road, Chishtian
Shah Sardar Petroleum	Mouza Dham Thor, Murree Road, Abbottabad
Shams Petroleum Service	E-35, Hazara Expressway
Roshan Filling Station	Farooqbad Road, Sheikhupura
Chawinda Filling Station	Khawaja Safdar Road, Sialkot
Jan Muhammad Filling Station	Ekka Ghund, Mohammand
Phandu Filling Station	Phandu Road, Umar Road, Peshawar
Four Star CNG Filling Station	Mardan Swabi Road, Bughdada
Hussain Filling Station	Near Shah Alam Pull, Charsada Road, Peshawar
Attock CNG & Filling Station	Iqbal Chowk, Choi East Attock City, Attock

Business units	Address
Masha Allah CNG	M.C.C Kamra Road, Attock
Al Yousaf CNG Filling Station	Link Jail Road, Jhang
Ekhwan Petroleum	Peshawar Road, Charsadda
Nawaz Filling Station	Tehsil Tara Khal, Sahdnoti
Power Gas CNG & Filling Station	GT Road, Mouza Dheri Katti Khel, Nowshera
Hill Top Filling Station	Tehsil Tara Khal, Sahdnoti
HTL-TWO Fuel Station	Main Ferozepur Road, Lahore
HTL - ONE Fuel Station	Plot No. 2, Block K, Main Boulevard, Gulberg-II, Lahore
Lali Sons Filling Station	Faisalabad Road, Lalian
Al Haj CNG & Filling Station	University Road, Peshawar
Friends CNG & Filling Station	Khayabani Villa, Chakri Road Rawalpindi
Shayan 3 Filling Station	Muslim town, Peshawar
Ibrahim Hussain Filling Station	Mahol, Chakwal
Salman Filling Station	Chak Shahbaz Garhi Road, Mardan
Al Shams Petroleum Service	Swabi Road, Swabi

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 Basis of preparation

a) Statement of compliance

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

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of, directives and notifications issued under the Companies Act, 2017.

Where provisions of, directives and notifications issued under the Companies Act, 2017 differ from the IFRS Accounting Standards, the provisions of, directives and notifications issued under the Companies Act, 2017 have been followed.

b) Accounting convention

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

c) Critical accounting estimates and judgments

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

Income Tax and Levy

In making the estimates for income tax and levy currently payable by the Group, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

Useful lives, pattern of economic benefits and impairment

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Group. Further, the Group reviews the value of the assets for possible impairments on an annual basis. If such

indication exist assets recoverable amount is estimated in order to determine the extent of impairment loss, if any. Any change in the estimates in the future might affect the carrying amount of respective item of operating fixed assets and intangible assets, with a corresponding effect on the depreciation charge and impairment.

Inventories

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

Allowance for expected credit losses

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

Revenue from contracts with customers involving sale of goods

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

Provisions

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

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

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

Recovery of deferred income tax assets

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

Classification of investments

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

Contingencies

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

Revaluation of freehold land and investment property classified as held for sale

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

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

Following amendments to published approved accounting standard are mandatory for the Group's accounting periods beginning on or after 01 July 2025:

- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' – Lack of Exchangeability.

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

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

There are amendments to published approved accounting standards that are mandatory for accounting periods beginning on or after 01 July 2025 but are considered not to be relevant or do not have any significant impact on the Group's financial statements and are therefore not detailed in these consolidated financial statements.

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

Following standards, amendments and improvements to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 01 July 2026 or later periods:

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

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

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

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

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

Amendment to IFRS 7 — 'Financial Instruments: Disclosures' and IFRS 9 — 'Financial Instruments – Classification and Measurement of Financial Instruments' (effective for annual reporting periods beginning on or after 01 January 2026). These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; clarify and add further guidance for assessing whether a financial asset meets the SPPI criterion; add new disclosures for certain instruments with contractual terms that can change cash flows; and make updates to the disclosures for equity instruments designated at FVTOCI.

Amendment to IFRS 7 — 'Financial Instruments: Disclosures' and IFRS 9 — 'Financial Instruments – Contracts Referencing Nature–dependent Electricity' (effective for annual reporting periods beginning on or after 01 January 2026). These amendments change the 'own use' and hedge accounting requirements of IFRS 9 and include targeted disclosure requirements to IFRS 7.

Disclosures about Uncertainties in the Financial Statements (Illustrative Examples). Illustrative examples are not an integral part of standards and, therefore, do not have an effective date.

On 13 November 2025, the International Accounting Standards Board (IASB) issued Translation to a Hyperinflationary Presentation Currency (effective for annual reporting periods beginning on or after 1 January 2027), which amended IAS 21, The Effects of Changes in Foreign Exchange Rates. The amendments specify the translation procedures to be applied by an entity whose presentation currency is the currency of a hyperinflationary economy. The amendments also introduce additional disclosure requirements to enable users of financial statements to understand the effects of translating financial information into a hyperinflationary presentation currency.

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' (effective for annual periods beginning on or after 01 January 2027). This new standard works alongside other IFRS Accounting Standards. Under IFRS 19, an eligible subsidiary applies the requirements of other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if: it does not have public accountability; and it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. IFRS 19 is a voluntary IFRS Accounting Standard that eligible subsidiaries can apply when preparing their own consolidated, separate or individual financial statements. These subsidiaries will continue to apply the recognition, measurement and presentation requirements in other IFRS Accounting Standards, but they can replace the disclosure requirements in those standards with reduced disclosure requirements.

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

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

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

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

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2026 but are considered not to be relevant or do not have any significant impact on the consolidated financial statements and are therefore not detailed in these consolidated financial statements.

2.2 Consolidation

Subsidiary

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

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

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

2.3 Fixed assets

Operating fixed assets except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Cost of operating fixed assets consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable costs of bringing the asset to working condition. Freehold land is stated at revalued

amount less any identified impairment loss. Capital work-in-progress are stated at cost less any recognized impairment loss. All expenditure connected with specific assets incurred during installation and construction periods are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

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

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

Depreciation

Depreciation is charged to consolidated statement of profit or loss by applying the reducing balance method whereby cost of an asset is written off over its estimated useful life at the rates given in Note 16.1. Depreciation on additions is charged for the full month in which the asset is available for use and on deletion up to the month immediately preceding the deletion.

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

De-recognition

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

2.4 Intangible assets

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

2.5 Right-of-use assets

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

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

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

2.6 Lease liabilities

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

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

2.7 Foreign currency transactions and translation

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

2.8 Inventories

2.8.1 Stores

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

2.8.2 Stock-in-trade

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

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

(i) For raw material: Weighted average basis

(ii) For work-in-process and finished goods: Average manufacturing cost including a portion of production overheads.

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

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

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

2.9 Investments and other financial assets

a) Classification

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

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

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

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

b) Measurement

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

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

Debt instruments

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

Amortized cost

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

Fair value through other comprehensive income (FVTOCI)

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

Fair value through profit or loss (FVTPL)

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

Equity instruments

The Group subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2). Fair value is determined using valuation techniques that incorporate significant inputs not based on observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

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

Fair value through profit or loss

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

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

2.10 Financial Liabilities - classification and measurement

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

2.11 Impairment of financial assets

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2.12 De-recognition of financial assets and financial liabilities

a) Financial assets

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

b) Financial liabilities

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

2.13 Impairment of non-financial assets

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

2.14 Cash and cash equivalents

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

2.15 Provisions

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

2.16 Taxation and Levy

Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. Final taxes levied under the Income Tax Ordinance, 2001 and any excess over the amount designated as provision for current tax are charged as levy in consolidated statement of profit or loss. Tax (final tax) deducted by subsidiaries, associates or joint arrangements on distribution of dividend to the Company is charged as current tax in the consolidated statement of profit or loss. The charge for current tax and levy also includes adjustments, where considered necessary, to provision for tax and levy made in previous years arising from assessments framed during the year for such years.

Deferred

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

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

Group taxation adjustments

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

2.17 Borrowings

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

2.18 Borrowing costs

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

2.19 Trade and other receivables

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

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

2.20 Trade and other payables

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

2.21 Revenue recognition

(a) Sale of goods

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

(b) Interest

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

(c) Dividend

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

(d) Rental income

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

(e) Other income

Other revenue is recognised when it is received or when the right to receive payment is established.

2.22 Contract assets

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

2.23 Customer acquisition costs

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

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

2.24 Customer fulfilment costs

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

2.25 Right of return assets

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

2.26 Contract liabilities

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

2.27 Refund liabilities

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

2.28 Contingent liabilities

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

2.29 Government grants

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

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

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

2.30 Segment reporting

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

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

The Group has following reportable business segments:

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

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

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

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

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

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

2.32 Investment property

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

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

3 SUMMARY OF OTHER ACCOUNTING POLICIES

3.1 Functional and presentation currency

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

3.2 Employee benefits

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

3.3 Offsetting of financial instruments

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

3.4 Ijarah contracts

Under the Ijarah contracts the Group obtains usufruct of an asset for an agreed period for an agreed consideration. The Group accounts for

its Ijarah contracts in accordance with the requirements of IFAS 2 'Ijarah'. Accordingly, the Group as a Mustaj'ir (lessee) in the Ijarah contract recognises the Ujrah (lease) payments as an expense in the profit or loss on straight line basis over the Ijarah term.

3.5 Contingent assets

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

3.6 Dividend and other appropriations

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

3.7 Earnings per share

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

3.8 Share capital

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

4. ISSUED, SUBSCRIBED AND PAID–UP SHARE CAPITAL

2026	2025		2026	2025
(Number of shares)			Rupees	Rupees
41,002,000	41,002,000	Ordinary shares of Rupees 10 each fully paid-up in cash	410,020,000	410,020,000
25,000,000	25,000,000	Ordinary shares of Rupees 10 each issued as fully paid for consideration other than cash (Note 4.2)	250,000,000	250,000,000
73,202,800	73,202,800	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	732,028,000	732,028,000
139,204,800	139,204,800		1,392,048,000	1,392,048,000

4.1 993,330 (2025: 993,330) ordinary shares of the Holding Company are held by SK On Co., Ltd. (formerly SK Enmove Co., Ltd.) - principal supplier and long term partner.

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

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

5. CAPITAL RESERVE - SHARE PREMIUM

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

	2026 Rupees	2025 Rupees
6. CAPITAL RESERVE - SURPLUS ON REVALUATION OF FREEHOLD LAND		
As at 01 July	2,214,713,998	2,112,974,748
Add: Surplus on revaluation of freehold land	86,825,750	101,739,250
Less: Transferred to un-appropriated profit on disposal of freehold land classified as 'non-current asset held for sale'	(225,000,000)	-
As at 30 June	2,076,539,748	2,214,713,998
7. LONG TERM FINANCING		
From banking company - secured		
Long term loans (Note 7.1)	836,447,642	506,982,031
Long term musharakah (Note 7.2)	83,549,045	-
Less: Current portion shown under current liabilities (Note 14)	(169,737,550)	(84,287,219)
	750,259,137	422,694,812

	LENDER	2026	2025	RATE OF INTEREST / PROFIT	NUMBER OF INSTALLMENTS	INTEREST / PROFIT REPRICING	INTEREST / PROFIT PAYABLE	SECURITY
7.1	**Long term loans**							
	Subsidiary Company							
	Bank AL-Habib Limited (Note 7.3)	217,893,000	255,065,925	SBP rate for TERF + 3.00%	Two hundred and thirty five unequal quarterly installments commenced from 08 May 2023 and ending on 01 November 2031.	-	Quarterly	These loans and short term borrowings are secured against first parri passu hypothecation charge for Rupees 1,334 million over current assets and Rupees 610 million over plant and machinery of the Subsidiary Company, first parri passu mortgage charge of Rupees 650 million over land and building of the Subsidiary Company, trust receipt, exclusive charge for Rupees 80 million over plant and machinery of solar power plant, exclusive charge for Rupees 163 million over imported plant and machinery of the Subsidiary Company, personal guarantees of all directors of the Subsidiary Company and corporate guarantee of Holding Company amounting to Rupees 2,000 million.
	Bank AL-Habib Limited (Note 7.3)	118,901,257	138,426,081	SBP rate for TERF + 4.00%	One hundred and twenty six unequal quarterly installments commenced from 13 October 2023 and ending on 16 December 2031.	-	Quarterly	
		336,794,257	393,492,006					
	Bank AL-Habib Limited (Note 7.4)	28,468,329	32,156,558	SBP rate for renewable energy financing scheme + 2.50%	One hundred and seventeen unequal quarterly installments commenced from 20 July 2022 and ending on 03 June 2032.	-	Quarterly	
	Bank AL-Habib Limited (Note 7.5)	61,000,133	81,333,467	3 months KIBOR + 1.25% per annum	Twenty four equal quarterly installments commenced from 18 August 2023 and ending on 18 May 2029.	Quarterly	Quarterly	

	LENDER	2026	2025	RATE OF INTEREST / PROFIT	NUMBER OF INSTALLMENTS	INTEREST / PROFIT REPRICING	INTEREST / PROFIT PAYABLE	SECURITY
	Askari Bank limited (Note 7.5)	410,184,923	-	3 months KIBOR + 0.8% per annum	Eighteen unequal quarterly installments commenced from 13 March 2026 and ending on 01 January 2031.	Quarterly	Quarterly	This loan is secured against a first pari passu charge of Rupees 200 million over all present and future fixed assets, third-ranking charge of Rupees 200 million over all present and future fixed assets, personal guarantees of all directors of the Subsidiary Company and a first pari passu charge of Rupees 750 million over commercial property of Holding Company.
7.2	**Long term musharakah**							
	Holding Company							
	First Habib Modaraba (Note 7.6)	71,685,521	-	3 months KIBOR + 1%	Sixty unequal monthly installments commenced on 05 January 2026 and ending on 05 December 2030.	Quarterly	Monthly	These are secured against vehicles of Holding Company amounting to Rupees 86.089 million and a promissory note amounting to Rupees 103.763 million in favour of First Habib Modaraba.
	First Habib Modaraba (Note 7.6)	11,863,524	-	3 months KIBOR + 0.95%	Sixty unequal monthly installments commenced on 10 April 2026 and ending on 10 March 2031.	Quarterly	Monthly	This loan is secured against vehicle of Holding Company amounting to Rupees 13.694 million and a promissory note amounting to Rupees 118.652 million in favour of First Habib Modaraba.
		919,996,687	506,982,031					

7.3 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'.

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

7.5 Effective rate of mark-up charged during the year ranged from 11.68% to 13.14% (2025: 13.34% to 21.47%) per annum.

7.6 Effective rate of profit charged during the year ranges from 11.68% to 12.79% (2025: Nil) per annum.

		2026 Rupees	2025 Rupees
8.	**LEASE LIABILITIES**		
	Total lease liabilities	405,705,755	498,182,554
	Less: Current portion shown under current liabilities (Note 14)	(75,240,382)	(132,188,278)
		330,465,373	365,994,276
8.1	**Reconciliation of lease liabilities is as follows:**		
	Opening balance	498,182,554	643,392,513
	Add: Additions during the year	119,871,293	53,229,486
	Add: Interest accrued during the year (Note 38)	59,208,705	77,876,059
	Less: Impact of lease terminations during the year	(95,708,218)	(36,529,744)
	Less: Payments made during the year	(175,848,579)	(239,785,760)
		405,705,755	498,182,554
	Less: Current portion shown under current liabilities (Note 14)	(75,240,382)	(132,188,278)
		330,465,373	365,994,276
8.2	**Maturity analysis of lease liabilities is as follows:**		
	Upto 6 months	73,678,896	102,990,568
	6-12 months	49,762,170	78,502,109
	1-2 years	106,875,628	114,685,693
	More than 2 years	502,736,447	608,976,070
		733,053,141	905,154,440
	Less: Future finance cost	(327,347,386)	(406,971,886)
	Present value of lease liabilities	405,705,755	498,182,554
8.3	**Amounts recognised in the consolidated statement of profit or loss:**		
	Interest accrued during the year (Note 38)	59,208,705	77,876,059
	Expense relating to low value leases (included in administrative expenses)	2,120,344	1,836,676
	Expense relating to leases of low-value assets (included in distribution cost)	10,222,706	7,108,252
	Total amount recognised in consolidated statement of profit or loss	71,551,755	86,820,987

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

8.5 Leases from banking companies are secured against the leased assets, personal guarantees of directors of the Holding Company and Subsidiary Company, corporate guarantee of the Holding Company and security deposits of Rupees 0.971 million (2025: Rupees 22.973 million).

9. LONG TERM DEPOSITS

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

	2026 Rupees	2025 Rupees
10. DEFERRED LIABILITIES		
Deferred income tax liability - net (Note 10.1)	239,622,131	105,981,283
Deferred income - Government grant (Note 10.2)	35,576,247	52,351,984
	275,198,378	158,333,267
10.1 Deferred income tax liability - net		
The net deferred income tax liability comprise of temporary differences relating to:		
Taxable temporary differences		
Accelerated tax depreciation and amortization	480,361,077	416,979,031
Right-of-use assets	104,002,652	127,041,316
Un-realized gain on FVTPL investments	970,302	-
	585,334,031	544,020,347
Deductible temporary differences		
Available unused tax losses	-	(14,714,778)
Unabsorbed tax depreciation	(166,168,334)	(213,572,459)
Allowance for expected credit losses	(2,309,646)	(3,879,977)
Provision for doubtful advances to suppliers	(1,559,609)	(913,305)
Turnover tax carried forward	(265,078,989)	(338,955,475)
Provision for slow moving and obsolete store items	(2,854,491)	(1,522,929)
Provision for slow moving and obsolete stock-in-trade	(4,734,707)	(7,276,413)
Lease liabilities	(117,654,669)	(145,728,759)
	(560,360,445)	(726,564,095)
Net deferred income tax liability / (asset)	24,973,586	(182,543,748)
Deferred income tax asset not recognized in these consolidated financial statements	214,648,545	288,525,031
Deferred income tax liability recognized in these consolidated financial statements	239,622,131	105,981,283

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

	2026		
	Opening balance	**Recognised in statement of profit or loss**	**Closing balance**
	Rupees		
Accelerated tax depreciation and amortization	416,979,031	63,382,046	480,361,077
Right-of-use assets	127,041,316	(23,038,664)	104,002,652
Un-realized gain on FVTPL investments	-	970,302	970,302
Unabsorbed tax depreciation	(213,572,459)	47,404,125	(166,168,334)
Available unused tax losses	(14,714,778)	14,714,778	-
Allowance for expected credit losses	(3,879,977)	1,570,331	(2,309,646)
Provision for doubtful advances to suppliers	(913,305)	(646,304)	(1,559,609)
Provision for slow moving and obsolete store items	(1,522,929)	(1,331,562)	(2,854,491)
Provision for slow moving and obsolete stock-in-trade	(7,276,413)	2,541,706	(4,734,707)
Lease liabilities	(145,728,759)	28,074,090	(117,654,669)
Turnover tax carry forward			
Available	(338,955,475)	73,876,486	(265,078,989)
Movement in deferred income tax not recognized	288,525,031	(73,876,486)	214,648,545
Deferred income tax recognized	(50,430,444)	-	(50,430,444)
	105,981,283	133,640,848	239,622,131

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

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

	Accounting year to which the tax credit relates	Amount	Accounting year in which tax credit will expire
		Rupees	
Turnover tax carried forward	2024	122,030,648	2027
	2025	143,048,341	2028
		265,078,989	

	Accounting year to which the loss relates	Amount	Accounting year in which loss will expire
		Rupees	
Available unused tax losses - unabsorbed tax depreciation	2023	273,753,651	Unlimited
	2024	299,240,604	Unlimited
		572,994,255	

	2026 Rupees	2025 Rupees
10.2 Deferred income - Government grant		
Opening balance	71,775,417	93,546,723
Less: Amortized during the year (Note 37)	(18,871,048)	(21,771,306)
Closing balance	52,904,369	71,775,417
Less: Current portion shown under current liabilities (Note 14)	(17,328,122)	(19,423,433)
	35,576,247	52,351,984

10.2.1 The State Bank of Pakistan (SBP), through its Circular No. 01 of 2020 dated 17 March 2020 introduced a Temporary Economic Refinance Facility (TERF) for setting of new industrial units. The refinance was available through Banks / DFIs. One of the key feature of the refinance facility was that borrowers could obtain loan at mark-up rates that are below normal lending rates. As per International Accounting Standard (IAS) 20 'Accounting for Government Grants and Disclosure of Government Assistance', the benefit of a Government loan at a below-market rate of interest is treated as a Government Grant. The Subsidiary Company has obtained this loan as disclosed in note 7 to the consolidated financial statements. In accordance with IFRS 9 'Financial Instruments' loan obtained under the refinance facility was initially recognized at fair value which is the present value of loan proceeds received, discounted using prevailing market rates of interest for a similar instrument. Hence, the benefit of the below-market rate of interest has been measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received. This benefit is accounted for and presented as deferred grant in accordance with IAS 20. The grant is being amortized in the consolidated statement of profit or loss, in line with the recognition of interest expense the grant is compensating.

		2026 Rupees	2025 Rupees
11.	**TRADE AND OTHER PAYABLES**		
	Creditors (Note 11.1)	2,975,074,947	2,488,227,781
	Accrued liabilities (Note 11.2)	224,835,379	201,354,259
	Infrastructure development cess payable	175,002,601	175,002,601
	Retention money payable	6,028,533	-
	Customs duty payable	58,292,744	71,556,601
	Petroleum development levy payable	54,144,250	58,113,570
	Climate support levy payable	2,457,581	-
	Income tax deducted at source	54,160,305	35,039,428
	Payable to employees' provident fund trust	11,786,238	7,033,444
	Workers' profit participation fund payable (Note 11.3)	136,908,163	273,997,991
	Workers' welfare fund payable (Note 11.4)	75,581,977	59,655,772
	Advance against sale of 'non-current asset classified as held for sale'	30,000,000	30,000,000
	Franchise fee received in advance	7,000,000	-
	Federal excise duty payable	80,983,557	24,680,078
		3,892,256,275	3,424,661,525

11.1 These include Rupees 1,333.700 million (2025: Rupees 1,286.659 million) payable to SK On Co., Ltd. (formerly SK Enmove Co., Ltd.) - principal supplier and long term partner.

11.2 This includes Rupees 84.045 million (2025: Rupees 65.215 million) payable against royalty to SK On Co., Ltd. (formerly SK Enmove Co., Ltd.) - principal supplier and long term partner.

		2026 Rupees	2025 Rupees
11.3	**Workers' profit participation fund payable**		
	Balance as on 01 July	273,997,991	204,019,336
	Add: Allocation for the year (Note 36)	24,960,903	33,989,644
	Add: Interest accrued for the year (Note 38)	31,011,782	35,989,011
		329,970,676	273,997,991
	Less: Payments made during the year	(193,062,513)	-
	Balance as on 30 June	136,908,163	273,997,991

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

		2026 Rupees	2025 Rupees
11.4	**Workers' welfare fund payable**		
	Opening balance	59,655,772	47,236,987
	Add: Allocation for the year (Note 36)	18,641,124	12,418,785
		78,296,896	59,655,772
	Less: Payment made during the year	(2,714,919)	-
	Closing balance	75,581,977	59,655,772
12.	**ACCRUED MARK-UP / PROFIT**		
	Long term financing	18,928,421	8,368,595
	Short term borrowings	58,255,544	55,460,958
		77,183,965	63,829,553

	2026 Rupees	2025 Rupees
13. SHORT TERM BORROWINGS		
From banking companies - secured		
- Holding Company		
Short term finances (Note 13.1 and Note 13.2)	1,202,341,715	1,618,958,452
- Subsidiary Company		
Short term finances (Note 13.3 and Note 13.4)	1,688,701,881	733,919,218
	2,891,043,596	2,352,877,670

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

13.2 The effective rates of mark-up ranged from 11.58% to 18.25% (2025: 12.23% to 22.99%) per annum.

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

13.4 The effective rates of mark-up ranged from 11.38% to 13.96% (2025:12.13% to 21.83%) per annum.

	2026 Rupees	2025 Rupees
14. CURRENT PORTION OF NON-CURRENT LIABILITIES		
Long term financing (Note 7)	169,737,550	84,287,219
Lease liabilities (Note 8)	75,240,382	132,188,278
Deferred income - Government grant (Note 10.2)	17,328,122	19,423,433
	262,306,054	235,898,930

15. CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

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

15.1.2 During the year ended 30 June 2018, assessment under section 161 and section 205 of the Income Tax Ordinance, 2001 for the tax year 2014 was finalized by the Deputy Commissioner Inland Revenue (DCIR) creating a demand of Rupees 18.207 million against the Holding Company. Being aggrieved, the Holding Company filed an appeal before the CIR(A) on 14 November 2017 who decided the case in favor of the Holding Company and reduced the total demand to Rupees 0.191 million which was duly paid by the Holding Company. 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 0.430 million. Further, ATIR remanded back the issue relating to default surcharge to assessing officer for fresh calculation. On 29 June 2026, DCIR passed an order to recover demand of Rupees 0.430 million and held that no default surcharge is payable by the Holding Company. On 30 June 2026, the Holding Company has duly paid the demand raised by DCIR.

15.1.3 Deputy Commissioner Inland Revenue (DCIR) passed an assessment order on 28 November 2018 under section 161 and section 205 of the Income Tax Ordinance, 2001 for the tax year 2015 whereby a demand of Rupees 22.358 million has been raised. 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, ATIR dismissed the department's appeal and upheld the relief provided by CIR(A). ATIR also dismissed the Holding Company's appeal on 25 August 2025 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 Holding Company's management has filed 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 Holding Company's management, based on the advice of the legal counsel, is confident of favorable outcome of the matter.

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

15.1.5 On 24 March 2022, the Deputy Commissioner Inland Revenue (DCIR) passed 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 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 assessing officer for fresh consideration. Against the order of CIR(A), the Holding Company has filed an appeal before ATIR, which is pending adjudication. No provision has been recognized in these consolidated financial statements, as the Holding Company's management, based on advice of the tax advisor, is confident of favorable outcome of the matter.

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

15.1.7 During the year ended 30 June 2020, Deputy Commissioner Inland Revenue (DCIR) issued a notice to recover an amount of Rupees 21.124 million against super tax for the tax year 2019 under section 4B of the Income Tax Ordinance, 2001. 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 Holding Company's management, based on advise of the tax advisor, is confident of favourable outcome of the matter. Therefore, no provision has been recognized in these consolidated financial statements.

15.1.8 On 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 Holding Company preferred an appeal before CIR(A) on 11 April 2022. On 31 May 2022, CIR(A) provided partial relief to the Holding Company. However, sales tax default in respect of certain issues was upheld by CIR(A). Being aggrieved with the order of CIR(A), the Holding Company and tax deparment filed appeals before ATIR. On 07 December 2022, ATIR accepted the Holding Company's stance in respect of all matters except for imposition of penalty and default surcharge relating to late filing of sales

tax returns and late payment of due sales tax liability. No legal proceedings against the order passed by ATIR have been initiated by the department yet.

15.1.9 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 Holding Company preferred an appeal before CIR(A) on 22 March 2022. On 27 May 2022, CIR(A) provided partial relief to the Holding Company. However, sales tax default in respect of certain issues was upheld by CIR(A). Being aggrieved with the order of CIR(A), the Holding Company and tax department filed appeals before ATIR. On 07 December 2022, ATIR accepted the Holding Company's stance in respect of all matters except for imposition of penalty and default surcharge relating to late filing of sales tax returns and late payment of due sales tax liability. On 12 December 2024, ATIR disposed of the appeal filed by tax department and remanded back the case to assessing officer for fresh consideration. Being aggrieved with the order of ATIR, the Holding Company 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 Holding Company's management, based on advise of the legal advisor, is confident of favourable outcome of the matter. Therefore, no provision has been recognized in these consolidated financial statements.

15.1.10 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 Holding Company's management, based on advise of tax advisor, is confident of favorable outcome of the matter. Therefore, no provision has been recognized in these consolidated financial statements.

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

15.1.12 On 19 February 2026, Additional Commissioner Inland Revenue (ACIR) passed an assessment order under section 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2020 whereby a demand of Rupees 18.915 million has been raised against the Holding Company on account of application of turnover tax at reduced rate. On 17 March 2026, the Holding Company filed an appeal before CIR(A) against the order of ACIR which is pending adjudication. The Holding Company's management, based on advice of the tax advisor, is confident of favorable outcome of the matter. Therefore, no provision has been recognized in these consolidated financial statements.

15.1.13 On 17 July 2026, subsequent to the reporting period, Additional Commissioner Inland Revenue (ACIR) passed an assessment order under section 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2023 whereby a demand of Rupees 59.987 million has been raised against the Holding Company on account of application of turnover tax at reduced rate. On 11 August 2026, subsequent to the reporting period, the Holding Company filed an appeal before CIR(A) against the order passed by ACIR which is pending adjudication. The Holding Company's management, based on advice of the tax advisor, is confident of favorable outcome of the matter. Therefore, no provision has been recognized in these consolidated financial statements.

15.1.14 On 18 March 2024, Deputy Commissioner Inland Revenue (DCIR) passed an order under section 11 of the Sales Tax Act, 1990 for tax periods from July 2018 to June 2019 creating a demand of Rupees 405.983 million along with default surcharge and penalty on the issue of difference between value of closing stocks as per the Holding Company's financial statements and the amount adopted in sales tax declaration. Against the aforesaid order, the Holding Company preferred an appeal before CIR(A). However, consequent to amendments introduced through the Tax Laws (Amendment) Act, 2024, the appeal was transferred to ATIR .On 10 September 2024, ATIR decided the case in favor of the Holding Company. Being aggrieved with the order of ATIR, the tax department filed an appeal before Honourable Lahore High Court, Lahore which is pending for hearing. The Holding Company's management, based on advice of the tax advisor, is confident of favorable outcome of the matter. Therefore, no provision has been recognized in these consolidated financial statements.

15.1.15 On 31 March 2018, Deputy Commissioner Inland Revenue (DCIR) passed an assessment order under section 161 and 205 of the Income tax Ordinance, 2001 for the tax year 2013 whereby a demand of Rupees 7.814 million including default surcharge has been raised against the Holding Company on account of non / short deduction of withholding tax in respect of stock given under sales promotional scheme. On 06 April 2018, the Holding Company filed an appeal before CIR(A) against the order of DCIR. On 19 June 2018, CIR(A) decided the appeal in favor of the Holding Company. On 16 August 2018, tax department filed an appeal before ATIR against the order passed by CIR(A). On 20 May 2024, ATIR remanded back the case to assessing officer for fresh consideration. On 15 June 2026, tax department initiated the remand back proceedings in accordance with the directives of ATIR. On 29 June 2026, DCIR raised a demand of Rupees 4.890 million. On 02 July 2026, subsequent to the reporting period, the Holding Company filed an appeal before CIR(A) against the order passed by DCIR which is pending adjudication. The Holding Company's management, based on the advice of tax advisor, is confident of favorable outcome of the matter. Therefore, no provision has been recognized in these consolidated financial statements.

15.1.16 On 03 March 2026, Additional Commissioner Inland Revenue (ACIR) passed an assessment order under section 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2021 whereby a demand of Rupees 15.708 million has been raised against the Holding Company on account of various issues. On 17 March 2026, the Holding Company filed an appeal before CIR(A) against the order of ACIR which is pending adjudication. The Holding Company's management, based on advice of the tax advisor, is confident of favorable outcome of the matter. Therefore, no provision has been recognized in these consolidated financial statements.

15.1.17 On 11 June 2026, Deputy Commissioner Inland Revenue (DCIR) passed an order under section 205 of the Income Tax Ordinance, 2001 for the tax year 2022 whereby a demand of Rupees 23.725 million on account of default surcharge relating to late payment of super tax has been raised against the Holding Company. Being aggrieved with the order, the Holding Company has filed an appeal before CIR(A) on 23 June 2026 which is pending adjudication. The Holding Company's management, based on advice of the tax advisor, is confident of favorable outcome of the matter. Therefore, no provision has been recognized in these consolidated financial statements.

15.1.18 On 21 July 2026, subsequent to the reporting period, the Holding Company has received a show cause notice from the Collector of Customs (Adjudication) alleging repeated mis-declarations and removal of bonded petroleum products without payment of leviable duties/taxes/levies amounting to Rupees 116.753 million during the period from 01 January 2024 to 30 June 2026. The Holding Company's management is in the process of filing reply of the aforementioned show cause notice. Based on advice of the legal advisor, the Holding Company's management is confident of favorable outcome of the matter. Therefore, no provision has been recognized in these consolidated financial statements.

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

15.1.20 On 04 February 2022, Deputy Commissioner Inland Revenue (DCIR) passed an order under section 11 of the Sales Tax Act, 1990 for tax periods November 2019 and March 2020 creating a demand of Rupees 2.040 million on account of disallowance of input sales tax on building materials alongwith default surcharge and penalty against the Subsidiary Company. The Subsidiary Company filed an appeal before the CIR(A) on 02 March 2022 against the order of DCIR. CIR(A) through its order dated 31 May 2022 upheld the decision of DCIR. Being aggrieved with the order of CIR(A), the Subsidiary Company filed an appeal before ATIR on 08 June 2022 who vide its order dated 17 November 2022 decided the case against the Subsidiary Company. However, the Subsidiary Company filed a rectification application against the aforesaid decision of ATIR on account of Subsidiary Company's name wrongly mentioned in the decision alongwith challenging the grounds of decision addressed by ATIR. On 15 June 2023, ATIR accepted the Subsidiary Company's stance in rectification application and also directed to re-start the proceedings afresh. On 13 June 2025, ATIR remanded back the matter to the department for adjudication

afresh. On 28 August 2025, the Subsidiary Company received a notice to initiate the remand back proceedings which was duly responded by the Subsidiary Company. However, the proceedings have not yet been concluded. The Subsidiary Company's management, based on the advice of its tax advisor, has strong grounds to believe that the case will be decided in favour of the Subsidiary Company. Therefore, no provision has been made in these consolidated financial statements.

15.1.21 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 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 ATIR on 15 May 2024 except for default surcharge in respect of short declaration of taxable supplies amounting to Rupees 0.110 million which was duly provided for in the consolidated financial statements for the year ended 30 June 2024. On 13 October 2025, ATIR remanded back the case for fresh adjudication. Being aggrieved by the order of ATIR, the Subsidiary Company has filed sales tax reference before the Honourable Lahore High Court, Lahore on 13 December 2025 which has not been taken up for hearing yet. The Subsidiary Company's management, based on the advice of legal advisor, has strong grounds to believe that the case will be decided in favour of the Subsidiary Company. Therefore, no provision has been made in these consolidated financial statements.

15.1.22 On 11 December 2023, Enforcement Officer, Punjab Revenue Authority [EO(PRA)] passed an order under sections 14, 19 and 52 of the Punjab Sales Tax on Services Act, 2012 against the Subsidiary Company whereby demand of Rupees 0.671 million along with penalty of Rupees 0.034 million was raised on account of non-payment of sales tax on taxable services. On 30 May 2026, the department has issued a recovery notice in respect of the demand raised. On 11 June 2026, the Subsidiary Company deposited an amount of Rupees 0.383 million alongwith penalty amounting to Rupees 0.034 million. However, for remaining disputed demand, the Subsidiary Company has filed appeal before Commissioner Appeals, PRA which has not been taken up yet for hearing. The Subsidiary Company's management, based on the advice of tax advisor, has strong grounds to believe that the case will be decided in favor of the Subsidiary Company. Therefore, no provision has been made in these consolidated financial statements.

15.1.23 Corporate guarantees of Rupees 4,059 million (2025: Rupees 2,967.5 million) have been given by the Holding Company to the banks in respect of financing to the Subsidiary Company.

15.1.24 Guarantees of Rupees 123 million (2025: Rupees 123 million) are given by the banks of the Group to Director Excise and Taxation, Karachi against disputed amounts of infrastructure cess.

15.1.25 Guarantees of Rupees 66.314 million (2025: Rupees 66.314 million) are given by the banks of the Group to Chairman, Punjab Revenue Authority, Lahore against disputed amounts of infrastructure cess.

15.1.26 Guarantees of Rupees 20.2 million (2025: Rupees 17.7 million) and Rupees 2.25 million (2025: Rupees 2.25 million) are given by the banks of the Group to PARCO Gunvor Limited and Pakistan State Oil Company Limited respectively against fuel cards obtained by the Group for its employees.

15.1.27 Guarantee of Rupees 250 million (2025: Rupees Nil) is given by the bank of the Holding Company to Pak Arab Refinery Limited against procurement of petroleum products.

		2026 Rupees	2025 Rupees
15.2	**Commitments**		
	Contracts for capital expenditure	65,210,726	42,499,189
	Letters of credit for other than capital expenditures	113,855,656	641,635,481

15.2.1 Following represent commitments arising from low value leases recognized on a straight-line basis as expense under the practical expedients applied by the Group. The amount of future payments under these leases and the period in which these payments will become due are as follows:

	2026 Rupees	2025 Rupees
Not later than 1 year	7,913,711	7,208,568
Later than 1 year	62,008,701	44,567,216

16. FIXED ASSETS

Operating fixed assets (Note 16.1)	6,612,596,883	6,520,662,345
Capital work-in-progress (Note 16.2)	280,897,058	141,842,163
At 30 June 2026	6,893,493,941	6,662,504,508

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

Description	Categories													
	Freehold land (Note 16.1.7)	Buildings on freehold land	Buildings on leasehold land (Note 16.1.8)	Plant and machinery	Tanks and pipelines	Dispensing pumps	Electric installation	Furniture and fittings	Moulds	Vehicles	Leasehold improvements	Office equipment	Computers	Total
	Rupees													
At 30 June 2024														
Cost / revalued amount	2,810,521,750	1,272,105,988	393,254,285	2,168,629,791	299,265,824	96,246,916	211,518,774	42,448,183	54,857,440	406,405,389	4,463,125	194,870,569	77,154,425	8,031,742,459
Accumulated depreciation	-	(342,235,646)	(172,900,736)	(501,201,909)	(71,566,971)	(15,559,709)	(66,629,851)	(23,041,681)	(12,203,798)	(289,137,455)	(2,348,563)	(81,957,980)	(44,077,942)	(1,622,862,241)
Net book value	2,810,521,750	929,870,342	220,353,549	1,667,427,882	227,698,853	80,687,207	144,888,923	19,406,502	42,653,642	117,267,934	2,114,562	112,912,589	33,076,483	6,408,880,218
Year ended 30 June 2025														
Opening net book value	2,810,521,750	929,870,342	220,353,549	1,667,427,882	227,698,853	80,687,207	144,888,923	19,406,502	42,653,642	117,267,934	2,114,562	112,912,589	33,076,483	6,408,880,218
Additions	-	175,849,268	14,858,411	137,406,319	38,111,572	23,322,027	13,510,503	4,134,581	131,479,751	1,370,517	-	2,933,378	14,447,683	557,424,010
Revaluation surplus	101,739,250	-	-	-	-	-	-	-	-	-	-	-	-	101,739,250
Transferred from right-of-use assets:														
Cost	-	-	-	-	-	-	-	-	-	111,721,580	-	-	-	111,721,580
Accumulated depreciation	-	-	-	-	-	-	-	-	-	(52,458,045)	-	-	-	(52,458,045)
	-	-	-	-	-	-	-	-	-	59,263,535	-	-	-	59,263,535
Disposals:														
Cost	-	-	-	-	(578,690)	(1,911,654)	-	-	-	(20,015,367)	-	-	(6,043,202)	(28,548,913)
Accumulated depreciation	-	-	-	-	174,875	732,136	-	-	-	10,840,641	-	-	2,923,104	14,670,756
	-	-	-	-	(403,815)	(1,179,518)	-	-	-	(9,174,726)	-	-	(3,120,098)	(13,878,157)
Written-off:														
Cost	-	-	(17,871,926)	-	-	-	-	(345,988)	-	-	-	-	(82,040)	(18,299,954)
Accumulated depreciation	-	-	9,044,056	-	-	-	-	180,056	-	-	-	-	77,765	9,301,877
	-	-	(8,827,870)	-	-	-	-	(165,932)	-	-	-	-	(4,275)	(8,998,077)
Transferred to 'non-current assets classified as held for sale'	(250,000,000)	-	-	-	-	-	-	-	-	-	-	-	-	(250,000,000)
Depreciation	-	(68,623,662)	(41,757,121)	(102,361,943)	(19,123,609)	(9,681,363)	(15,294,504)	(2,246,571)	(22,370,246)	(27,976,576)	(422,912)	(11,413,106)	(12,296,821)	(333,768,434)
Closing net book value	2,662,261,000	1,037,095,948	184,626,969	1,702,472,258	246,283,001	92,948,353	143,104,922	21,128,580	151,763,147	140,750,684	1,691,650	104,432,861	32,102,972	6,520,662,345
At 30 June 2025														
Cost / revalued amount	2,662,261,000	1,447,955,256	390,240,770	2,306,036,110	336,798,706	117,657,289	225,029,277	46,236,776	186,337,191	499,482,119	4,463,125	197,803,947	85,476,866	8,755,778,432
Accumulated depreciation	-	(410,859,308)	(205,613,801)	(603,563,852)	(90,515,705)	(24,708,936)	(81,924,355)	(25,108,196)	(34,574,044)	(358,731,435)	(2,771,475)	(93,371,086)	(53,373,894)	(2,235,116,087)
Net book value	2,662,261,000	1,037,095,948	184,626,969	1,702,472,258	246,283,001	92,948,353	143,104,922	21,128,580	151,763,147	140,750,684	1,691,650	104,432,861	32,102,972	6,520,662,345
Year ended 30 June 2026														
Opening net book value	2,662,261,000	1,037,095,948	184,626,969	1,702,472,258	246,283,001	92,948,353	143,104,922	21,128,580	151,763,147	140,750,684	1,691,650	104,432,861	32,102,972	6,520,662,345
Additions	-	46,480,503	16,736,482	170,294,332	4,055,820	16,893,646	24,761,567	7,228,613	1,900,000	167,885,834	10,456,143	6,453,881	19,337,984	492,484,805
Revaluation surplus	86,825,750	-	-	-	-	-	-	-	-	-	-	-	-	86,825,750
Transferred from right-of-use assets:														
Cost	-	-	-	-	-	-	-	-	-	64,854,585	-	-	-	64,854,585
Accumulated depreciation	-	-	-	-	-	-	-	-	-	(32,421,359)	-	-	-	(32,421,359)
	-	-	-	-	-	-	-	-	-	32,433,226	-	-	-	32,433,226
Disposals:														
Cost	-	(23,537,896)	-	-	(4,371,529)	(1,158,276)	-	-	(123,850,386)	(71,683,219)	-	(136,263)	(8,593,374)	(233,330,943)
Accumulated depreciation	-	11,163,469	-	-	1,266,474	376,166	-	-	16,467,457	47,702,297	-	93,501	5,782,706	82,852,070
	-	(12,374,427)	-	-	(3,105,055)	(782,110)	-	-	(107,382,929)	(23,980,922)	-	(42,762)	(2,810,668)	(150,478,873)
Written-off:														
Cost	-	-	-	(21,621,030)	-	-	-	-	-	-	-	-	-	(21,621,030)
Accumulated depreciation	-	-	-	7,934,623	-	-	-	-	-	-	-	-	-	7,934,623
	-	-	-	(13,686,407)	-	-	-	-	-	-	-	-	-	(13,686,407)
Transferred to 'non-current assets classified as held for sale':														
Cost	-	(46,421,316)	-	-	-	-	-	-	-	-	-	-	-	(46,421,316)
Accumulated depreciation	-	31,853,815	-	-	-	-	-	-	-	-	-	-	-	31,853,815
	-	(14,567,501)	-	-	-	-	-	-	-	-	-	-	-	(14,567,501)
Depreciation	-	(63,419,445)	(37,580,231)	(106,424,988)	(19,750,028)	(10,515,873)	(15,858,862)	(2,336,008)	(21,271,532)	(40,104,817)	(512,599)	(10,634,591)	(12,667,488)	(341,076,462)
Closing net book value	2,749,086,750	993,215,078	163,783,220	1,752,655,195	227,483,738	98,544,016	152,007,627	26,021,185	25,008,686	276,984,005	11,635,194	100,209,389	35,962,800	6,612,596,883
At 30 June 2026														
Cost / revalued amount	2,749,086,750	1,424,476,547	406,977,252	2,454,709,412	336,482,997	133,392,659	249,790,844	53,465,389	64,386,805	660,539,319	14,919,268	204,121,565	96,221,476	9,098,570,283
Accumulated depreciation	-	(431,261,469)	(243,194,032)	(702,054,217)	(108,999,259)	(34,848,643)	(97,783,217)	(27,444,204)	(39,378,119)	(383,555,314)	(3,284,074)	(103,912,176)	(60,258,676)	(2,485,973,400)
Net book value	2,749,086,750	993,215,078	163,783,220	1,752,655,195	227,483,738	98,544,016	152,007,627	26,021,185	25,008,686	276,984,005	11,635,194	100,209,389	35,962,800	6,612,596,883
Annual rate of depreciation (%)		5 - 10	10	5 - 10	8	10	10	10	33	20	20	10	30	

Hi-Tech Lubricants Ltd

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

Description	Quantity Nos.	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of purchasers
				Rupees				
Buildings on leasehold land								
Canopy Structure	1	2,523,869	1,070,808	1,453,061	1,221,376	(231,685)	Negotiation	Hussain Filling Station, Peshawar
ZIC Service Center, PECHS Karachi	1	20,357,427	9,807,622	10,549,805	160,940	(10,388,865)	Negotiation	Muhammad Aftab, Karachi
Tanks and pipelines								
Storage Tanks	3	2,763,529	682,950	2,080,579	3,450,000	1,369,421	Negotiation	Iftikhar Filling Station, Rawalpindi
Storage Tank	1	1,608,000	583,524	1,024,476	778,159	(246,317)	Negotiation	Hussain Filling Station, Multan
Dispensing Pump	1	1,158,276	376,166	782,110	831,874	49,764	Negotiation	Shahid CNG and Fuel Station, Gujranwala
Mould								
12-Cavity Injection Mould	1	123,850,386	16,467,457	107,382,929	147,556,000	40,173,071	Negotiation	Pakistan Tobacco Company Limited, Lahore
Vehicles								
Hyundai Tucson - ADX - 195	1	5,936,134	3,735,449	2,200,685	5,812,848	3,612,163	Company policy	Mr. Muhammad Imran, Ex-employee of the Holding Company, Lahore
KIA Stonic - AHS - 274	1	4,005,970	2,187,366	1,818,604	3,435,927	1,617,323	Company policy	Mr. Imran Rafique, Employee of the Holding Company, Lahore
Audi e-tron - AJH - 095	1	26,642,160	15,183,900	11,458,260	36,000,000	24,541,740	Insurance claim	EFU General Insurance Limited, Lahore
KIA Sportage - AAS - 256	1	4,579,080	3,223,965	1,355,115	1,500,473	145,358	Company policy	Mr. Umar Aftab Rana, Employee of the Holding Company, Lahore
KIA Sportage ALX - 972	1	5,729,950	2,884,839	2,845,111	4,500,000	1,654,889	Company policy	Mr Yaqoob Aziz, Employee of the Subsidiary Company, Lahore
		199,154,781	56,204,046	142,950,735	205,247,597	62,296,862		
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000		34,176,162	26,648,024	7,528,138	9,763,505	2,235,368		
		233,330,943	82,852,070	150,478,873	215,011,102	64,532,229		

16.1.2 The depreciation charge for the year has been allocated as follows:

	2026 Rupees	2025 Rupees
Cost of sales (Note 32)	140,843,461	139,533,517
Distribution cost (Note 33)	103,526,001	107,107,024
Administrative expenses (Note 34)	96,707,000	87,127,893
	341,076,462	333,768,434

16.1.3 Land and building of the Subsidiary Company amounting to Rupees 650 million (2025: Rupees 650 million) and plant and machinery of the Subsidiary Company amounting to Rupees 610 million (2025: Rupees 610 million) have been mortgaged in favour of the lender of the Holding Company. In addition, first pari passu charge of Rupees 500 million (2025: Rupees Nil) has been created over the present and future fixed assets of the Subsidiary Company, including land, building, plant and machinery, in favour of lender of the Holding company.

16.1.4 Buildings on leasehold land include two warehouses and water tank having net book value of Rupees 92.215 million (2025: Rupees 100.662 million) constructed on the land owned by the Subsidiary Company. The Holding Company has entered into a lease agreement for 20 years with the Subsidiary Company ending on 30 June 2036, against a piece of land measuring 45 Kanals where the aforesaid warehouses and water tank are constructed.

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

Location	Usage of Immovable Property	Total area of land	Covered area of buildings
		Acres	Square feet
Holding Company			
Mouza No. 107/9L, Sahiwal	Oil depot	6.70	199,513
Mouza Aza Khel Bala, Nowshera	Oil depot	8.89	9,257
HTL - ONE Fuel Station - Plot No. 2, Block K, Main Boulevard, Gulberg-II, Lahore	Retail outlet	0.39	1,847
Mouza Aza Khel Payan, Nowshera	Oil depot extension	1.34	-
7-KM, Sundar Raiwind Road, Bhai Kot, Lahore	Warehouse - 1	-	49,658
7-KM, Sundar Raiwind Road, Bhai Kot, Lahore	Warehouse - 2	-	53,348
Punjab Filling Station - Main Satiana Road, Faisalabad	Dealer of retail outlet	-	2,821
Ettehad Filling Station - Circular Road, Daska	Dealer of retail outlet	-	3,276
Green Fuel CNG - 1-KM, G.T. Road, Lalamusa	Dealer of retail outlet	-	4,981
A.B. Petroleum Filling Station - Tehsil Liaqatpur, Rahim Yar Khan	Dealer of retail outlet	-	3,054
Jillani CNG - Lehtrar Road, Islamabad	Dealer of retail outlet	-	2,650
Dasti Filling Station - Jampur Road, Dera Ghazi Khan	Dealer of retail outlet	-	1,815
Rehman Filling Station - Chistian Road, Hasilpur	Dealer of retail outlet	-	2,525
Al-Fazal Filling Station - Sargodha Road, Jhang	Dealer of retail outlet	-	2,121
Karma Wala-1 Filling Station - Shahkot Road, Jaranwala	Dealer of retail outlet	-	2,059
Raja Adeel Filling Station - Arifwala Road, Arifwala	Dealer of retail outlet	-	2,892
Al-Karam Filling Station - Shamkay Bhattian, Lahore	Dealer of retail outlet	-	6,633
Green City Fuel Station - Hasilpur Road, Bahawalpur	Dealer of retail outlet	-	1,289
Khokhar Fuel Station - Small Industrial Estate, Jinnah Road, Gujranwala	Dealer of retail outlet	-	1,175
Minhas CNG - Multan Road, Lahore	Dealer of retail outlet	-	841
Rana Petroleum - Faisalabad Road, Okara	Dealer of retail outlet	-	2,633
Mudassir Zulfiqar Filling Station - Vehari Road, Multan	Dealer of retail outlet	-	8,084
Benzina II Filling Station - Benazir Road, Okara	Dealer of retail outlet	-	4,709
Nambardar Filling Station - Rawalpindi Road, Chakwal	Dealer of retail outlet	-	5,875
Suntrust CNG - Millat Road, Faisalabad	Dealer of retail outlet	-	4,086
Meezan Filling Station - Jhang Road, Toba Tek Singh	Dealer of retail outlet	-	6,227
M Nawaz Filling Station - Main Darban Road, Kotla Syedan, Dera Ismail Khan	Dealer of retail outlet	-	8,966
Big Khan Filling Station - Hajiabad Malakand University Road, Chakdara	Dealer of retail outlet	-	4,872
Tanoli Filling Station - Mouza Ghanda, Nawab Road, Mansehra	Dealer of retail outlet	-	3,368
Bahadur Filling Station - Mouza Ismail Khani, Bannu	Dealer of retail outlet	-	1,527
Arab Emirate Filling Station - Mouza Bandi, Tehsil Khawaja Khela, Swat	Dealer of retail outlet	-	4,580
Rashid Filling Station - Mouza Qambar-192, Tehsil Babuzai,Swat	Dealer of retail outlet	-	1,369
Al - Rehman Filling Station - Mouza Ismail Khani, Bannu	Dealer of retail outlet	-	2,022
Naik Muhammad Filling Station - Near Bybass Thana, District Malakand	Dealer of retail outlet	-	1,620
Ghuman Brothers - Plot 105, Block K, Gulberg 3, Lahore	Dealer of retail outlet	-	1,667
Khalifa Filling Station - Jhang Road, Gojra	Dealer of retail outlet	-	2,120

Location	Usage of Immovable Property	Total area of land	Covered area of buildings
		Acres	Square feet
Al-Sheikh Filling Station - Main G.T Road, Gujrat	Dealer of retail outlet	-	4,030
Moon CNG Filling Station - Mouza Humak, Islamabad	Dealer of retail outlet	-	1,893
Aabroo Petroleum & CNG - Jaranwala - Khurianwala Road, Jaranwala	Dealer of retail outlet	-	4,692
Abbasi & Khan Traders - Gujjar Kohala, Dhirkot	Dealer of retail outlet	-	1,284
Al-Mustafa Filling Station - Qaziwala Road, Chishtian	Dealer of retail outlet	-	1,981
Shah Sardar Petroleum - Mouza Dham Thor, Murree Road, Abbottabad	Dealer of retail outlet	-	3,301
Shams Petroleum Service - E-35, Hazara Expressway	Dealer of retail outlet	-	1,320
Roshan Filling Station - Farooqbad Road, Sheikhupura	Dealer of retail outlet	-	2,645
Chawinda Filling Station - Khawaja Sardar Road, Sialkot	Dealer of retail outlet	-	6,876
Jan Muhammad Filling Station - Ekka Ghund, Mohammand	Dealer of retail outlet	-	1,038
Phandu Filling Station/CNG - Phandu Chowk, Umar Road, Peshawar	Dealer of retail outlet	-	3,941
Four Star CNG Filling Station - Mardan Swabi Road, Bughdada	Dealer of retail outlet	-	1,503
Hussain Filling Station - Near Shah Alam Pull, Charsada Road, Peshawar	Dealer of retail outlet	-	3,565
Attock CNG & Filling Station - Iqbal Chowk, Choi East Attock City, Attock	Dealer of retail outlet	-	1,318
Rahat Fuel Station - Saidu Shareef Road, Tehsil Babuzai, Swat	Dealer of retail outlet	-	252
Masha Allah CNG - M.C.C Kamra Road, Attock	Dealer of retail outlet	-	2,125
Al-Yousaf CNG Filling Station - Faisalabad Link Jail Road, Jhang	Dealer of retail outlet	-	1,389
Ekhwan Petroleum, Peshawar Road, Charsadda	Dealer of retail outlet	-	3,350
Nawaz Filling Station - Tehsil Thanna Baizai, Malakand	Dealer of retail outlet	-	8,970
Power Gas CNG & Filling Station - GT Road, Mouza Dheri Katti Khel, Nowshera	Dealer of retail outlet	-	3,164
Hill Top Filling Station - Tehsil Tara Khal, Sahdnoti	Dealer of retail outlet	-	1,167
HTL - TWO - Main Ferozepur Road, Lahore	Dealer of retail outlet	-	1,970
Al Haj CNG & Filling Station - University Road, Peshawar	Dealer of retail outlet	-	2,152
Friends CNG & Filling Station - Khayabani Villa, Chakri Road Rawalpindi	Dealer of retail outlet	-	1,584
Shayan 3 Filling Station - Muslim town, Peshawar	Dealer of retail outlet	-	1,277
Ibrahim Hussain Filling Station - Mahol, Chakwal	Dealer of retail outlet	-	2,063
Al Shams Petroleum Service - Swabi Road, Swabi	Dealer of retail outlet	-	5,575
Salman Filling Station - Chak Shahbaz Garhi Road, Mardan	Dealer of retail outlet	-	2,719
Lali Sons Filling Station - Faisalabad Road, Lalian	Dealer of retail outlet	-	3,274
Dharampura, Lahore	HTL Express Centre	-	1,436
Johar Town, Lahore	HTL Express Centre	-	4,500
Gulistan-e-Johar, Karachi	HTL Express Centre	-	3,149
Subsidiary Company			
7-KM, Sundar Raiwind Road, Bhai Kot, Lahore.	Blending Plant and Plastic Products Manufacturing	22.30	218,468

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

Description	Categories							Total
	Buildings on leasehold land	Tanks and pipelines	Dispensing pumps	Machinery	Furniture and fittings	Office equipment	Computers	
	Rupees							
Punjab Filling Station - Main Satiana Road, Faisalabad	2,898,584	877,100	2,490,793	-	-	-	-	6,266,477
Ettehad Filling Station - Circular Road, Daska	1,911,755	877,100	1,528,010	-	-	-	-	4,316,865
Green Fuel CNG - 1 - KM G.T. Road, Lalamusa	2,725,893	1,132,550	-	-	-	-	-	3,858,443
A.B. Petroleum Filling Station - Tehsil Liaqatpur, Rahim Yar Khan	4,623,288	1,480,589	1,958,750	-	-	-	-	8,062,627
Jillani CNG - Lehtrar Road, Islamabad	7,147,011	1,386,830	842,830	-	-	-	-	9,376,671
Dasti Filling Station - Jampur Road, Dera Ghazi Khan	1,919,332	808,290	2,754,484	-	-	-	-	5,482,106
Rehman Filling Station - Chistian Road, Hasilpur	2,013,421	-	-	-	-	-	-	2,013,421
Al-Fazal Filling Station - Sargodha Road, Jhang	3,163,859	-	2,227,102	-	-	-	-	5,390,961
Karma Wala-1 Filling Station - Shahkot Road, Jaranwala	2,532,005	-	-	-	-	-	-	2,532,005
Raja Adeel Filling Station - Arifwala Road, Arifwala	1,853,000	-	-	-	-	-	-	1,853,000
Al-Karam Filling Station - Shamkay Bhattian, Lahore	3,556,882	-	3,244,171	-	-	-	-	6,801,053
Green City Fuel Station - Hasilpur Road, Bahawalpur	9,954,398	1,377,706	1,911,655	-	-	-	-	13,243,759
Khokhar Fuel Station - Small Industrial Estate, Jinnah Road, Gujranwala	2,101,400	1,377,706	3,212,099	-	-	-	-	6,691,205
Minhas CNG - Multan Road, Lahore	4,749,486	-	1,421,968	-	-	-	-	6,171,454
HTL - TWO - Main Ferozepur Road, Lahore	17,757,318	2,102,230	2,482,580	-	-	-	-	22,342,128
Rana Petroleum - Faisalabad Road, Okara	2,439,500	-	-	-	-	-	-	2,439,500
Mudassir Zulfiqar Filling Station - Vehari Road, Multan	2,176,375	-	-	-	-	-	-	2,176,375
Benzina II Filling Station - Benazir Road, Okara	2,318,142	3,037,269	8,036,682	-	-	-	-	13,392,093
Nambardar Filling Station - Rawalpindi Road, Chakwal	926,830	-	-	-	-	-	-	926,830
Suntrust CNG - Millat Road, Faisalabad	40,743,349	3,409,167	4,937,988	-	-	-	-	49,090,504
Meezan Filling Station - Jhang Road, Toba Tek Singh	1,313,475	-	-	-	-	-	-	1,313,475
M Nawaz Filling Station - Main Darban Road, Mouza Kotla Sayedan, Dera Ismail Khan	3,274,200	1,269,700	2,452,163	-	-	-	-	6,996,063
Big Khan Filling Station - Hajiabad University Road, Chakdara	7,169,410	2,481,646	1,862,255	-	-	-	-	11,513,311
Tanoli Filling Station - Mouza Ghanda, Nawab Road, Mansehra	13,361,573	1,469,223	1,334,850	-	-	-	-	16,165,646
Toru Fuel Station - Mardan Road, Nowshera (under construction)	-	2,859,022	-	-	-	-	-	2,859,022
Abroo Petroleum & CNG - Jaranwala-Kurdiawala Road, Jaranwala	2,989,711	3,551,259	1,172,755	-	-	-	-	7,713,725
Khalifa Filling Station - Jhang Road, Gojra	3,164,915	4,406,779	1,435,500	-	-	-	-	9,007,194
Al-Sheikh Filling Station - Main G.T Road, Gujrat	11,563,910	4,429,207	1,708,511	-	-	-	-	17,701,628
Moon CNG Filling Station - Mouza Humak, Islamabad	3,014,908	3,551,259	2,272,869	-	-	-	-	8,839,036
Abbasi & Khan Traders - Gujar Kohala, Dhirkot	2,621,313	3,445,266	1,435,500	-	-	-	-	7,502,079
Ghuman Brothers - Plot 105, Block K, Gulberg 3, Lahore	2,733,451	3,203,581	2,762,556	-	-	-	-	8,699,588
Attock CNG & Filling Station - Iqbal Chowk, Choi East Attock City, Attock	1,843,506	3,342,818	1,283,255	-	-	-	-	6,469,579
Shah Sardar Petroleum - Mouza Dham Thor, Murree Road, Abbottabad	10,388,121	6,812,887	4,212,608	-	-	-	-	21,413,616
Bahadur Filling Station - Mouza Ismail Khani, Bannu	2,887,200	-	1,222,256	-	-	-	-	4,109,456
Rahat Fuel Station - Saidu Shareef Road, Tehsil Babuzai, Swat	2,465,200	-	1,649,362	-	-	-	-	4,114,562
Arab Emirate Filling Station - Mouza Bandi, Tehsil Khawaja Khela, Swat	2,910,500	-	-	-	-	-	-	2,910,500
Rashid Filling Station - Mouza Qambar-192, Tehsil Babuzai, Swat	2,839,100	-	1,779,800	-	-	-	-	4,618,900
Al - Rehman Filling Station - Mouza Ismail Khani, Bannu	2,825,950	-	-	-	-	-	-	2,825,950
Naik Muhammad Filling Station - Near Bybass Thana, District Malakand	2,683,374	-	-	-	-	-	-	2,683,374
Al - Mustafa Filling Station - Qaziwala Road Chishtian	2,236,124	-	-	-	-	-	-	2,236,124
Shams Petroleum Service - E - 35, Hazara Expressway	2,609,871	-	1,514,000	-	-	-	-	4,123,871
Roshan Filling Station - Farooqbad Road, Sheikhupura	7,617,792	-	1,330,012	-	-	-	-	8,947,804
Chawinda Filling Station - Khawaja Sardar Road, Sialkot	15,121,957	5,729,531	8,917,238	-	-	-	-	29,768,726
Jan Muhammad Filling Station - Ekka Ghund, Mohammand	2,205,230	-	-	-	-	-	-	2,205,230
Phandu Filling Station / CNG - Phandu Chowk, Umar Road, Peshawar	2,244,646	-	-	-	-	-	-	2,244,646
Four Star CNG Filling Station - Mardan Swabi Road, Bughdada	1,857,799	-	-	-	-	-	-	1,857,799
Hussain Filling Station - Near Shah Alam Pull, Charsada Road, Peshawar	3,196,519	-	-	-	-	-	-	3,196,519
Masha Allah CNG - M.C.C Kamra Road, Attock	2,071,234	3,453,346	2,032,898	-	-	-	-	7,557,478
Al-Yousaf CNG Filling Station - Faisalabad Link Jail Road, Jhang	2,195,811	-	1,349,255	-	-	-	-	3,545,066
Ekhwan Petroleum - Peshawar Road, Charsadda	2,811,265	-	2,197,510	-	-	-	-	5,008,775
Nawaz Filling Station - Tehsil Thanna Baizai, Malakand	8,839,271	-	3,205,016	-	-	-	-	12,044,287
Power Gas CNG & Filling Station - GT Road, Mouza Dheri Katti Khel, Nowshera	2,110,515	-	2,538,765	-	-	-	-	4,649,280

Description	Categories							
	Buildings on leasehold land	Tanks and pipelines	Dispensing pumps	Machinery	Furniture and fittings	Office equipment	Computers	Total
	Rupees							
Hill Top Filling Station - Tehsil Tara Khal, Sadhonti	1,553,514	-	-	-	-	-	-	1,553,514
Friends CNG & Filling Station - Khayabani Villa, Chakri Road Rawalpindi	1,817,693	-	2,651,000	-	-	-	-	4,468,693
Salman Filling Station - Chak Shahbaz Garhi Road, Mardan	3,153,750	-	1,504,000	-	-	-	-	4,657,750
Al Shams Petroleum Service - Swabi Road, Swabi	3,318,637	4,055,820	5,489,786	-	-	-	-	12,864,243
Ibrahim Hussain Filling Station - Mahol, Chakwal	2,068,306	-	2,251,573	-	-	-	-	4,319,879
Shayan 3 Filling Station - Muslim town, Peshawar	2,266,177	-	-	-	-	-	-	2,266,177
Al Haj CNG & Filling Station - University Road, Peshawar	4,282,219	-	4,997,287	-	-	-	-	9,279,506
KB Petroleum Faisalabad (Under construction)	2,896,996	5,118,209	-	-	-	-	-	8,015,205
HTL Express Centre - Dharampura, Lahore	27,571,142	-	-	3,197,442	145,431	478,583	-	31,392,598
HTL Express Centre - Garden Town, Lahore	7,442,541	-	-	2,471,843	56,796	1,741,346	-	11,712,526
HTL Express Centre - Johar Town, Lahore	16,713,760	-	-	7,727,402	153,621	-	24,000	24,618,783
HTL Express Centre - Sadi Town, Karachi	-	-	-	1,966,568	332,996	270,456	25,635	2,595,655
HTL Express Centre - Bahira Town, Lahore	-	-	-	5,122,603	233,862	1,968,556	14,040	7,339,061
HTL Express Centre - Gulistan-E-Johar, Karachi	11,978,196	-	-	6,117,945	1,115,829	811,290	-	20,023,260
HTL Express Centre - Khudadaad Colony, Karachi	-	-	-	1,524,751	126,500	841,438	-	2,492,689
HTL Express Centre - Askari XIV, Sector-A, Rawalpindi	9,133,147	-	-	4,419,000	854,206	2,808,753	-	17,215,106
	346,875,757	77,046,090	103,611,692	32,547,554	3,019,241	8,920,422	63,675	572,084,431

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

16.1.7 The fair value of freehold land has been determined by an independent valuer, Anderson Consulting (Private) Limited as at 30 June 2026. Forced sale value of freehold land as at 30 June 2026 is Rupees 2,336.723 million (2025: Rupees 2,262.922 million).

16.1.8 This includes apartment having book value of Rupees 20.515 million in Grand Hayatt (the "Project") at 1-Constitution Avenue, Islamabad. On 29 July 2016, Capital Development Authority (CDA) cancelled the leased deed of BNP (Private) Limited on the grounds of violating the terms and conditions of the said lease and sealed the Project. Against the alleged order, BNP (Private) Limited filed a writ petition before the Honorable Islamabad High Court ("IHC") challenging the cancellation of said lease. IHC dismissed the writ petition of BNP (Private) Limited. However, the honorable judge of IHC ruled that it is a duty of the Federal Government to ensure that the purchasers do not suffer due to Government's own wrongful actions and omissions, particularly when the regulatory failure of the CDA stands admitted. The Holding Company and others filed appeals against the aforesaid judgment of IHC before Honorable Supreme Court of Pakistan. On 09 January 2019, Honorable Supreme Court of Pakistan passed order whereby the Court has ordered BNP (Private) Limited to pay Rupees 17.5 billion in eight years to CDA to revive the original lease together with all approvals and permissions already granted. The Court further ordered that BNP (Private) Limited shall complete the entire project within a reasonable time. CDA and BNP (Private) Limited have filed review petitions against the order of the Supreme Court of Pakistan which are still pending for review. Supreme Court of Pakistan referred the matter to the Public Accounts Committee (PAC) and asked them to submit its recommendation on the subject matter. During the year ended 30 June 2021, PAC endorsed the amount of Rupees 17.5 billion to be paid to CDA in six years for the revival of lease and de-sealing of the Project in accordance with the settlement held between CDA and BNP (Private) Limited. On 06 January 2021, on the directives of PAC and payment of first installment of settlement amount by BNP (Private) Limited, CDA de-sealed the Project. Pursuant to the settlement of the matter as stated above and de-sealing of the Project, BNP (Private) Limited and the Holding Company started negotiations to finalize the terms and conditions of "Undertaking and Indemnity Agreement" to take the possession of the apartment. However, in March 2023, CDA has cancelled the lease deed of BNP (Private) Limited once again due to non-payment of due installment of settlement amount of Rupees 17.5 billion and taken the possession of the Project. BNP (Private) Limited filed petition before IHC against the cancellation of lease deed by CDA who decided the case against BNP (Private) Limited. Subsequently, BNP (Private) Limited filed petition before Supreme Court of Pakistan who also dismissed the petition and upheld the decisions of the Apex courts. On 15 April 2024, CDA handed over the possession of the apartment to the Holding Company. However, BNP (Private) Limited has again started litigation against CDA in IHC. On 30 April 2026, IHC rejected the petition filed by BNP (Private) Limited and held that CDA's actions were in line with the legal requirements set by the Supreme Court of Pakistan. However, IHC has held that purchasers of the apartments cannot be removed from the Project until intra-court appeals are resolved. Against the order of IHC, the Holding Company has filed intra court appeal which is pending adjudication. The management has assessed the accounting implications of the aforementioned developments in relation to the impairment of tangible fixed asset under IAS 36 'Impairment of Assets'. However, according to management's assessment, there is no impact of impairment on these consolidated financial statements.

		2026 Rupees	2025 Rupees
16.2	**Capital work-in-progress**		
	Civil works	9,020,450	40,658,296
	Tanks and pipelines	6,878,817	24,432,777
	Dispensing pumps	9,155,668	26,049,314
	Electric installations	10,621,431	-
	Advances against capital expenditures	245,220,692	50,701,776
		280,897,058	141,842,163

16.2.1 Movement in capital work in progress is as follows:

	Categories							
	Civil works	Buildings on freehold land	Plant and Machinery	Tanks and pipelines	Dispensing pumps	Electric installations	Advances against capital expenditures	Total
	Rupees							
At 30 June 2024	116,438,207	-	-	31,224,679	15,986,659	-	-	163,649,545
Add: Additions during the year	93,584,085	-		30,618,490	26,760,142	-	50,701,776	201,664,493
Less: Transferred to operating fixed assets during the year	(169,363,996)	-	-	(37,410,392)	(16,697,487)	-	-	(223,471,875)
At 30 June 2025	40,658,296	-	-	24,432,777	26,049,314	-	50,701,776	141,842,163
Add: Additions during the year	41,720,041	-	133,702,426	6,571,689	-	32,810,616	251,232,435	466,037,207
Less: Adjustments made during the year	-	46,480,503	7,660,634	-	-	2,572,382	(56,713,519)	-
Less: Written off during the year (Note 36)	-	-	-	(3,995,411)	-	-	-	(3,995,411)
Less: Disposed of during the year (Note 16.2.1.2)	(40,563,842)	-	-	(20,130,238)	-	-	-	(60,694,080)
Less: Transferred to operating fixed assets during the year	(32,794,045)	(46,480,503)	(141,363,060)	-	(16,893,646)	(24,761,567)	-	(262,292,821)
At 30 June 2026	9,020,450	-	-	6,878,817	9,155,668	10,621,431	245,220,692	280,897,058

16.2.1.2 During the year ended 30 June 2026, the Company disposed of capital work-in-progress relating to Shikarpur oil depot having carrying value of Rupees 60.694 million against sales proceeds amounting to Rupees 20 million to Abdul Qudoos Khan Kalhoro, Shikarpur through negotiation, resulting in a loss on disposal amounting to Rupees 40.694 million (Note 36).

17. RIGHT-OF-USE ASSETS

	Land	Buildings	Vehicles	Total
	Rupees			
At 30 June 2024	388,708,763	90,708,858	116,975,510	596,393,131
Add: Additions during the year	18,944,972	29,429,516	4,854,998	53,229,486
Less: Impact of lease termination	(25,546,973)	-	-	(25,546,973)
Less: Book value of assets transferred to operating fixed assets - during the year	-	-	(59,263,535)	(59,263,535)
Less: Depreciation expense for the year	(57,914,442)	(50,445,400)	(18,378,762)	(126,738,604)
At 30 June 2025	324,192,320	69,692,974	44,188,211	438,073,505
Add: Additions during the year	22,259,883	97,611,410	-	119,871,293
Less: Impact of lease termination	(56,820,531)	(4,447,680)	-	(61,268,211)
Less: Book value of assets transferred to operating fixed assets - during the year	-	-	(32,433,226)	(32,433,226)
Less: Depreciation expense for the year	(51,893,942)	(58,606,647)	(7,344,641)	(117,845,230)
At 30 June 2026	237,737,730	104,250,057	4,410,344	346,398,131

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

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

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

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

		2026 Rupees	2025 Rupees
17.2	**Depreciation charge for the year has been allocated as follows:**		
	Distribution cost (Note 33)	93,110,610	123,681,651
	Administrative expenses (Note 34)	24,734,620	3,056,953
		117,845,230	126,738,604
18.	**INTANGIBLE ASSETS - Computer softwares**		
	Opening net book value	5,229,515	9,653,391
	Add: Cost of additions during the year	-	2,777,527
	Less: Written off during the year:		
	Cost	(2,777,527)	-
	Accumulated amortization	555,511	-
		(2,222,016)	-
	Less: Amortization charged during the year (Note 34)	(2,610,000)	(7,201,403)
	Closing net book value	397,499	5,229,515
18.1	Cost as at 30 June	74,722,910	77,500,437
	Accumulated amortization	(74,325,411)	(72,270,922)
	Net book value as at 30 June	397,499	5,229,515

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

18.3 Intangible assets costing Rupees 66.023 million (2025: Rupees 63.864 million) are fully amortized and are still in use of the Group.

		2026 Rupees	2025 Rupees
19.	**LONG TERM SECURITY DEPOSITS**		
	Security deposits against leased assets	5,188,101	22,972,619
	Security deposits - others	21,970,950	18,960,950
		27,159,051	41,933,569
	Less: Current portion shown under current assets (Note 25)	(971,001)	(22,001,618)
		26,188,050	19,931,951
20.	**LONG TERM LOANS TO EMPLOYEES**		
	Considered good:		
	Loans to employees - other than executives (Note 20.1)	1,116,774	2,050,938
	Less: Current portion shown under current assets (Note 24)	(885,262)	(934,166)
		231,512	1,116,772

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

		2026 Rupees	2025 Rupees
21.	**STORES**		
	Stores	155,690,061	105,802,987
	Less: Provision for slow moving and obsolete store items (Note 21.1)	(9,843,073)	(5,251,482)
		145,846,988	100,551,505
21.1	**Provision for slow moving and obsolete store items:**		
	Opening balance	5,251,482	6,771,348
	Add: Provision made during the year (Note 36)	4,591,591	-
	Less: Reversal of provision during the year (Note 36)	-	(1,519,866)
	Closing balance	9,843,073	5,251,482

		2026 Rupees	2025 Rupees
22	**STOCK-IN-TRADE**		
	Raw materials (Note 22.1)	1,963,954,943	1,673,716,263
	Work-in-process	108,520,052	58,999,534
		2,072,474,995	1,732,715,797
	Lubricants and polymer products (Note 22.2)	575,260,269	442,361,964
	Less: Provision for slow moving and damaged stock items (Note 22.3)	16,326,573	25,091,076
		558,933,696	417,270,888
	Petroleum products (Note 22.4)		
	- Stock in hand (Note 22.5 and Note 22.6)	294,806,892	327,795,251
	- Stock in pipeline system (Note 22.7)	303,295,250	288,294,086
		598,102,142	616,089,337
	Dispensing pumps and other installations (Note 22.8)	21,930,546	25,879,546
		3,251,441,379	2,791,955,568

22.1 These include raw materials in transit amounting to Rupees 847.510 million (2025: Rupees 1,043.405 million) and raw materials amounting to Rupees 1,233.240 million (2025: Rupees Nil) lying at customs bonded warehouse.

22.2 This includes stock amounting to Rupees 41.437 million (2025: Rupees 7.585 million) lying at customs bonded warehouse.

		2026 Rupees	2025 Rupees
22.3	**Provision for slow moving stock items**		
	Opening balance	25,091,076	42,324,111
	Less: Reversal of provision during the year (Note 37)	(8,764,503)	(17,233,035)
	Closing balance	16,326,573	25,091,076

22.4 Stock-in-trade of Rupees 598.102 million (2025: Rupees 616.089 million) is being carried at net realizable value. The aggregate amount of write-down of inventories to net realizable value recognised as an expense during the year was Rupees 23.991 million (2025: Rupees 4.768 million).

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

	2026 Rupees	2025 Rupees
Askar Oil Services (Private) Limited	478,301	360,036
Be Energy Limited	31,573,961	79,409,370
Gas and Oil Pakistan Limited	1,823,859	47,963,776
Karachi Hydrocorban Terminal Limited	1,560,793	8,793,367
Pakistan Molasses Company (Private) Limited	-	8,361,990
PARCO Gunvor Limited	19,625,165	31,735,440
Z.Y. & Co. Bulk Terminals (Private) Limited	18,638	8,576,958
	55,080,717	185,200,937

22.6 These include stock in transit of Rupees 13.555 million (2025: Rupees Nil).

22.7 This represents the Holding Company's share of pipeline stock of High Speed Diesel and Petroleum Motor Gasoline amounting to Rupees 98.257 million (2025: Rupees 93.978 million) and Rupees 205.038 million (2025: Rupees 189.831 million) respectively held by Pak-Arab Pipeline Company Limited.

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

	2026 Rupees	2025 Rupees
23. TRADE DEBTS		
Unsecured - Considered good:		
Local	1,995,982,870	1,328,736,227
Less: Allowance for expected credit losses (Note 23.2)	(7,964,296)	(13,379,231)
	1,988,018,574	1,315,356,996

23.1 As at the reporting date, trade debts of Rupees 625.636 million (2025: Rupees 171.831million) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The ageing analysis of trade debts is as follows:

	2026 Rupees	2025 Rupees
Neither past due nor impaired	1,362,382,749	1,143,525,923
Past due but not impaired		
1 to 6 months	618,691,977	168,355,722
6 months to 1 year	6,943,848	3,163,985
More than 1 year	-	311,366
	625,635,825	171,831,073
	1,988,018,574	1,315,356,996

	2026 Rupees	2025 Rupees
23.2 Allowance for expected credit losses		
Opening balance	13,379,231	18,259,853
Add: Recognized during the year (Note 36)	3,325,020	5,475,140
Less: Reversal of allowance for expected credit losses (Note 37)	-	(10,355,762)
Less: Written off against allowance for expected credit losses during the year	(8,739,955)	-
Closing balance	7,964,296	13,379,231
23.3 Jurisdictions of trade debts		
Pakistan	1,995,982,870	1,328,736,227
23.4 Types of counterparties		
Corporate	468,438,244	261,650,285
Others	1,527,544,626	1,067,085,942
	1,995,982,870	1,328,736,227

		2026 Rupees	2025 Rupees
24.	**LOANS AND ADVANCES**		
	Considered good, unsecured		
	Loans to employees - interest free against salaries		
	- Executives	977,496	4,139,877
	- Other employees	1,620,271	5,670,225
		2,597,767	9,810,102
	Advances to employees against expenses	2,485,442	3,362,342
	Current portion of long term loans to employees (Note 20)	885,262	934,166
	Advances to suppliers (Note 24.1)	378,464,332	242,736,520
	Advances against letters of credit (Note 24.2)	608,672,367	2,508,006
	Margin against letters of credit	37,500,000	149,475,100
	Margin against bank guarantees	38,750,000	38,750,000
		1,069,355,170	447,576,236
24.1	**Advances to suppliers**		
	Unsecured:		
	Considered good	378,464,332	242,736,520
	Considered doubtful	5,377,962	3,149,327
		383,842,294	245,885,847
	Less : Provision for doubtful advances to suppliers (Note 24.1.1)	(5,377,962)	(3,149,327)
		378,464,332	242,736,520
24.1.1	**Provision for doubtful advances to suppliers**		
	Opening balance	3,149,327	3,149,327
	Add: Provision made during the year (Note 36)	2,228,635	-
	Closing balance	5,377,962	3,149,327

24.2 This includes advances against letters of credit amounting to Rupees 603.246 million (2025: Rupees Nil) given to SK On Co., Ltd. (formerly SK Enmove Co., Ltd.) - principal supplier and long term partner.

		2026 Rupees	2025 Rupees
25.	**SHORT TERM DEPOSITS AND PREPAYMENTS**		
	Current portion of long term security deposits (Note 19)	971,001	22,001,618
	Short term security deposits	23,113,139	7,570,285
	Prepaid expenses	206,411	179,213
	Prepaid insurance	5,435,395	12,327,199
	Prepaid rent	3,060,750	847,420
		32,786,696	42,925,735
26.	**OTHER RECEIVABLES**		
	Receivable from MAS Associates (Private) Limited - associated company (Note 26.1)	9,412,610	295,522
	Receivable from SK On Co., Ltd. (formerly SK Enmove Co., Ltd.) - related party (Note 26.2)	55,632,280	49,717,500
	Receivable from MAS Infosoft (Private) Limited - associated company (Note 26.3)	550,000	-
	Sales tax receivable	93,003,155	130,767,748
	Inland freight equalization margin	347,961,329	163,122,234
	Price differential claims (Note 26.4)	223,813,864	-
	Others	1,669,769	6,669,004
		732,043,007	350,572,008

26.1 It is neither past due nor impaired. The maximum aggregate amount receivable from associated company at the end of any month during the year was Rupees 9.413 million (2025: Rupees 0.479 million).

26.2 This represents promotional incentive receivable from SK On Co., Ltd. (formerly SK Enmove Co., Ltd.) - principal supplier and long term partner. It is neither past due nor impaired. The maximum aggregate amount receivable from SK On Co., Ltd. (formerly SK Enmove Co., Ltd.) - principal supplier and long term partner at the end of any month during the year was Rupees 56.11 million (2025: Rupees 139.275 million).

26.3 It is neither past due nor impaired. The maximum aggregate amount receivable from associated company at the end of any month during the year was Rupees 0.55 million (2025: Rupees Nil).

26.4 During the year ended 30 June 2026, the Holding Company received directives from Ministry of Energy (Petroleum Division) through which the Holding Company was directed to supply Motor Gasoline and High Speed Diesel at prices directed by the Ministry during the period from 14 March 2026 to 02 April 2026 and the price differential relating to supply of Motor Gasoline and High Speed Diesel during the above-mentioned period shall be reimbursed to Oil Marketing Companies (OMCs) as per the mechanism developed by Oil and Gas Regulatory Authority (OGRA). On 17 March 2026, OGRA introduced the mechanism for reimbursement of these Price Differential Claims (PDCs) to OMCs. On 16 April 2026, OGRA further amended the mechanism for reimbursement of these PDCs in a phased manner. During the year ended 30 June 2026, the Holding Company has received PDCs amounting to Rupees 228.307 million. Remaining amount of PDCs shall be received after completing all legal formalities.

	2026 Rupees	2025 Rupees
27. ADVANCE INCOME TAX AND PREPAID LEVY - NET		
Provision for taxation	(278,680,073)	(16,339)
Levy payable	(10,568,736)	(171,771,005)
	(289,248,809)	(171,787,344)
Advance tax and prepaid levy	585,720,330	470,549,531
	296,471,521	298,762,187

27.1 The Group has opted for group taxation as one fiscal unit under section 59AA of the Income Tax Ordinance, 2001.

	2026 Rupees	2025 Rupees
28. SHORT TERM INVESTMENTS		
At fair value through profit or loss:		
Equity instrument (Note 28.1)	9,848,025	9,186,705
Mutual funds (Note 28.2)	224,299,928	231,164,814
	234,147,953	240,351,519

		2026 Rupees	2025 Rupees
28.1	**Equity instrument**		
	Quoted - other than related party:		
	Engro Fertilizer Limited		
	49,500 (2025: 49,500) fully paid ordinary shares of Rupees 10 each	9,186,705	8,227,890
	Unrealized gain on remeasurement of investment at fair value through profit or loss	661,320	958,815
		9,848,025	9,186,705
28.2	**Mutual funds**		
	AL Habib Cash Fund		
	2,154,638.3256 (2025: 2,232,569.9563) units	219,076,969	227,130,825
	NBP Islamic Daily Dividend Fund		
	66,355.3008 (2025: 61,758.8753) units	663,553	617,589
	UBL Liquidity Plus Fund - Class 'C'		
	28,352.6701 (2025: 26,496.9405) units	2,877,420	2,685,819
	MCB Cash Management Optimizer		
	6,149.1484 (2025: 5,744.2403) units	629,112	585,248
	Meezan Rozana Amdani Fund		
	9,452.7738 (2025: 8,863.4045) units	472,639	443,170
		223,719,693	231,462,651
	Unrealized gain / (loss) on remeasurement of investments at fair value through profit or loss - net	580,235	(297,837)
		224,299,928	231,164,814

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

		2026 Rupees	2025 Rupees
29.	**CASH AND BANK BALANCES**		
	Cash in hand	9,729,692	10,339,232
	Cash at banks:		
	- Saving accounts (Note 29.1)	910,690	6,537,577
	- Current accounts	72,092,544	137,626,645
		73,003,234	144,164,222
		82,732,926	154,503,454

29.1 Saving accounts carry profit at the rates ranging from 7.42% to 20.50% (2025: 8% to 19%) per annum.

29.2 Bank balances of Rupees 0.17 million (2025: 0.242 million) and short term investments of Rupees 187.921 million (2025: Rupees 186.444 million) represents un-utilized proceeds of initial public offer.

30. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	Transferred from fixed assets	Transferred from investment property (Note 30.1)	Total
		Rupees	
As at 30 June 2024	-	135,000,000	135,000,000
Add: Transferred during the year	250,000,000	-	250,000,000
Add: Fair value adjustment	-	25,000,000	25,000,000
As at 30 June 2025	250,000,000	160,000,000	410,000,000
Add: Transferred during the year	14,567,501	-	14,567,501
Less: Fair value adjustment	-	(15,000,000)	(15,000,000)
Less: Disposed of during the year	(264,567,501)	-	(264,567,501)
As at 30 June 2026	-	145,000,000	145,000,000

30.1 On 02 December 2024, Holding Company has entered into an agreement to sell, relating to sale of land measuring 01 kanal and 05 marlas situated at 22-A, Zafar Ali Road, Lahore at Rupees 160 million. On 04 August 2026, subsequent to the reporting period, the land has been disposed of for Rupees 145 million.

30.2 Detail of assets disposed of during the year is as follows:

Description	Quantity	Revalued amount / Cost	Accumulated depreciation	Net book value	Sale proceeds	(Loss) / gain (Note 35)	Mode of disposal	Particulars of purchaser
				Rupees				
Freehold land	1	250,000,000	-	250,000,000	200,000,000	(50,000,000)	Negotiation	Muhammad Waseem, Lahore
Building on freehold land	1	46,421,316	31,853,815	14,567,501	50,000,000	35,432,499	Negotiation	Muhammad Waseem, Lahore
		296,421,316	**31,853,815**	**264,567,501**	**250,000,000**	**(14,567,501)**		

	2026 Rupees	2025 Rupees
31. GROSS REVENUE FROM CONTRACTS WITH CUSTOMERS		
Lubricants	13,140,751,419	11,967,685,828
Petroleum products	27,175,189,915	23,774,266,197
Polymer	743,738,079	553,056,734
Others (Note 31.1)	75,093,867	83,359,334
	41,134,773,280	36,378,368,093
31.1 Others		
Dispensing pumps	8,142,000	12,716,689
Franchise and joining fee	66,951,867	70,642,645
	75,093,867	83,359,334

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

31.3 The amount of Rupees 89.429 million included in contract liabilities at 30 June 2025 has been recognised as revenue during the year (2025: Rupees 49.210 million).

		2026 Rupees	2025 Rupees
31.4	**Geographical region**		
	Pakistan	41,134,773,280	36,378,368,093
32.	**COST OF SALES**		
	Cost of sales - lubricants and other items (Note 32.1)	7,749,964,270	6,950,081,990
	Cost of sales - petroleum products (Note 32.2)	26,167,216,078	23,480,546,425
		33,917,180,348	30,430,628,415
32.1	**Cost of sales - lubricants and other items**		
	Raw materials consumed (Note 32.1.1)	6,335,682,624	5,580,062,274
	Packing materials consumed	229,323,168	220,593,031
	Stores and spares consumed	42,929,351	41,379,190
	Salaries and other benefits (Note 32.1.2)	221,871,406	206,371,560
	Fuel and power	118,528,823	92,978,141
	Repair and maintenance	10,661,607	9,221,041
	Insurance	13,537,217	12,217,327
	Security charges	10,221,890	9,911,040
	Utilities	2,628,137	535,003
	Vehicles' running and maintenance	4,257,731	6,439,788
	Depreciation on operating fixed assets (Note 16.1.2)	140,843,461	139,533,517
	Miscellaneous	32,340,814	31,224,049
		7,162,826,229	6,350,465,961
	Work-in-process		
	Opening stock	58,999,534	77,857,504
	Closing stock	(108,520,052)	(58,999,534)
		(49,520,518)	18,857,970
	Cost of goods manufactured	7,113,305,711	6,369,323,931
	Finished goods		
	Opening stock	468,241,510	829,767,220
	Add: Lubricants and other items purchased for resale	765,607,864	219,232,349
	Closing stock	(597,190,815)	(468,241,510)
		636,658,559	580,758,059
		7,749,964,270	6,950,081,990
32.1.1	**Raw materials consumed**		
	Opening stock	1,673,716,263	1,012,548,704
	Add: Purchased during the year	6,625,921,304	6,241,229,833
		8,299,637,567	7,253,778,537
	Less: Closing stock	(1,963,954,943)	(1,673,716,263)
		6,335,682,624	5,580,062,274

32.1.2 Salaries and other benefits include provident fund contribution of Rupees 6.761 million (2025: Rupees 6.222 million) by the Group.

		2026 Rupees	2025 Rupees
32.2	**Cost of sales - petroleum products**		
	Opening stock of petroleum products	616,089,337	1,362,147,196
	Petroleum products purchased during the year	17,912,162,532	16,145,447,927
	Petroleum development levy	7,352,530,195	6,032,072,718
	Climate support levy	228,320,600	-
	Inland freight equalization margin	656,215,556	556,967,921
		26,149,228,883	22,734,488,566
	Less: Closing stock of petroleum products	(598,102,142)	(616,089,337)
		26,167,216,078	23,480,546,425
33.	**DISTRIBUTION COST**		
	Salaries and other benefits (Note 33.1)	474,947,832	485,735,554
	Sales promotion and advertisements - net (Note 33.2)	167,368,481	34,179,424
	Freight outward	73,041,252	77,043,526
	Rent, rates and taxes	12,148,847	8,394,548
	Travelling and conveyance	48,507,239	59,206,168
	Insurance	37,619,553	42,213,777
	Utilities	30,555,404	32,712,442
	Repair and maintenance	17,660,370	29,462,296
	Fee and subscription	4,476,194	8,071,736
	Vehicles' running and maintenance	97,447,842	94,087,605
	Communication	15,890,710	12,835,554
	Entertainment	16,002,131	29,793,370
	Depreciation on fixed assets (Note 16.1.2)	103,526,001	107,107,024
	Depreciation on right-of-use assets (Note 17.2)	93,110,610	112,935,392
	Hospitality charges	20,086,693	20,435,475
	Printing and stationery	1,613,633	1,352,764
	Security charges	29,521,357	29,079,729
	Miscellaneous	40,507,074	15,698,052
	Royalty (Note 33.4)	35,289,867	48,755,708
		1,319,321,090	1,249,100,144

33.1 Salaries other benefits include provident fund contribution of Rupees 18.902 million (2025: Rupees 18.089 million) by the Group.

33.2 These are net off incentives in the shape of reimbursement against sales promotion expenses and advertisements amounting to Rupees 76.568 million (2025: Rupees 165.011 million) from SK On Co., Ltd. (formerly SK Enmove Co., Ltd.) - principal supplier and long term partner.

33.3 This includes rent expense of Rupees 10.223 million (2025: Rupees 7.108 million) relating to leases of low value asset.

33.4 Particulars of royalty are as follows:

Name	Address	Relationship with the Group or directors	2026 Rupees	2025 Rupees
SK On Co., Ltd. (formerly SK Enmove Co., Ltd.)	ıg-ro, Jongno-gu, Seoul , Republic of Korea	Principal supplier and long term partner	35,289,867	48,755,708

33.5 Royalty expense relates to sale of certain products of Rupees 1,534.030 million (2025: Rupees 1,871.748 million) manufactured during the year by the Subsidiary Company under the "Brand License Agreement" with SK On Co., Ltd. (formerly SK Enmove Co., Ltd.) - principal supplier and long term partner.

	2026 Rupees	2025 Rupees
34. ADMINISTRATIVE EXPENSES		
Salaries, wages and other benefits (Note 34.1)	616,768,147	621,483,934
Consultancy charges	3,896,326	9,858,073
Rent, rates and taxes (Note 34.3)	5,222,558	4,376,625
Travelling and conveyance	60,224,940	51,541,141
Insurance	26,698,765	32,816,499
Vehicles' running and maintenance	39,487,908	40,038,566
Utilities	5,294,777	10,362,032
Repair and maintenance	6,629,658	8,886,387
Fee and subscription	42,544,635	32,453,115
Printing and stationery	1,560,115	1,651,030
Communication	12,577,455	13,032,948
Entertainment	47,630,789	47,286,833
Legal and professional	46,551,486	44,711,824
Auditor's remuneration (Note 34.3)	10,103,427	8,980,541
Depreciation on operating fixed assets (Note 16.1.2)	96,707,000	87,127,893
Depreciation on right-of-use assets (Note 17.2)	24,734,620	13,803,212
Amortization on intangible assets (Note 18)	2,610,000	7,201,403
Security charges	2,060,000	2,364,000
Miscellaneous	10,300,952	6,246,073
	1,061,603,558	1,044,222,129

34.1 Salaries and other benefits include provident fund contribution of Rupees 15.701 million (2025: Rupees 17.054 million) by the Group.

34.2 This includes rent expense of Rupees 2.120 million (2025: Rupees 1.837 million) relating to leases of low value asset.

		2026 Rupees	2025 Rupees
34.3	**Auditor's remuneration**		
	Annual audit fee	5,515,092	5,083,842
	Certifications	1,645,725	1,690,835
	Half year review	1,517,264	1,517,264
	Reimbursable expenses	731,100	688,600
	Punjab sales tax on auditors' remuneration	694,246	-
		10,103,427	8,980,541

36. OTHER EXPENSES

Allowance for expected credit losses (Note 23.2)	3,325,020	-
Exchange loss - net	-	42,406,572
Sales tax receivable written off	1,744,881	7,478,890
Charities and donations (Note 36.1)	18,120,040	19,313,880
Intangible asset written off (Note 18)	2,222,016	-
Advances to suppliers written off (Note 24.1)	20,261,529	-
Fixed assets written off (Note 16.1)	13,686,407	8,998,077
Stock-in-trade written off	-	4,532,520
Advances to employees written off	-	110,422
Security deposits written off	78,285	1,197,595
Workers' profit participation fund (Note 11.3)	24,960,903	33,989,644
Workers' welfare fund (Note 11.4)	18,641,124	12,418,785
Provision for doubtful advances to suppliers (Note 24.1.1)	2,228,635	-
Provision for slow moving and obsolete store items (Note 21.1)	4,591,591	-
Capital work-in-progress written off (Note 16.2.1)	3,995,411	-
Loss on disposal of capital work-in-progress (Note 16.2.2)	40,694,080	-
Loss on disposal of non-current assets classified as held for sale (Note 30.2)	14,567,501	-
Fair value loss on investment property classified as held for sale (Note 30)	15,000,000	-
Penalty	24,492,349	11,815,686
	208,609,772	142,262,071

36.1 These include amount of Rupees 18 million (2025: Rupees 18 million) paid to Sabra Hamida Trust, 1-A, Danepur Road, GOR-1, Lahore, in which Mr. Hassan Tahir - Chief Executive, Mr. Shaukat Hassan - Director, Mrs. Mehvish Khan - Director, Mrs. Mavira Tahir - Director and Mr. Ali Hassan - Director are trustees.

		2026 Rupees	2025 Rupees
37.	**OTHER INCOME**		
	Income from financial assets:		
	Dividend income	21,581,505	31,398,163
	Profit on bank deposits	995,009	9,342,101
	Gain on disposal of investments at fair value through profit or loss	750,404	9,669
	Unrealized gain on remeasurement of investment at fair value through profit or loss - net	1,241,555	660,978
	Reversal of allowance for expected credit losses (Note 23.2)	-	4,880,622
	Exchange gain - net	3,278,862	-
	Income from non-financial assets:		
	Fair value gain on investment property classified as held for sale (Note 31)	-	25,000,000
	Gain on disposal of operating fixed assets (Note 16.1.1)	64,532,229	1,827,578
	Testing Fee	73,000	53,326
	Gain on termination of leases	12,438,386	10,982,771
	Reversal of provision for slow moving and obsolete store items (Note 21.1)	-	1,519,866
	Reversal of provision for slow moving and obsolete stock-in-trade (Note 22.3)	8,764,503	17,233,035
	Amortization of deferred income - Government grant (Note 10.2)	18,871,048	21,771,306
	Income from handling and storage services	127,589,709	107,323,063
	Common facility charges	10,284,564	1,379,930
	Credit balances written back	1,886,306	1,652,734
	Miscellaneous	10,000	6,400
	Others:		
	Rental and other income from HTL Express Centres	39,094,770	40,098,026
		311,391,850	275,139,568
38.	**FINANCE COST**		
	Mark-up on long term financing	66,668,267	61,330,385
	Mark-up on short term borrowings	282,565,716	370,020,277
	Interest expense on lease liabilities (Note 8.1)	59,208,705	77,876,059
	Interest on workers' profit participation fund (Note 11.3)	31,011,782	35,989,011
	Interest on employees' provident fund trust	4,217,439	-
	Delayed payment surcharge by oil refineries	17,952,620	-
	Bank charges and commission	30,412,564	49,779,381
		492,037,093	594,995,113
39.	**LEVY**		
	Minimum tax differential	-	167,542,486
	Final taxes	8,314,570	4,709,724
	Prior year adjustment	2,254,166	(597,300)
		10,568,736	171,654,910

39.1 Levy represents final taxes levied under the Income Tax Ordinance, 2001, any excess over the amount designated as provision for current tax and related super tax on income calculated as per section 4C of the Income Tax Ordinance, 2001.

	2026 Rupees	2025 Rupees
40. TAXATION		
Current tax	278,680,073	1,364,364
Deferred tax	133,640,848	47,601,737
	412,320,921	48,966,101

40.1 The Group has opted for group taxation as one fiscal unit under section 59AA of the Income Tax Ordinance, 2001 and the provision for current taxation has been made accordingly. The numerical reconciliation between the average tax rate and the applicable tax rate has been given as follows:

	2026 Rupees	2025 Rupees
Relationship between tax expense and accounting profit		
Profit before levy and taxation	895,845,096	322,428,806
Tax at the applicable rate of 29% (2024: 29%)	259,795,078	93,504,354
Effect of minimum tax	-	167,542,486
Effect of dividend income taxed at a lower rate	6,156,419	4,709,724
Tax effect of capital gain taxed at a lower rate	187,601	1,364,364
Effect of super tax	92,096,649	-
Effect of absorption of brought forward business losses and unabsorbed tax depreciation	(62,118,903)	-
Effect of change in prior year's tax	2,254,166	(597,300)
Effect arising as a consequence of recognition of deferred income tax	133,640,848	47,601,737
Effect of expenses and income that are not considered in determining taxable liability	(9,122,201)	(93,504,354)
	422,889,657	220,621,011
Current income tax liability and levy as per applicable tax laws:		
Levy (Note 39)	(10,568,736)	(171,654,910)
Taxation (Note 40)	(412,320,921)	(48,966,101)
	-	-

41. EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share which based on:		
Profit after taxation attributable to ordinary shareholders (Rupees)	472,955,439	101,807,795
Weighted average number of shares (Number)	139,204,800	139,204,800
Earnings per share - basic and diluted (Rupees)	3.40	0.73

		2026 Rupees	2025 Rupees
42.	**CASH GENERATED FROM OPERATIONS**		
	Profit before levy and taxation	895,845,096	322,428,806
	Adjustments for non-cash charges and other items:		
	Depreciation on operating fixed assets (Note 16.1.2)	341,076,462	333,768,434
	Depreciation on right-of-use assets (Note 17)	117,845,230	126,738,604
	Amortization of intangible assets (Note 34)	2,610,000	7,201,403
	Amortization of deferred income - Government grant (Note 37)	(18,871,048)	(21,771,306)
	Allowance for expected credit losses (Note 36)	3,325,020	-
	Reversal of allowance for expected credit losses (Note 37)	-	(4,880,622)
	Provision for slow moving and obsolete store items (Note 36)	4,591,591	-
	Reversal of provision for slow moving and obsolete store items (Note 37)	-	(1,519,866)
	Reversal of provision for slow moving and obsolete stock-in-trade (Note 37)	(8,764,503)	(17,233,035)
	Credit balances written back (Note 37)	(1,886,306)	(1,652,734)
	Fair value loss on investment property classified as held for sale (Note 36)	15,000,000	-
	Capital work-in-progress written off (Note 36)	3,995,411	-
	Loss on disposal of non-current assets classified as held for sale (Note 36)	14,567,501	-
	Loss on disposal of capital work-in-progress (Note 36)	40,694,080	-
	Gain on disposal of operating fixed assets (Note 37)	(64,532,229)	(1,827,578)
	Dividend income (Note 37)	(21,581,505)	(31,398,163)
	Profit on bank deposits (Note 37)	(995,009)	(9,342,101)
	Unrealized gain on remeasurement of investments carried at fair value through profit or loss - net (Note 37)	(1,241,555)	(660,978)
	Gain on disposal of investments at fair value through profit or loss (Note 37)	(750,404)	(9,669)
	Fair value gain on investment property classified as held for sale (Note 37)	-	(25,000,000)
	Gain on termination of leases (Note 37)	(12,438,386)	(10,982,771)
	Finance cost (Note 38)	492,037,093	594,995,113
	Exchange gain - net (Note 37)	(3,278,862)	-
	Exchange loss - net (Note 36)	-	42,406,572
	Workers' profit participation fund (Note 36)	24,960,903	33,989,644
	Workers' welfare fund (Note 36)	18,641,124	12,418,785
	Fixed assets written off (Note 36)	13,686,407	8,998,077
	Intangible asset written off (Note 36)	2,222,016	-
	Sales tax written off (Note 36)	1,744,881	7,478,890
	Advances to suppliers written off (Note 36)	20,261,529	-
	Advances to employees written off (Note 36)	-	110,422
	Provision for doubtful advances to suppliers (Note 36)	2,228,635	-
	Security deposits written off (Note 36)	78,285	1,197,595
	Working capital changes (Note 42.1)	(1,653,298,439)	(386,004,328)
		227,773,018	979,449,194

		2026 Rupees	2025 Rupees
42.1	**Working capital changes**		
	(Increase) / decrease in current assets:		
	Stores	(49,887,074)	(27,482,742)
	Stock-in-trade	(450,721,308)	443,508,428
	Trade debts	(675,986,598)	(209,040,830)
	Loans and advances	(644,269,098)	(60,279,550)
	Short term deposits and prepayments	10,060,754	182,263
	Other receivables	(383,215,880)	(47,008,853)
		(2,194,019,204)	99,878,716
	Increase / (decrease) in current liabilities:		
	Trade and other payables	589,706,102	(491,534,015)
	Contract liabilities	(48,985,337)	5,650,971
		540,720,765	(485,883,044)
		(1,653,298,439)	(386,004,328)

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

	2026				
	Liabilities from financing activities				
	Long term financing	Lease liabilities	Short term borrowings	Unclaimed dividend	Total
	Rupees				
Balance as at 01 July 2025	506,982,031	498,182,554	2,352,877,670	5,372,861	3,363,415,116
Financing obtained	499,989,668	-	17,138,642,443	-	17,638,632,111
Repayment of financing	(86,975,012)	-	(16,600,476,517)	-	(16,687,451,529)
Acquisitions - finance leases	-	119,871,293	-	-	119,871,293
Other change - non-cash movement	-	(95,708,218)	-	-	(95,708,218)
Repayment of lease liabilities	-	(116,639,874)	-	-	(116,639,874)
Dividend paid	-	-	-	(73,659)	(73,659)
Balance as at 30 June 2026	919,996,687	405,705,755	2,891,043,596	5,299,202	4,222,045,240

	2025				
	Liabilities from financing activities				
	Long term financing	Lease liabilities	Short term borrowings	Unclaimed dividend	Total
	Rupees				
Balance as at 01 July 2024	585,018,170	643,392,513	2,064,242,674	5,689,417	3,298,342,774
Financing obtained	-	-	27,573,764,412	-	27,573,764,412
Repayment of financing	(78,036,139)	-	(27,285,129,416)	-	(27,363,165,555)
Acquisitions - finance leases	-	53,229,486	-	-	53,229,486
Other change - non-cash movement	-	(36,529,744)	-	-	(36,529,744)
Repayment of lease liabilities	-	(161,909,701)	-	-	(161,909,701)
Dividend paid	-	-	-	(316,556)	(316,556)
Balance as at 30 June 2025	506,982,031	498,182,554	2,352,877,670	5,372,861	3,363,415,116

		2026 Rupees	2025 Rupees
42.3	**Non-cash financing activities**		
	Acquisition of right-of-use assets	119,871,293	53,229,486
	Other change - non-cash movement	95,708,218	36,529,744

43. PROVIDENT FUND

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

44. PLANT CAPACITY AND ACTUAL PRODUCTION

Considering the nature of the Holding Company's business, the information regarding production has no relevance. However, product storage capacities at the Holding Company's facility and production capacity of the solar system during the current year are detailed below:

	Metric Tons		
Product storage capacity	**SKO**	**PMG**	**HSD**
Sahiwal depot	198	2,040	1,858
Nowshera depot	-	1,401	1551

	kWh	
Solar system	**2026**	**2025**
Installed	193,815	175,200
Actual	127,138	63,290

The plant capacity and actual production of the Subsidiary Company is as follows:

		2026		2025	
	Unit of measurement	**Capacity**	**Production**	**Capacity**	**Production**
Blending division:					
Bottles	Numbers	12,737,057	4,342,257	14,446,080	4,290,561
Caps	Numbers	8,025,600	4,317,140	21,244,236	4,050,231
Filling	Litres	94,274,800	9,911,332	94,274,800	9,442,107
Blending	Litres	52,800,000	9,910,272	52,800,000	9,443,536
Polymer division:					
Bottles	Numbers	9,069,737	4,397,872	8,190,411	3,157,174
Caps	Numbers	5,872,114	4,516,138	5,311,059	4,639,034
Injection moulding parts	Numbers	265,553	238,252	430,920	247,579
Solar system	kWh	2,038,645	1,113,336	2,166,060	1,107,405

44.1 Reason for low production

Under utilization of available capacity is mainly due to limited sales orders. Low capacity utilization of solar system is due to combination of environmental, technical, structural and maintenance factors.

45. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated undertakings, other related parties, key management personnel and provident fund trusts. The Group in the normal course of business carries out transactions with various related parties. Detail of significant transactions with related parties, other than those which have been disclosed elsewhere in these consolidated financial statements, are as follows:

Relationship	Nature of transaction	2026 Rupees	2025 Rupees
Associated company			
MAS Associates (Private) Limited	Share of common expenses	10,284,564	1,379,930
Other related parties			
SK On Co., Ltd. (formerly SK Enmove Co., Ltd.)	Purchase of lubricants	5,380,195,702	3,891,067,876
	Incentives	76,568,092	122,329,750
Hi-Tech Lubricants Limited Employees Provident Fund Trust	Contribution	33,217,487	33,678,835
Hi-Tech Blending (Private) Limited Employees Provident Fund Trust	Contribution	7,743,567	7,687,266
Sabra Hamida Trust	Donations	18,000,000	18,000,000

45 .1 Following are the related parties with whom the Holding Company had entered into transactions or have arrangements / agreements in place:

Name of related party	Basis of relationship	Transactions entered or agreements and / or arrangements in place during the financial year	Percentage of shareholding
MAS Associates (Private) Limited	Common directorship	Yes	None
SK On Co., Ltd. (formerly SK Enmove Co., Ltd.)	Principal supplier and long term partner	Yes	None
Hi-Tech Energy (Private) Limited	Common directorship	No	None
MAS Infosoft (Private) Limited	Common directorship	Yes	None
MAS Services	Common partnership of directors	No	None
Haut Buys (Private) Limited	Common directorship	No	None
Sabra Hamida Trust	Common trusteeship of directors	Yes	None
WASL Investment Finance Limited	Common directorship	No	None
WASL Mobility Modaraba	Common directorship	No	None
WASL Modaraba Management Limited	Common directorship	No	None
Alliance Francaise De Lahore Foundation	Common trusteeship of directors	No	None
Food Check (Private) Limited	Common directorship	No	None
MAS Associates Employees Provident Fund Trust	Common trusteeship of directors	No	None
Hi-Tech Lubricants Limited Employees Provident Fund Trust	Common trusteeship of directors	Yes	None
Hi-Tech Blending (Private) Limited Provident Fund Trust	Subsidiary Company's employee provident fund	No	None
MAS Services Employees Provident Fund Trust	Common trusteeship of directors	No	None
Haut Notch (Private) Limited	Common directorship	No	None
Gulf Rubber Products (Private) Limited	Common directorship	No	None
ANALI	Common partnership of director	No	None
Chenab Energy (Private) Limited	Common directorship	No	None
Retail Direct (Private) Limited	Common partnership of director	No	None
JSSR Consulting, Pakistan	Common partnership of director	No	None
Milestone Center for Cognitive and Language Development	Common trusteeship of director	No	None
14th Gate Restructuring Company Limited	Common directorship	No	None
Mr. Shaukat Hassan	Director of the Holding Company	Yes	None
Mr. Muhammad Ali Hassan	Director of the Holding Company	Yes	None
Mr. Hassan Tahir	Director of the Holding Company	Yes	None
Ms. Mavira Tahir	Director of the Holding Company	Yes	None
Mr. Faraz Akhtar Zaidi	Director of the Holding Company	Yes	None
Mr. Shafiq Ur Rehman	Director of the Holding Company	Yes	None
Mr. Mehmood Akhtar	Director of the Holding Company	Yes	None
Mr. Donghyun Kim	Director of the Holding Company	No	None
Mr. Muntizer Abbas Hussain	Director of the Holding Company	Yes	None
Ms. Mehvish Khan	Director of the Holding Company	Yes	None

45 .2 Detail of compensation to key management personnel comprising of chief executive officer and executives is disclosed in note 46.

46. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	2026				2025			
		Directors				Directors		
	Chief Executive	Executive	Non-executive	Executives	Chief Executive	Executive	Non-executive	Executives
	Rupees							
Managerial remuneration	15,483,871	13,935,484	39,483,871	199,280,241	15,483,871	13,935,484	39,096,774	173,786,748
Bonus	9,574,494	9,574,494	-	-	2,000,000	1,800,000	-	22,271,346
Allowances								
House rent	6,967,742	6,270,968	17,767,742	89,676,108	6,967,742	6,270,968	17,593,548	78,204,037
Medical	1,548,387	1,393,548	3,948,387	19,927,984	1,548,387	1,393,548	3,909,677	17,378,671
Travelling	3,000,000	3,000,000	7,500,000	1,260,350	3,000,000	3,000,000	7,500,000	873,175
Other incentives	-	-	-	5,410,874	-	-	-	41,822,607
Contribution to provident fund trust	-	-	-	18,175,414	-	-	-	16,258,610
Leave fare assistance	-	-	-	10,825,396	-	-	-	2,173,609
	36,574,494	34,174,494	68,700,000	344,556,367	29,000,000	26,400,000	68,099,999	352,768,803
	1	**1**	**4**	**80**	**1**	**1**	**4**	**77**

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

46.2 Aggregate amount charged in these consolidated financial statements for meeting fee to three directors (2025: five directors) is Rupees 3.65 million (2025: Rupees 4.4million).

47. NUMBER OF EMPLOYEES

	2026		2025	
	Permanent	Contractual	Permanent	Contractual
Total number of employees as on 30 June	394	406	616	158
Average number of employees during the year	445	351	625	146

48. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

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

Recurring fair value measurements at 30 June 2026	Level 1	Level 2	Level 3	Total
		Rupees		
Financial assets				
Financial assets at fair value through profit or loss	234,147,953	-	-	234,147,953

Recurring fair value measurements at 30 June 2025	Level 1	Level 2	Level 3	Total
		Rupees		
Financial assets				
Financial assets at fair value through profit or loss	240,351,519	-	-	240,351,519

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

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

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

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

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

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

(ii) Valuation techniques used to determine fair values

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

49. SEGMENT INFORMATION

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

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

	LUBRICANTS		PETROLEUM PRODUCTS		POLYMER		UNALLOCATED		TOTAL - GROUP	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	Rupees									
Revenue from contracts with customers	9,748,220,194	9,808,003,530	27,204,707,892	23,232,318,076	630,277,021	468,175,504	-	-	37,583,205,107	33,508,497,110
Cost of sales	(7,207,359,831)	(7,411,640,732)	(26,176,706,276)	(22,607,022,776)	(533,114,241)	(411,964,907)	-	-	(33,917,180,348)	(30,430,628,415)
Gross profit	2,540,860,363	2,396,362,798	1,028,001,616	625,295,300	97,162,780	56,210,597	-	-	3,666,024,759	3,077,868,695
Distribution cost	(718,275,494)	(785,826,012)	(595,470,002)	(452,917,811)	(5,575,594)	(10,356,321)	-	-	(1,319,321,090)	(1,249,100,144)
Administrative expenses	(798,646,741)	(1,025,608,232)	(258,161,996)	(15,737,256)	(4,794,821)	(2,876,641)	-	-	(1,061,603,558)	(1,044,222,129)
Other expenses	(110,640,010)	(34,815,499)	(97,299,433)	(106,170,034)	(670,329)	(1,276,538)	-	-	(208,609,772)	(142,262,071)
	(1,627,562,245)	(1,846,249,743)	(950,931,431)	(574,825,101)	(11,040,744)	(14,509,500)	-	-	(2,589,534,420)	(2,435,584,344)
Other income	65,986,805	137,108,900	203,963,877	138,030,668	41,441,168	-	-	-	311,391,850	275,139,568
Profit from operations	979,284,923	687,221,955	281,034,062	188,500,867	127,563,204	41,701,097	-	-	1,387,882,189	917,423,919
Finance cost	(305,258,698)	(489,031,336)	(165,324,874)	(57,391,947)	(21,453,521)	(48,571,830)	-	-	(492,037,093)	(594,995,113)
Profit / (loss) before levy and taxation	674,026,225	198,190,619	115,709,188	131,108,920	106,109,683	(6,870,733)	-	-	895,845,096	322,428,806
Levy	-	-	-	-	-	-	(10,568,736)	(171,654,910)	(10,568,736)	(171,654,910)
Profit / (loss) before taxation	674,026,225	198,190,619	115,709,188	131,108,920	106,109,683	(6,870,733)	(10,568,736)	(171,654,910)	885,276,360	150,773,896
Taxation	-	-	-	-	-	-	(412,320,921)	(48,966,101)	(412,320,921)	(48,966,101)
Profit / (loss) after taxation	674,026,225	198,190,619	115,709,188	131,108,920	106,109,683	(6,870,733)	(422,889,657)	(220,621,011)	472,955,439	101,807,795

49.1 Reconciliation of reportable segment assets and liabilities:

	LUBRICANTS		PETROLEUM PRODUCTS		POLYMER		TOTAL - GROUP	
	2026	2025	2026	2025	2026	2025	2026	2025
	Rupees							
Total assets for reportable segments	8,104,461,938	7,654,733,352	3,373,115,669	2,282,248,716	1,217,067,764	792,518,365	12,694,645,371	10,729,500,433
Unallocated assets							2,549,921,078	2,549,921,078
Total assets as per consolidated statement of financial position							15,244,566,449	13,279,421,511
Total liabilities for reportable segments	5,396,992,330	3,207,065,549	431,893,484	1,168,630,837	249,738,456	297,564,134	6,078,624,269	4,673,260,520
Unallocated liabilities							2,481,102,017	2,481,102,017
Total liabilities as per consolidated statement of financial position							8,559,726,286	7,154,362,537

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

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

49.4 Revenue from major customers

The Group's revenue is earned from a large mix of customers.

50. FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

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

At 30 June 2026	Level 1	Level 2	Level 3	Total
		Rupees		
Freehold land	-	2,749,086,750	-	2,749,086,750
Non-current asset classified as held for sale - Transferred from investment property	-	145,000,000	-	145,000,000
	-	2,894,086,750	-	2,894,086,750

At 30 June 2025	Level 1	Level 2	Level 3	Total
Freehold land	-	2,662,261,000	-	2,662,261,000
Non-current asset classified as held for sale - Transferred from fixed assets	-	250,000,000	-	250,000,000
Non-current asset classified as held for sale - Transferred from investment property	-	160,000,000	-	160,000,000
	-	3,072,261,000	-	3,072,261,000

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

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

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

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

Valuation processes

The Group engages external, independent and qualified valuer to determine the fair value of the Group's freehold land and investment property transfer to non-current asset classified as held for sale at the end of every financial year. As at 30 June 2026, the fair value of the freehold land and investment property transfer to non-current asset classified as held for sale has been determined by Anderson Consulting (Private) Limited, an independent valuer.

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

51. FINANCIAL RISK MANAGEMENT

51.1 Financial risk factors

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

Risk management is carried out by the Group's finance department. The Group's finance department has provided 'Risk Management Policy' covering specific areas such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity. All treasury related transactions are carried out within the parameters of this policy.

(a) Market risk

(i) Currency risk

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

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

	2026 USD	2025 USD
Other receivable	200,000	100,000
Trade and other payables	(4,516,887)	(4,616,895)
Net exposure	(4,316,887)	(4,516,895)

The following significant exchange rates were applied during the year:

	Rupees per US Dollar	
Average rate	280.64	279.98
Reporting date rate	278.16	284.10

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD with all other variables held constant, the impact on Group's profit before levy and taxation for the year would have been Rupees 60.039 million (2025: Rupees 64.162 million) lower / higher mainly as a result of exchange losses / gains on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. The sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) Other price risk

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

Sensitivity analysis

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

Index	Impact on Group's profit before levy and taxation	
	2026 Rupees	2025 Rupees
PSX 100 (5% increase)	492,401	459,335
PSX 100 (5% decrease)	(492,401)	(459,335)

(iii) Interest rate risk

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

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

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

	2026 Rupees	2025 Rupees
Fixed rate instruments		
Financial liabilities		
Long term financing	365,262,586	425,648,564
Lease liabilities	404,763,026	459,888,304
Floating rate instruments		
Financial assets		
Bank balances - saving accounts	910,690	6,537,577
Financial liabilities		
Long term financing	554,734,101	81,333,467
Lease liabilities	942,729	38,294,250
Short term borrowings	2,891,043,596	2,352,877,670
	3,446,720,426	2,472,505,387

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the reporting date, fluctuates by 1% higher / lower with all other variables held constant, Group's profit before levy and taxation for the year would have been Rupees 34.458 million (2025: Rupees 24.660 million) lower / higher mainly as a result of higher / lower interest expense on lease liabilities, short term borrowings and bank balances. This analysis is prepared assuming the amounts of assets and liabilities outstanding at reporting dates were outstanding for the whole year.

(b) Credit risk

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

	2026 Rupees	2025 Rupees
Long term security deposits	21,970,950	18,960,950
Long term loans to employees	231,512	1,116,772
Short term deposits	23,113,139	7,570,285
Trade debts	1,988,018,574	1,315,356,996
Loans and advances	79,733,029	198,969,368
Other receivables	639,039,852	219,804,260
Accrued interest	13,102	10,052
Short term investments	234,147,953	240,351,519
Bank balances	73,003,234	144,164,222
	3,059,271,345	2,146,304,424

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

	Rating			2026	2025
	Short term	Long term	Agency	Rupees	Rupees
Short term investments					
Engro Fertilizer Limited	A1+	AA	PACRA	9,848,025	9,186,705
AL Habib Cash Fund	AAA(f)		VIS	219,654,173	226,827,322
NBP Islamic Daily Dividend Fund	AA+(f)		PACRA	663,553	617,589
UBL Liquidity Plus Fund - Class 'C'	AA+(f)		VIS	2,878,686	2,689,057
MCB Cash Management Optimizer	AA+(f)		PACRA	630,877	587,676
Meezan Rozana Amdani Fund	AA+(f)		VIS	472,639	443,170
				234,147,953	240,351,519
Banks					
Bank Alfalah Limited	A1+	AAA	PACRA	7,994,578	41,928,865
Bank AL-Habib Limited	A1+	AAA	PACRA	2,786,522	5,319,732
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	2,408,099	531,029
MCB Bank Limited	A1+	AAA	PACRA	3,517,779	6,003,738
National Bank of Pakistan	A1+	AAA	PACRA	658,872	330,268
Habib Bank Limited	A1+	AAA	VIS	5,697,577	35,008,806
Askari Bank Limited	A1+	AA+	PACRA	18,420,866	3,350,507
United Bank Limited	A1+	AAA	VIS	701,009	997,000
JS Bank Limited	A1+	AA	PACRA	295,442	295,438
Al-Baraka Bank (Pakistan) Limited	A1	AA-	VIS	238,399	238,399
Meezan Bank Limited	A1+	AAA	VIS	23,174,216	24,756,551
Dubai Islamic Bank Pakistan Limited	A1+	AA	VIS	108,519	108,519
Faysal Bank Limited	A1+	AA	PACRA	1,006,091	774,056
Bank Makramah Limited	-	-	VIS	7,246	7,246
Samba Bank Limited	A1	AA	PACRA	600,164	600,166
Soneri Bank Limited	A1+	AA	PACRA	18,000	-
Mobilink Microfinance Bank Limited	A1	A	PACRA	5,369,854	23,913,902
				73,003,234	144,164,222
				307,151,187	384,515,741

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

Trade debts

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

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

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2026 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Gross Domestic Product, unemployment, interest, and the inflation Index of the country in which it majorly sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at 30 June 2026 and 30 June 2025 was determined as follows:

	Sales		
	Expected loss rate	**Trade debts**	**Loss allowance**
	%	Rupees	
At 30 June 2026			
Not past due	0.00	79,333,583	-
Up to 30 days	0.21	68,744,248	144,363
31 to 180 days	3.16	55,633,958	1,759,610
181 to 360 days	33.10	7,661,960	2,535,915
Above 360 days	100	3,524,408	3,524,408
		214,898,157	7,964,296
Trade debts which are not subject to risk of default		1,781,084,713	-
		1,995,982,870	7,964,296

	Sales		
	Expected loss rate	**Trade debts**	**Loss allowance**
	%	Rupees	
At 30 June 2025			
Not past due	0.00	-	-
Up to 30 days	0.00	118,045,783	-
31 to 180 days	7.11	52,588,093	3,740,476
181 to 360 days	35.51	4,906,112	1,742,127
Above 360 days	100	7,896,628	7,896,628
		183,436,616	13,379,231
Trade debts which are not subject to risk of default		1,145,299,611	-
		1,328,736,227	13,379,231

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk by maintaining sufficient cash and bank balances and the availability of funding through an adequate amount of committed credit facilities. As 30 June 2026, the Group had Rupees 1,145.076 million (2025: Rupees 916.068 million) available borrowing limits from financial institutions and Rupees 82.733 million (2025: Rupees 154.503 million) cash and bank balances. Management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amounts disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2026:

	Carrying amount	**Contractual cash flows**	**6 months or less**	**6-12 months**	**1-2 years**	**More than 2 years**
			Rupees			
Non-derivative financial liabilities:						
Long term financing	919,996,687	1,036,603,087	101,306,417	124,789,192	233,272,384	577,235,093
Lease liabilities	405,705,755	733,053,141	73,678,896	49,762,170	106,875,628	502,736,447
Long term deposits	26,000,000	26,000,000	-	-	-	26,000,000
Trade and other payables	3,205,938,859	3,205,938,859	3,205,938,859	-	-	-
Accrued mark-up / profit	77,183,965	77,183,965	77,183,965	-	-	-
Short term borrowings	2,891,043,596	3,055,925,968	3,055,925,968	-	-	-
Unclaimed dividend	5,299,202	5,372,861	5,372,861	-	-	-
	7,531,168,064	8,140,077,881	6,519,406,966	174,551,362	340,148,012	1,105,971,540

Contractual maturities of financial liabilities as at 30 June 2025:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 years
	Rupees					
Non-derivative financial liabilities:						
Long term financing	506,982,031	617,903,598	66,322,702	65,445,390	125,963,357	360,172,149
Lease liabilities	498,182,554	905,154,440	102,990,568	78,502,109	114,685,693	608,976,070
Long term deposits	26,000,000	26,000,000	-	-	-	26,000,000
Trade and other payables	2,689,582,040	2,689,582,040	2,689,582,040	-	-	-
Accrued mark-up / profit	63,829,553	63,829,553	63,829,553	-	-	-
Short term borrowings	2,352,877,670	2,408,349,946	2,408,349,946	-	-	-
Unclaimed dividend	5,372,861	5,372,861	5,372,861	-	-	-
	6,142,826,709	6,716,192,438	5,336,447,670	143,947,499	240,649,050	995,148,219

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark-up rates effective as at 30 June. The rates of interest / mark up have been disclosed in note 7, 8 and note 13 to these consolidated financial statements.

51.2 Financial instruments by categories

	2026		
	At amortised cost	At fair value through profit or loss	Total
	Rupees		
Financial assets			
Long term security deposits	21,970,950	-	21,970,950
Long term loans to employees	231,512	-	231,512
Short term deposits	23,113,139	-	23,113,139
Trade debts	1,988,018,574	-	1,988,018,574
Loans and advances	79,733,029	-	79,733,029
Other receivables	639,039,852	-	639,039,852
Accrued interest	13,102	-	13,102
Short term investments	-	234,147,953	234,147,953
Cash and bank balances	82,732,926	-	82,732,926
	2,834,853,084	234,147,953	3,069,001,037

	2025		
	At amortised cost	At fair value through profit or loss	Total
	Rupees		
Financial assets			
Long term security deposits	18,960,950	-	18,960,950
Long term loans to employees	1,116,772	-	1,116,772
Short term deposits	7,570,285	-	7,570,285
Trade debts	1,315,356,996	-	1,315,356,996
Loans and advances	198,969,368	-	198,969,368
Other receivables	219,804,260	-	219,804,260
Accrued interest	10,052	-	10,052
Short term investments	-	240,351,519	240,351,519
Cash and bank balances	154,503,454	-	154,503,454
	1,916,292,137	240,351,519	2,156,643,656

	At Amortized Cost	
	2026 Rupees	2025 Rupees
Financial liabilities		
Long term financing	919,996,687	506,982,031
Lease liabilities	405,705,755	498,182,554
Long term deposits	26,000,000	26,000,000
Trade and other payables	3,205,938,859	2,689,582,040
Short term borrowings	2,891,043,596	2,352,877,670
Accrued mark-up / profit	77,183,965	63,829,553
Unclaimed dividend	5,299,202	5,372,861
	7,531,168,064	6,142,826,709

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

	2026		
	Financial assets	**Non-financial assets**	**Assets as per consolidated statement of financial position**
	Rupees		
Assets			
Long term security deposits	21,970,950	4,217,100	26,188,050
Long term loans to employees	231,512	-	231,512
Short term deposits and prepayments	23,113,139	9,673,557	32,786,696
Trade debts	1,988,018,574	-	1,988,018,574
Loans and advances	79,733,029	989,622,141	1,069,355,170
Other receivables	639,039,852	93,003,155	732,043,007
Accrued interest	13,102	-	13,102
Short term investments	234,147,953	-	234,147,953
Cash and bank balances	82,732,926	-	82,732,926
	3,069,001,037	1,096,515,953	4,165,516,990

	2026		
	Financial liabilities	**Non-financial liabilities**	**Liabilities as per consolidated statement of financial position**
	Rupees		
Liabilities			
Long term financing	919,996,687	-	919,996,687
Lease liabilities	405,705,755	-	405,705,755
Long term deposits	26,000,000	-	26,000,000
Trade and other payables	3,205,938,859	686,317,416	3,892,256,275
Contract liabilities	-	49,714,306	49,714,306
Short term borrowings	2,891,043,596	-	2,891,043,596
Accrued mark-up / profit	77,183,965	-	77,183,965
Unclaimed dividend	5,299,202	-	5,299,202
	7,531,168,064	736,031,722	8,267,199,786

	2025		
	Financial assets	Non-financial assets	Assets as per consolidated statement of financial position
	Rupees		
Assets			
Long term security deposits	18,960,950	971,001	19,931,951
Long term loans to employees	1,116,772	-	1,116,772
Short term deposits and prepayments	7,570,285	35,355,450	42,925,735
Trade debts	1,315,356,996	-	1,315,356,996
Loans and advances	198,969,368	249,541,034	447,576,236
Other receivables	219,804,260	130,767,748	350,572,008
Accrued interest	10,052	-	10,052
Short term investments	240,351,519	-	240,351,519
Cash and bank balances	154,503,454	-	154,503,454
	2,156,643,656	416,635,233	2,572,344,723

	2025		
	Financial liabilities	Non-financial liabilities	Liabilities as per consolidated statement of financial position
	Rupees		
Liabilities			
Long term financing	506,982,031	-	506,982,031
Lease liabilities	498,182,554	-	498,182,554
Long term deposits	26,000,000	-	26,000,000
Trade and other payables	2,684,990,766	739,670,759	3,424,661,525
Contract liabilities	-	98,699,643	98,699,643
Short term borrowings	2,352,877,670	-	2,352,877,670
Accrued mark-up / profit	63,829,553	-	63,829,553
Unclaimed dividend	5,372,861	-	5,372,861
	6,138,235,435	838,370,402	6,976,605,837

51.3 Offsetting financial assets and financial liabilities

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

52. DISCLOSURE REQUIREMENT FOR COMPANY NOT ENGAGED IN SHARIAH NON-PERMISSIBLE BUSINESS ACTIVITIES AS ITS CORE BUSINESS ACTIVITIES

Description	2026 Rupees	2025 Rupees
Financing (long-term, short-term, or lease financing) obtained as per Islamic mode	83,549,045	-
Interest or mark-up accrued on any conventional loan or advance	31,797,344	63,829,553
Long-term and short-term Shariah compliant Investments	10,984,217	1,060,759
Shariah-compliant bank deposits, bank balances, and TDRs	24,527,225	25,884,771
Revenue earned from a Shariah-compliant business segment (Note 31)	41,134,773,280	38,858,811,104
Break-up of late payments or liquidated damages	17,952,620	-
Gain or loss or dividend earned on Shariah compliant investments or share of profit from Shariah-compliant associates	836,377	913,724
Profit earned from Shariah-compliant bank deposits, bank balances, or TDRs	-	-
Exchange gain earned from actual currency	-	-
Exchange gains earned using conventional derivative financial instruments	-	-
Profit paid on Islamic mode of financing	5,069,359	-
Total Interest earned on any conventional loan or advance	-	33,414,160
Source and detailed breakup of other income, including breakup of other or miscellaneous portions of other income into Shariah-compliant and non compliant income		
Shariah-compliant		
Fair value gain on investment property classified as held for sale	-	25,000,000
Dividend income	836,377	913,724
Gain on disposal of operating fixed assets	64,532,229	1,827,578
Gain on termination of leases	12,438,386	10,982,771
Income from handling and storage services	127,589,709	107,323,063
Reversal of provision for slow moving and damaged inventory items	8,764,503	17,233,035
Reversal of provision for slow moving and obsolete store items	-	1,519,866
Amortization of deferred income - Government grant	18,871,048	21,771,306
Common facility charges	10,284,564	1,379,930
Testing fee	73,000	53,326
Reversal of allowance for expected credit losses	-	4,880,622
Exchange gain - net	3,278,862	-
Rental income from HTL Express Centres	39,094,770	40,098,026
Promotional incentive	-	-
Credit balances written back	1,886,306	1,652,734
Unrealized gain on remeasurement of investment at fair value through profit or loss	661,320	660,978
Miscellaneous	10,000	6,400
Non-shariah compliant		
Profit on bank deposits and term deposit receipt	995,009	9,342,101
Gain on disposal of short term investments	750,404	9,669
Unrealized gain on remeasurement of investments at fair value through profit or loss - net	580,235	-
Dividend income	20,745,128	30,484,439

Relationship with Shariah-compliant financial institutions, including banks, takaful operators and their windows, etc

Relationship with shariah-compliant banks:

Name	Relationship as at reporting date
Al-Baraka Bank (Pakistan) Limited	Bank balance
Meezan Bank Limited	Bank balance
Dubai Islamic Bank Pakistan Limited	Bank balance
Faysal Bank Limited	Bank balance
First Habib Modaraba	Long term financing

53. CAPITAL RISK

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares. Consistent with others in the industry, and the requirements of the lenders, the Group monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent long term financing, lease liabilities and short term borrowings as referred to in note 7, 8 and 13 to the consolidated financial statements. Total capital employed includes 'total equity' as shown in the consolidated statement of financial position plus 'borrowings'.

		2026	2025
Borrowings	Rupees	3,781,338,336	2,969,929,368
Total equity	Rupees	6,684,840,163	6,125,058,974
Total capital	Rupees	10,466,178,499	9,094,988,342
Gearing ratio	Percentage	36.13%	32.65%

The increase in gearing ratio is mainly due to increase in borrowings of the Group.

54. UNUTILIZED CREDIT

	Non-funded		Funded	
	2026	2025	2026	2025
	Rupees	Rupees	Rupees	Rupees
Total facilities	5,947,798,998	3,894,417,000	4,957,059,002	3,814,222,298
Utilized at the end of the year	4,303,149,012	2,574,582,012	3,811,983,012	2,898,153,951
Unutilized at the end of the year	1,644,649,986	1,319,834,988	1,145,075,990	916,068,347

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

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

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

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

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

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

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

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

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

During the year ended on 30 June 2020, the Holding Company started its OMC operations and expediently worked on completion of its Nowshera oil storage. During the year ended 30 June 2021, the Holding Company has completed its oil storage at Nowshera. On 09 August 2021, OGRA acknowledged the satisfactory completion of Nowshera oil storage based on third party inspection report. During the year ended 30 June 2022, the Holding Company has started work on new oil storage facility at Shikarpur. On 16 March 2023, OGRA has granted permission to the Holding Company to operate new storage facility at Nowshehra and marketing of petroleum products in the province of Khyber Pakhtunkhwa. During the year ended 30 June 2026, the Holding Company has disposed of the under-constructed Shikarpur oil storage facility and acquired a new site at Daulatpur to construct the new oil storage facility, subsequently to the reporting period. 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 retail outlets operational for sale of petroleum products as on 30 June 2026. Detail of payments out of IPO proceeds during the year ended 30 June 2026 is as follows:

	Rupees
Un-utilized IPO proceeds as at 01 July 2025	186,686,602
Add: Profit on bank deposits	522,346
Add: Dividend on investment in mutual funds	20,851,380
Add: Gain on disposal of investment in mutual fund	750,404
Add: Unrealised gain on investment in mutual funds	(576,406)
Less: Payments made relating to OMC Project	(13,789,514)
Less: Withholding tax on profit on bank deposits	(104,469)
Less: Withholding tax on dividend from mutual funds	(6,046,898)
Less: Withholding tax on disposal of mutual funds	(187,601)
Less: Bank charges	(14,591)
Un-utilized IPO proceeds as at 30 June 2026	188,091,253

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

56. DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue on 18 September 2026 by the Board of Directors of the Holding Company.

57. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant rearrangements / reclassifications have been made except for presentation of contract liabilities amounting to Rupees 98.699 million on the face of statement of financial position instead of grouping under trade and other payables for better presentation.

58. GENERAL

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

Chief Executive | Director | Chief Financial Officer

لیے رکھی گئی فری ہولڈ زمین اور شکار پور میں زیرِ تعمیر اسٹوریج کی سہولت کی فروخت شامل ہے، جس سے 485 ملین روپے کی آمدنی حاصل ہوئی۔

سال کے اختتام کے بعد، کمپنی کی آئل اسٹوریج کی اگلی سہولت کے لیے دولت پور میں ایک نئی جگہ کا حصول، جس سے ریٹیل نیٹ ورک کے لیے سپلائی چین کی لچک اور مضبوطی میں اضافہ ہوگا۔

گروپ کے منصوبوں کے لیے 500 ملین روپے کی نئی طویل مدتی فنانسنگ، جس کے لیے کمپنی نے HTBL کے قرض دہندگان کو کارپوریٹ ضمانتیں فراہم کیں۔

مالی سال 2026 کے لیے حتمی نقد ڈیویڈنڈ کی سفارش۔

اوگرا (OGRA) کی جانب سے کمپنی کے عارضی OMC لائسنس میں 31 دسمبر 2027 تک توسیع، جو ہمارے پیٹرولیم کے کاروبار کے لیے ریگولیٹری تسلسل فراہم کرتی ہے۔

بورڈ کی فعالیت اور نظم و نسق (گورننس)

بورڈ، کمپنیز ایکٹ 2017 اور لسٹڈ کمپنیز (کارپوریٹ گورننس کا ضابطہ) ریگولیشنز 2019 کے مطابق کارپوریٹ گورننس کے اعلیٰ ترین معیارات پر کاربند ہے۔ بورڈ دس ڈائریکٹرز پر مشتمل ہے جن میں تین آزاد ڈائریکٹرز، پانچ دیگر نان ایگزیکٹو ڈائریکٹرز (بشمول دو خواتین ڈائریکٹرز) اور دو ایگزیکٹو ڈائریکٹرز شامل ہیں۔ یہ بورڈ متنوع تجارتی، مالی اور صنعتی تجربے کا حامل ہے اور اس میں ہمارے تکنیکی شراکت دار، ایس کے آن کمپنی لمیٹڈ (SK On Co., Ltd.) کے نامزد کردہ ڈائریکٹر کے ذریعے ان کا نقطہ نظر بھی شامل ہے۔ چیئرمین اور چیف ایگزیکٹو آفیسر کے کردار الگ الگ اور واضح طور پر متعین ہیں۔

سال کے دوران بورڈ کے چار اجلاس منعقد ہوئے اور اسے آڈٹ، ہیومن ریسورس اینڈ ریمونریشن، نامینیشن، رسک اینڈ سسٹین ایبلٹی، کارپوریٹ سوشل ریسپانسبلٹی اور انویسٹمنٹ کمیٹیوں کا تعاون حاصل رہا؛ یہ تمام کمیٹیاں بورڈ کی منظور کردہ 'ضوابطِ کار' (terms of reference) کے تحت کام کرتی رہیں۔ بورڈ نے حکمت عملی، لیکویڈیٹی (نقد بہاؤ) پر تیل کی قیمتوں میں اچانک تبدیلی کے اثرات، شعبہ جاتی اصلاحات، سرمائے کی تقسیم، متعلقہ فریقین کے ساتھ لین دین اور جانشینی کے منصوبے (succession planning) پر خصوصی توجہ دی۔

ریگولیشنز کے قاعدہ 28(1)(vi) کے مطابق، مالی سال 2026 کے لیے بورڈ، اس کے اراکین، کمیٹیوں، چیئرمین اور چیف ایگزیکٹو آفیسر کی کارکردگی کا جائزہ 30 جون 2026 کو اندرونی طور پر لیا گیا؛ جبکہ مالی سال 2025 کا گزشتہ جائزہ ایک آزاد بیرونی کنسلٹنٹ، میسرز نذیر شاہین اینڈ ایسوسی ایٹس نے کیا تھا۔ اس جائزے میں بورڈ کی تشکیل، اسٹریٹجک نگرانی، غور و خوض کا معیار، کمیٹیوں کی فعالیت اور اخلاقی طرزِ عمل جیسے امور شامل تھے۔ مجھے یہ بتاتے ہوئے خوشی ہو رہی ہے کہ بورڈ اور اس کی کمیٹیوں نے مؤثر طریقے سے کام کیا اور کمپنی کے اہداف کے حصول میں اہم کردار ادا کیا؛ نیز، اس جائزے سے مفید بصیرتیں حاصل ہوئیں جن پر ہم عمل درآمد کر رہے ہیں۔

رسک مینجمنٹ اور اندرونی کنٹرولز

بورڈ نے کمپنی کو درپیش بنیادی خطرات پر قریبی نگرانی برقرار رکھی: تیل کی قیمتوں اور شرحِ مبادلہ میں اتار چڑھاؤ، شرحِ سود اور لیکویڈیٹی (نقد بہاؤ) کا خطرہ، وصولیوں (receivables) پر کریڈٹ رسک، اور ریگولیٹری و ٹیکس سے متعلق پیش رفت۔ آڈٹ کمیٹی اور رسک اینڈ سسٹین ایبلٹی کمیٹی کے تعاون سے، بورڈ نے پورے سال کے دوران اندرونی کنٹرول اور رسک مینجمنٹ کے نظام کار کی افادیت کا جائزہ لیا۔ ان جائزوں، اندرونی آڈٹ کے عمل اور بیرونی آڈیٹرز کی غیر مشروط (unqualified) آراء سے بورڈ کو اطمینان حاصل ہوا ہے کہ HTL کی مالیاتی رپورٹنگ، آپریشنل کنٹرولز اور تعمیلی عمل (compliance processes) مستحکم ہیں۔ بورڈ ٹیکس اور کسٹمز کے معاملات کی نگرانی بھی جاری رکھے ہوئے ہے، بشمول مالی سال کے اختتام کے بعد موصول ہونے والا 'شوکاز نوٹس' (وضاحتی نوٹس)، جس کے حوالے سے انتظامیہ قانونی مشورے کے ساتھ مثبت نتیجے کے بارے میں پرامید ہے۔

پائیداری اور کارپوریٹ ذمہ داری

ہماری ذمہ داری صرف مالیاتی نتائج تک محدود نہیں ہے۔ ماحولیاتی، سماجی اور گورننس کے اصولوں اور اقوام متحدہ کے پائیدار ترقی کے اہداف (SDGs) کی روشنی میں، گروپ نے 'صابرہ حمیدہ ٹرسٹ' کے ذریعے تعلیم، صحت کی دیکھ بھال اور کمیونٹی کی فلاح و بہبود کے لیے 18 ملین روپے کا تعاون کیا؛ شمسی توانائی کا استعمال اور کم اخراج والی مصنوعات کے فروغ کا سلسلہ جاری رکھا؛ اور اپنے تمام مقامات پر صحت اور حفاظت پر خصوصی توجہ مرکوز رکھی۔ بورڈ IFRS S1 اور S2 کے تحت پائیداری اور آب و ہوا سے متعلق انکشافات (disclosures) کے لیے کمپنی کی تیاریوں کی نگرانی بھی کر رہا ہے۔

اسٹیک ہولڈرز کے ساتھ رابطہ

بورڈ شیئر ہولڈرز (بشمول اقلیتی شیئر ہولڈرز) کے ساتھ کھلے مکالمے کو اہمیت دیتا ہے۔ ہم اپنا سالانہ اجلاسِ عام (AGM) دوبارہ ہائبرڈ انداز میں منعقد کریں گے اور اپنی کارکردگی اور حکمت عملی کی وضاحت کے لیے 'کارپوریٹ بریفنگ سیشن' کا انعقاد کریں گے؛ نیز تمام اہم معلومات کمپنی کی ویب سائٹ پر دستیاب ہیں۔

مستقبل کا لائحہ عمل

بورڈ مالی سال 2027 کی جانب اعتماد اور احتیاط کے امتزاج کے ساتھ بڑھ رہا ہے۔ تیل کی قیمتیں، افراطِ زر، شرحِ سود اور شعبہ جاتی اصلاحات کی رفتار کاروباری ماحول کا تعین کریں گی، اور قیمتوں میں حالیہ اتار چڑھاؤ کے اثرات سے طلب (demand) کی مکمل بحالی میں کچھ وقت لگ سکتا ہے۔ اس ماحول میں، انتظامیہ کے لیے بورڈ کی ترجیحات واضح ہیں: منافع کو نقد رقم میں تبدیل کرنا اور قرضوں میں کمی لانا؛ مقامی سطح پر بلینڈنگ (آمیزش) کے ذریعے لبریکنٹس کے حجم میں اضافہ کرنا؛ پولیمر کے کاروبار کو وسعت دینا؛ ریٹیل نیٹ ورک اور اسٹوریج کے بنیادی ڈھانچے کو متوازن انداز میں بڑھانا؛ اور HTL کو ڈی ریگولیٹڈ (ضابطہ کار کی سخت پابندیوں سے آزاد) مارکیٹ میں کامیابی سے مقابلہ کرنے کے لیے تیار کرنا۔ ایک مضبوط بیلنس شیٹ، ایک ثابت شدہ مربوط کاروباری ماڈل اور ایک پرعزم ٹیم کی بدولت، مجھے یقین ہے کہ HTL پائیدار ترقی اور شیئر ہولڈرز کے لیے بڑھتے ہوئے منافع کی فراہمی کے لیے بہترین پوزیشن میں ہے۔

اظہارِ تشکر

بورڈ کی جانب سے، میں اپنے شیئر ہولڈرز کا ان کے مسلسل اعتماد پر، اور اپنے صارفین، ڈیلرز اور ڈسٹری بیوٹرز کا ان کی وفاداری پر شکریہ ادا کرتا ہوں۔ میں اپنے تکنیکی شراکت دار SK On Co., Ltd. کا ان کی دیرینہ معاونت پر، اور اپنے بینکرز، پیٹرولیم ڈویژن، اوگرا (OGRA)، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور پاکستان اسٹاک ایکسچینج کا ان کے تعاون پر شکریہ ادا کرتا ہوں۔ میں چیف ایگزیکٹو آفیسر جناب حسن طاہر، انتظامی ٹیم اور اپنے تمام ملازمین کی اس مشکل سال کے دوران دکھائی گئی لگن کو سراہتا ہوں، اور اپنے ساتھی ڈائریکٹرز کا ان کی دانشمندی اور عزم کے لیے شکریہ ادا کرتا ہوں۔ ہم سب مل کر ایک مضبوط، زیادہ مستحکم اور پائیدار HTL کی تعمیر کا عمل جاری رکھیں گے۔

شوکت حسن
چیئرمین

چیئرمین کا جائزہ

30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کی مجموعی کارکردگی اور بورڈ کی تاثیر پر

بورڈ کا ایک نظر میں جائزہ					
۱۰	۳	۲	۶	۱	چیئرمین اور چیف ایگزیکٹو کے الگ الگ کردار
ڈائریکٹرز بورڈ پر	انڈیپنڈنٹ ڈائریکٹرز	خواتین ڈائریکٹرز	بورڈ کی کمیٹیاں	نکنیکل پارٹنر ایس کے کا نامزد	

"ہمارا مقصد ایک ایسی HTL بنانا ہے جو موثر، اچھی طرح سے چلائی جائے اور بے ضابطہ مارکیٹ میں مقابلہ کرنے کے لیے تیار ہو— جس سے شیئر ہولڈرز اور ہر اسٹیک ہولڈر کے لیے دیرپا قدر پیدا ہو جو ہم خدمت کرتے ہیں۔"

محترم شیئر ہولڈرز،

یہ میرے لیے اعزاز کی بات ہے کہ میں FY2026 کے لیے چیئرمین کا جائزہ پیش کرتا ہوں— ایک سال جس میں ہائی ٹیک لبریکنٹس نے اسٹینڈلون اور کنسولیڈیٹڈ دونوں بنیادوں پر منافع میں مضبوطی سے واپسی کی، اپنی بیلنس شیٹ کو مضبوط کیا اور، FY2023 کے بعد پہلی بار، آپ کو نقد ڈیویڈنڈ کی سفارش کی۔ یہ نتائج ایک سال میں سامنے آئے جس نے ہماری صنعت کے ہر حصے کا تجربہ کیا، اور وہ آپ کے بورڈ کے طویل مدتی انتخاب کی اہمیت کو ظاہر کرتے ہیں۔

لچک کا ایک سال

مالی سال 2026 میکرو اکنامک استحکام کے ساتھ شروع ہوا اور عالمی توانائی کے جھٹکے کے ساتھ ختم ہوا۔ تین سہ ماہیوں کے لیے، مہنگائی میں نرمی، پالیسی کی کم شرح اور کاروباری اعتماد میں بہتری نے مانگ کی حمایت کی۔ مارچ 2026 سے، مشرق وسطیٰ میں تنازعہ نے تیل کی بین الاقوامی قیمتوں میں تیزی سے اضافہ کیا، گھریلو ایندھن کی قیمتیں ریکارڈ سطح پر پہنچ گئیں، افراط زر دوہرے ہندسوں پر واپس آ گیا اور اسٹیٹ بینک نے پالیسی ریٹ کو 11.5 فیصد تک بڑھا دیا۔ مئی اور جون میں پاکستان میں ایندھن کی طلب میں سال بہ سال تقریباً پانچویں کمی ہوئی، جس سے پورے سال کے لیے صنعت کی فروخت تقریباً 16.2 ملین ٹن رہ گئی۔

ان حالات میں، آپ کے بورڈ نے انتظام کے لیے جو ترجیحات مرتب کی ہیں وہ واضح تھیں: ہمارے صارفین اور ڈیلرز کے لیے بلاتعطل سپلائی جاری رکھیں، مارجن کی حفاظت کریں، لاگت کو کنٹرول کریں اور لیکویڈیٹی کو محفوظ رکھیں۔ مجھے خوشی ہے کہ HTL نے ان ٹیسٹوں کو پورا کیا اور سال کی ہر سہ ماہی میں منافع بخش رہا۔

تیل کی مارکیٹنگ کے بدلتے ہوئے حالات

پاکستان کا ڈاؤن اسٹریم پیٹرولیم سیکٹر اصلاحات کے ایک نئے دور میں داخل ہو رہا ہے۔ سال کے دوران حکومت نے پیٹرولیم مصنوعات کی قیمتوں کے تعین کا روزانہ کی بنیاد پر نظام متعارف کرایا، اور سال کے اختتام کے بعد ڈیلرز کے مارجن میں اضافہ کیا اور پیٹرول کی قیمتوں کو ڈی ریگولیٹ (ضابطہ کار کی پابندی سے آزاد) کرنے کے لیے جون 2027 کا ہدف مقرر کیا۔ ریگولیٹر سے یہ بھی کہا گیا ہے کہ وہ آئل مارکیٹنگ کمپنیوں کے انضمام اور کارکردگی کو بہتر بنانے کے لیے اقدامات تجویز کرے۔ اس کے ساتھ ساتھ، ستمبر 2023 کے بعد سے ریگولیٹڈ OMC مارجن میں کوئی نظر ثانی نہیں کی گئی ہے، جبکہ اسٹاک کور کی ضروریات، مالیاتی اخراجات اور تعمیلی تقاضوں میں اضافہ ہوا ہے، اور ایندھن کی اسمگلنگ مارکیٹ میں بگاڑ کا باعث بن رہی ہے۔

بورڈ کا ماننا ہے کہ ان اصلاحات کا فائدہ ان کمپنیوں کو ہوگا جو کارکردگی کے لحاظ سے بہتر، مضبوط مالیاتی بنیاد کی حامل، ڈیجیٹل ٹیکنالوجی سے لیس اور اپنے صارفین کا اعتماد حاصل کرنے والی ہیں۔ HTL کی حکمت عملی اسی مستقبل کے پیش نظر ترتیب دی گئی ہے: ایک مربوط ماڈل جو ہمارے SK ZIC لبریکنٹ برانڈ اور مقامی سطح پر بلینڈنگ (تیاری)، بڑھتے ہوئے پولیمر پیکیجنگ کے کاروبار اور ہمارے اپنے اسٹوریج انفراسٹرکچر کی معاونت سے چلنے والے رینیل فیول نیٹ ورک کو یکجا کرتا ہے۔ ہم آئل کمپنیز ایڈوائزری کونسل' کے ذریعے پیٹرولیم ڈویژن، اوگرا (OGRA) اور صنعت کے ساتھ منصفانہ مارجن، مساوی کاروباری ماحول اور ڈی ریگولیشن کی جانب منتقلی کے معاملات پر تعمیری بات چیت جاری رکھیں گے۔

امور اور کارکردگی کا جائزہ

گروپ کی خالص آمدنی (net revenue) 12 فیصد اضافے کے ساتھ 37.58 ارب روپے، مجموعی منافع (gross profit) 19 فیصد اضافے کے ساتھ 3.67 ارب روپے اور آپریٹنگ منافع 51 فیصد اضافے کے ساتھ 1.39 ارب روپے تک پہنچ گیا۔ ٹیکس کے بعد منافع بڑھ کر 473 ملین روپے (مالی سال 2025: 102 ملین روپے) اور فی حصص آمدنی (EPS) 3.40 روپے (مالی سال 2025: 0.73 روپے) ہو گئی۔ انفرادی سطح پر، کمپنی نے ٹیکس کے بعد 413 ملین روپے کا منافع (EPS: 2.97 روپے) کمایا، جو گزشتہ سال کے 319 ملین روپے کے نقصان کے مقابلے میں ایک نمایاں بہتری ہے۔

ہمارے مربوط ماڈل کی مضبوطی پورے کاروبار میں نمایاں طور پر نظر آئی۔ ہائی ٹیک بلینڈنگ (پرائیویٹ) لمیٹڈ میں لوکل بلینڈنگ نے لبریکنٹ مارجن کو بڑھا دیا اور ریوی اور ٹیکسیشن سے پہلے لبریکنٹ سیگمنٹ کے منافع کو 674 ملین روپے تک بڑھا دیا۔ پولیمر طبقہ منافع تک پہنچ گیا، جیسا کہ بورڈ کی توقع تھی، اور ہمارے پیٹرولیم کاروبار نے ایک فلیٹ مارکیٹ میں 17% کی آمدنی میں اضافہ کیا۔ چیف ایگزیکٹو آفیسر کا پیغام اور ڈائریکٹرز کی رپورٹ سیگمنٹ کی کارکردگی کی مزید تفصیلات فراہم کرتی ہے۔

بورڈ اس بات کا بھی اتنا ہی خیال رکھتا ہے کہ کیا بہتری کی ضرورت ہے۔ انوینٹریوں اور وصولیوں میں اضافے کا مطلب یہ ہے کہ آپریٹنگ کیش فلو سال کے لیے منفی تھا، اور قرضوں میں اضافہ ہوا۔ بورڈ نے انتظامیہ سے کہا ہے کہ وہ مالی سال 2027 کے لیے نقدی کی تبدیلی اور ورکنگ کیپٹل کی کارکردگی کو اولین ترجیح بنائے۔

شیئر ہولڈرز کے لیے قدر میں اضافہ

گروپ کی ایکویٹی 9 فیصد اضافے کے ساتھ 6.68 ارب روپے تک پہنچ گئی، فی شیئر بریک اپ ویلیو (break-up value) بڑھ کر 48.02 روپے ہو گئی اور ایکویٹی پر منافع (return on equity) کی شرح بہتر ہو کر 7.1 فیصد (مالی سال 2025: 1.7 فیصد) ہو گئی۔ منافع کی بحالی کے پیش نظر، بورڈ نے 160 ملین روپے مالیت کے حتمی نقد ڈیویڈنڈ (cash dividend) کی سفارش کی ہے جو کہ 1.15 روپے فی شیئر (11.5 فیصد) ہے۔ ڈیویڈنڈ کا تعین کرتے وقت بورڈ نے شیئر ہولڈرز کو مناسب منافع کی فراہمی اور کمپنی کی ورکنگ کیپٹل (working capital) اور ترقیاتی امور کے لیے فنڈز کی ضرورت کے درمیان توازن برقرار رکھا؛ کمپنی آمدنی اور کیش فلو سے منسلک پائیدار ڈیویڈنڈ پالیسی کے عزم پر قائم ہے۔

اسٹریٹجک فیصلے اور سرمائے کی تقسیم

سال کے دوران، بورڈ نے کمپنی کی حکمت عملی، سالانہ آپریٹنگ پلان (AOP) اور بڑی سرمایہ کاری کا جائزہ لیا اور ان کی منظوری دی۔ اہم فیصلوں میں درج ذیل شامل تھے:

گروپ کی سطح پر 696 ملین روپے کے سرمائے کے اخراجات (capital expenditure)، جو بنیادی طور پر بلینڈنگ اور پولیمر مشینری، فیول اسٹیشن کے بنیادی ڈھانچے اور گاڑیوں پر کیے گئے۔

غیر بنیادی اثاثوں (non-core assets) سے سرمائے کی بازیابی (recycling)، جس میں فروخت کے

ڈائریکٹرز کی مختلف اقسام کے لیے معاوضے کا خلاصہ

	ایگزیکٹیو ڈائریکٹرز	نان ایگزیکٹیو ڈائریکٹر	آزاد ڈائریکٹر
بنیادی تنخواہ کی زیادہ سے زیادہ حد	ایک سال میں ۳۶ ملین روپے	ایک سال میں ۱۸ ملین روپے	کوئی نہیں
مراعات	گاڑی جس کی دیکھ بھال کمپنی کی ذمہ داری ہے، صحت کے اخراجات، فون کا خرچہ سفر اور چھٹیوں کے سفری اخراجات	گاڑی جس کی دیکھ بھال کمپنی کی ذمہ داری ہے، صحت کے اخراجات، فون کا خرچہ سفر اور چھٹیوں کے سفری اخراجات	کوئی نہیں
کارکردگی کی بنا پر بونس اور متعلقہ پیمنٹس	۴۔ ۳ شق کے مطابق	کوئی نہیں	کوئی نہیں
ڈائریکٹر کے اجلاس کی فیس کی زیادہ سے زیادہ حد	کوئی نہیں	کوئی نہیں	بورڈ یا اس کی کسی کمیٹی اور عام اجلاس کے ایک مکمل اجلاس کی مد میں چار لاکھ روپے
اخراجات کی واپسی	کمپنی کے امور کی انجام دہی کے دوران ڈائریکٹر کی جانب سے کیے جانے والے اصل اخراجات یا اس ضمن میں معینہ مراعات، مثال کے طور پر کمپنی کے امور کے لیے سفر کے دوران رہائش کا خرچ		
پروفیشنل انڈیمنٹی انشورنس	کی سہولت ہے	کی سہولت ہے	کی سہولت ہے
بعد از ملازمت مراعات	کوئی نہیں	کوئی نہیں	کوئی نہیں
حصص کی تفویض سے متعلقہ سہولت	کوئی نہیں	کوئی نہیں	کوئی نہیں

بنیادی معاوضہ، مراعات اور کارکردگی پر مبنی بونس کا تعین بورڈ کی جانب سے منظور شدہ حدود کے اندر ہر انفرادی ڈائریکٹر کے لیے HRRC / بورڈ آف ڈائریکٹرز کی طرف سے کیا جاتا ہے۔

بورڈ کا جائزہ – آئی ٹی، ڈیزاسٹر ریکوری اور کاروباری تسلسل کی منصوبہ بندی

بورڈ HTL میں آپریشنل لچک (operational resilience) کو یقینی بنانے میں انفارمیشن ٹیکنالوجی (IT) اور مینجمنٹ انفارمیشن سسٹمز (MIS) کے کلیدی کردار کو تسلیم کرتا ہے۔ آئی ٹی کا شعبہ کمپنی کے کمپیوٹنگ سسٹمز کی دستیابی اور کارکردگی کو برقرار رکھتا ہے اور ساتھ ہی سخت انفارمیشن سیکیورٹی پالیسیوں، رسائی کے کنٹرولز (access controls) اور تسلیم شدہ معیارات و بہترین طریقوں کی پاسداری کو یقینی بناتا ہے۔ تمام بنیادی شعبوں بشمول مالیات، سپلائی چین، خریداری، فروخت، HR، مارکیٹنگ، OMC اور HTL ایکسپریس میں کاروباری تسلسل کو محفوظ بنانے کے لیے، کمپنی نے ایک جامع 'بزنس کنٹینیوٹی اینڈ ڈیزاسٹر ریکوری' (BCP/DR) فریم ورک نافذ کیا ہے۔ اہم سرورز کو کلسٹر ڈ آرکیٹیکچر اور ایک مخصوص ڈیزاسٹر ریکوری سائٹ کے حامل جدید ترین ڈیٹا سینٹر میں رکھا گیا ہے، تاکہ ڈیٹا کے ضیاع کو صفر (zero data loss) تک محدود رکھا جا سکے اور اہم سسٹمز کا ریئل ٹائم تحفظ ممکن بنایا جا سکے۔ سائبر سیکیورٹی کے مضبوط اقدامات اور تربیت یافتہ پیشہ ور افراد کی مسلسل نگرانی بیرونی خطرات کے خلاف لچک اور کسی بھی خلل کی صورت میں فوری بحالی کو یقینی بناتی ہے۔

شیئر ہولڈرز کے خیالات کو سمجھنے کے لیے بورڈ کی کوششیں

بورڈ اقلیتی شیئر ہولڈرز سمیت تمام شیئر ہولڈرز کے حوالے سے اپنی ذمہ داری کو تسلیم کرتا ہے۔ بورڈ کے اراکین اور انتظامی ٹیم، شیئر ہولڈرز کی ترجیحات کو سمجھنے اور ان کے خدشات کو دور کرنے کے لیے ادارہ جاتی سرمایہ کاروں اور بروکریج ہاؤسز کے ساتھ رابطے میں رہتے ہیں۔ 24 اکتوبر 2025 کو منعقدہ سالانہ عام اجلاس (AGM) کے دوران، بورڈ کے اراکین نے شیئر ہولڈرز کے ساتھ جسمانی اور ورچوئل (آن لائن) دونوں طریقوں سے بات چیت کی۔ بورڈ کا ارادہ ہے کہ آئندہ AGM میں بھی اس عمل کو باہر ڈفارمیٹ میں جاری رکھا جائے، اور کمپنی کا منصوبہ ہے کہ PSX کے ضوابط کے تحت 30 جون 2026 کو ختم ہونے والے سال کے آڈٹ شدہ مالیاتی گوشواروں کی بنیاد پر کم از کم ایک 'کارپوریٹ بریفنگ سیشن' منعقد کرے۔

کمپنی کی ویب سائٹ

قانونی اور ضابطہ جاتی تقاضوں کے مطابق، کمپنی سے متعلق تمام متعلقہ معلومات اسٹیک ہولڈرز کی آسانی سے رسائی کے لیے اس کی آفیشل ویب سائٹ www.hitechlubricants.com پر باقاعدگی سے دستیاب کر دی گئی ہیں۔

کمپنی کا عملہ اور صارفین

30 جون 2026 کو کمپنی کے ملازمین کی تعداد 542 (مالی سال 529:2025) اور گروپ کے ملازمین کی تعداد 800 (مالی سال 774:2025) تھی۔ بورڈ کمپنی کے اہداف کے حصول کے لیے تمام ملازمین کی لگن، سخت محنت اور عزم کو سراہتا ہے۔ ہم اپنے اسٹیک ہولڈرز، بالخصوص اپنے قابل قدر صارفین، کاروباری شراکت داروں، بینکرز اور ریگولیٹرز کے مسلسل اعتماد اور تعاون کا بھی شکریہ ادا کرتے ہیں؛ ہماری مصنوعات اور خدمات پر ان کا اعتماد ہماری کامیابی کا بنیادی ستون ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے

جناب حسن طاہر
(چیف ایگزیکٹو آفیسر)

جناب شوکت حسن
(چیئرمین)

لاہور، ۱۸ ستمبر ۲۰۲۶ء

متعلقہ فریقین کے ساتھ معاہدے

سال کے دوران متعلقہ فریقین (related parties) کے ساتھ تمام لین دین معمول کے کاروباری عمل کے تحت اور غیر جانبدارانہ بنیادوں (arm's length basis) پر کیے گئے۔ ان کا جائزہ آڈٹ کمیٹی نے لیا اور بورڈ نے کمپنیز ایکٹ 2017 اور لسٹڈ کمپنیز (کارپوریٹ گورننس کا ضابطہ) ریگولیشنز 2019 کے مطابق ان کی منظوری دی۔ متعلقہ فریقین کے ساتھ لین دین کی تفصیلات، بشمول ڈائریکٹرز کے مفادات، غیر مستقلم (unconsolidated) مالیاتی گوشواروں کے نوٹ نمبر 43 میں ظاہر کی گئی ہیں۔

ایگزیکٹوز (Executives) کے طور پر شمار کیے جانے کے لیے حد (Threshold)

بورڈ نے کمپنی کے ایگزیکٹوز کے طور پر شمار کیے جانے والے ملازمین کی حد مقرر کی ہے۔ اس میں سی ای او (CEO)، سی ایف او (CFO)، کمپنی سیکرٹری، ہیڈ آف انٹرنل آڈٹ، تمام شعبہ جات کے سربراہان اور ہیومن ریسورس اینڈ ریمونریشن کمیٹی کی جانب سے متعین کردہ دیگر ملازمین شامل ہیں جو 750,000 روپے یا اس سے زائد کا ماہانہ تنخواہ پیکیج وصول کرتے ہیں۔

مالی سال کے دوران اور اس رپورٹ کی تاریخ تک کمپنی کے تمام ڈائریکٹرز کے نام

- جناب شوکت حسن (چیئرمین بورڈ آف ڈائریکٹرز اور نان ایگزیکٹو ڈائریکٹر)
- جناب حسن طاہر (سی ای او اور ایگزیکٹو ڈائریکٹر)
- جناب محمد علی حسن (ایگزیکٹو ڈائریکٹر)
- محترمہ ماورا طاہر (نان ایگزیکٹو ڈائریکٹر)
- جناب فراز اختر زیدی (نان ایگزیکٹو ڈائریکٹر)
- محترمہ مہوش خان (نان ایگزیکٹو ڈائریکٹر)
- جناب شفیق الرحمٰن (نان ایگزیکٹو اینڈ انڈیپنڈنٹ ڈائریکٹر)
- جناب منتظر عباس حسین (نان ایگزیکٹو اینڈ انڈیپنڈنٹ ڈائریکٹر)
- جناب محمود اختر (نان ایگزیکٹو اینڈ انڈیپنڈنٹ ڈائریکٹر)
- جناب ڈونگ ہیون کم (ایس کے این موو کے نامزد کردہ) (نان ایگزیکٹو ڈائریکٹر)

ڈائریکٹرز کی رپورٹ کے وقت بورڈ کی تشکیل

ڈائریکٹرز کی کل تعداد 10 ہے:

مرد 08:

خواتین 02

ڈائریکٹرشپ کی نوعیت کی بنیاد پر بورڈ کی تشکیل حسب ذیل ہے:

(الف) انڈیپنڈنٹ ڈائریکٹرز: 03

(ب) دیگر نان ایگزیکٹو ڈائریکٹرز: 05 (بشمول 02 خواتین ڈائریکٹرز)

(پ) ایگزیکٹو ڈائریکٹرز: 02۔

۳۰ جون 2026 کو ختم ہونے والے مالی سال کے دوران بورڈ کی کمیٹیاں

بورڈ کی آڈٹ کمیٹی (BAC):

جناب شفیق الرحمٰن (چیئرمین)، جناب شوکت حسن، جناب فراز اختر زیدی، محترمہ ماورا طاہر۔

ہیومن ریسورسز اینڈ ریمونریشن کمیٹی (HR&RC):

جناب محمود اختر (چیئرمین)، جناب شوکت حسن، محترمہ ماورا طاہر، محترمہ مہوش خان، جناب فراز اختر زیدی۔

بورڈ کی نامزدگی کمیٹی (BNC):

جناب شوکت حسن (چیئرمین)، محترمہ ماورا طاہر، محترمہ مہوش خان، جناب منتظر عباس حسین۔

رسک اینڈ سسٹین ایبلٹی کمیٹی (RSC):

جناب فراز اختر زیدی (چیئرمین)، محترمہ ماورا طاہر، جناب شفیق الرحمٰن۔

بورڈ کی سی ایس آر (CSR) کمیٹی:

جناب شوکت حسن (چیئرمین)، محترمہ ماورا طاہر، جناب حسن طاہر، جناب محمد علی حسن، محترمہ ثنا صابر (ڈائریکٹر HTBL)۔

بورڈ کی سرمایہ کاری کمیٹی (BIC):

جناب شوکت حسن (چیئرمین)، جناب فراز اختر زیدی، جناب حسن طاہر، جناب محمد علی حسن۔

مالی سال 2026 کے دوران بورڈ کی کمیٹیوں کی تشکیل میں کوئی تبدیلی نہیں ہوئی۔

ڈائریکٹرز کی تربیت

کمپنی کے دس میں سے نو ڈائریکٹرز نے 'ڈائریکٹرز ٹریننگ پروگرام' (DTP) کی سند حاصل کر لی ہے، جن میں محترمہ مہوش خان بھی شامل ہیں جنہوں نے مالی سال 2026 کے دوران یہ تربیت مکمل کی۔ کمپنی کا منصوبہ ہے کہ باقی ماندہ ڈائریکٹر کے لیے 30 جون 2027 سے قبل اور ایک خاتون ایگزیکٹو کے لیے مالی سال 2027 کے دوران DTP کا انتظام کیا جائے۔

کارکردگی کا جائزہ

لسٹڈ کمپنیز (کارپوریٹ گورننس کا ضابطہ) ریگولیشنز، 2019 کے قاعدہ 28(1)(vi) کی تعمیل میں، 30 جون 2026 کو ختم ہونے والے سال کے لیے بورڈ، اس کے اراکین، کمیٹیوں، چیئرمین اور چیف ایگزیکٹو آفیسر کی کارکردگی کا جائزہ 30 جون 2026 تک اندرونی طور پر لیا گیا۔ اس سے قبل، مالی سال 2025 کا جائزہ ایک آزاد بیرونی کنسلٹنٹ، میسرز نذیر شاہین اینڈ ایسوسی ایٹس (M/s Nazeer Shaheen & AssociatesM/s) کے ذریعے کیا گیا تھا، جس کا مقصد ہر تین سال میں کم از کم ایک بار بیرونی جائزے کی ضرورت کو پورا کرنا تھا۔ جائزے سے تصدیق ہوئی کہ بورڈ اور اس کی قیادت کی کارکردگی تسلی بخش تھی۔

ڈائریکٹرز کے معاوضے کی پالیسی

بورڈ نے ہیومن ریسورسز اینڈ ریمونریشن کمیٹی (HR&RC) کو کمپنی کے ڈائریکٹرز کے معاوضے کی پالیسی وضع کرنے اور اس کے نفاذ کی نگرانی کرنے کا اختیار تفویض کیا ہے۔ اس پالیسی کے مقاصد یہ ہیں: (الف) وسیع تجارتی تجربے کے حامل اعلیٰ ترین صلاحیت کے ڈائریکٹرز کو راغب کرنا، ان کی حوصلہ افزائی کرنا اور انہیں کمپنی کے ساتھ وابستہ رکھنا، اور (ب) ڈائریکٹرز کے معاوضے سے متعلق تمام متعلقہ قوانین، قواعد اور ضوابط کی پاسداری کرنا۔ یہ پالیسی کمپنی کے اسٹریٹجک مقاصد، کارپوریٹ سماجی ذمہ داری (CSR) اور کاروباری دیانت داری، ٹیلنٹ کے لیے مارکیٹ کے حالات، اور اسی طرح کے کاروباروں میں ڈائریکٹرز کے معاوضوں کو مدنظر رکھتی ہے۔ آزاد ڈائریکٹرز (Independent Directors) کا معاوضہ صرف اجلاس میں شرکت کی فیس (میٹنگ فیس) تک محدود ہے۔ سال کے دوران، تین ڈائریکٹرز کو 3.65 ملین روپے کی میٹنگ فیس ادا کی گئی (مالی سال 2025: پانچ ڈائریکٹرز کو 4.4 ملین روپے)، اور چیف ایگزیکٹو اور ایگزیکٹو ڈائریکٹرز کے مجموعی معاوضے کی تفصیلات غیر مستقلم (unconsolidated) مالیاتی گوشواروں کے نوٹ نمبر 44 میں ظاہر کی گئی ہیں۔

آڈیٹرز

موجودہ آڈیٹرز، میسرز ریاض احمد اینڈ کمپنی (چارٹرڈ اکاؤنٹنٹس)، اپنی مدت مکمل کر رہے ہیں اور دوبارہ تقرری کے لیے خود کو پیش کر رہے ہیں۔ انہوں نے انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) کی جانب سے تسلی بخش درجہ بندی (رینگ) کے حصول اور ICAP کے اپنائے گئے انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس (IFAC) کے ضابطہ اخلاق (Code of Ethics) کی ہدایات کی پاسداری کی تصدیق کی ہے۔ آڈٹ کمیٹی کی تجویز پر، بورڈ آف ڈائریکٹرز نے 30 جون 2027 کو ختم ہونے والے سال کے لیے کمپنی کے آڈیٹرز کے طور پر ان کی دوبارہ تقرری کی سفارش کی ہے، جس کے لیے فیس کا تعین باہمی رضامندی سے کیا جائے گا۔

شیئر ہولڈنگ کا نمونہ

شیئر ہولڈرز کی مخصوص اقسام کے شیئر ہولڈنگ کے نمونے کا بیان (جو رپورٹنگ کے فریم ورک کے تحت ظاہر کرنا لازمی ہے) 30 جون 2026 تک کی صورتحال کے مطابق، منسلک سالانہ رپورٹ 2026 میں 'فارم 20' کے فارمیٹ میں شامل کیا گیا ہے جیسا کہ کمپنیز ریگولیشنز 2024 میں بیان کیا گیا ہے۔ کمپنی کی 'ہولڈنگ کمپنی' کی حیثیت میں کوئی تبدیلی نہیں آئی ہے؛ کمپنی کی کوئی ہولڈنگ کمپنی نہیں ہے۔

بورڈ کی کمیٹیاں

بورڈ بنیادی طور پر اپنی کمیٹیوں کے ذریعے رسک مینجمنٹ (خطرات کے انتظام) کے عمل کی نگرانی کرتا ہے۔ آڈٹ کمیٹی مالیاتی، ریگولیٹری اور تعمیلی (کمپلائنس) خطرات پر توجہ مرکوز کرتے ہوئے شفافیت اور احتساب کو یقینی بناتی ہے اور سہ ماہی بنیادوں پر یا ضرورت کے مطابق اس سے زیادہ کثرت سے اجلاس منعقد کرتی ہے۔ ہیومن ریسورس اینڈ ریمونریشن کمیٹی اپنے دائرہ کار میں آنے والے خطرات سے نمٹتی ہے، جن میں جانشینی کی منصوبہ بندی (succession planning) اور معاوضے کے ڈھانچوں کا جائزہ شامل ہے۔ رسک اینڈ سسٹین ایبلٹی کمیٹی اہم کنٹرولز/مالیاتی، آپریشنل اور تعمیلاتی کی نگرانی اور جائزہ لیتی ہے اور ساتھ ہی خطرات کو کم کرنے کے مناسب اقدامات کی سفارش کرتی ہے۔ انویسٹمنٹ کمیٹی سرمایہ کاری کی پالیسیاں اور حکمت عملی وضع کرنے کی ذمہ دار ہے، جس میں سرمایہ کاری سے متعلق رسک مینجمنٹ بھی شامل ہے۔

داخلی کنٹرول کی مناسبیت

بورڈ اچھی حکمرانی اور اندرونی کنٹرول کے ایک مضبوط نظام کو برقرار رکھنے کے لیے پرعزم ہے، تمام کاموں میں مربوط، مؤثر طریقے سے لاگو کیا جاتا ہے، اور باقاعدگی سے نگرانی کی جاتی ہے۔ آڈٹ کمیٹی اثاثوں کی حفاظت، قوانین اور ضوابط کی تعمیل کو یقینی بنانے اور مالیاتی رپورٹنگ کی وشوسنیتا کو برقرار رکھنے کے لیے ان کنٹرولز کا جائزہ لیتی ہے۔ انٹرنل آڈٹ ڈپارٹمنٹ کارپوریٹ گورننس، رسک مینجمنٹ، اور اندرونی کنٹرولز کی آزادانہ تشخیصات فراہم کرتا ہے، براہ راست آڈٹ کمیٹی کو رپورٹ کرتا ہے۔

رسک مینجمنٹ فریم ورک

کمپنی کے پاس ایک جامع رسک مینجمنٹ پالیسی ہے جو بورڈ آف ڈائریکٹرز، آڈٹ کمیٹی، اور رسک اینڈ سسٹین ایبلٹی کمیٹی کے کردار اور ذمہ داریوں کو واضح طور پر بیان کرتی ہے۔ یہ ادارے اثرات اور امکانات کے لحاظ سے رسک میٹرکس کا باقاعدگی سے جائزہ لیتے ہیں، جبکہ سینئر مینجمنٹ بورڈ کے ذریعے غور کے لیے تخفیف کی حکمت عملی تیار کرتی ہے۔ بورڈ اور اس کی کمیٹیاں بنیادی خطرات کا ایک مضبوط اندازہ لگاتی ہیں، بشمول وہ خطرات جو کاروباری ماڈل، مستقبل کی کارکردگی، سالوینسی یا لیکویڈیٹی کے لیے خطرہ بن سکتے ہیں۔

بنیادی خطرات اور غیر یقینی صورتحال

اجناس اور قیمت کا خطرہ: بین الاقوامی تیل اور بنیادی تیل کی قیمتوں اور ریگولیٹڈ پیٹرولیم مارجن میں اتار چڑھاؤ۔ انوینٹری کی منصوبہ بندی، مقامی ملاوٹ اور پروڈکٹ مکس مینجمنٹ کے ذریعے کم کیا گیا۔

کرنسی کا خطرہ: درآمد شدہ خام مال پر PKR کی قدر میں کمی۔ مقامی ملاوٹ اور بروقت خریداری کے ذریعے کم کی گئی۔

سود کی شرح اور لیکویڈیٹی کا خطرہ

ورکنگ کیپیٹل کے لیے قلیل مدتی قرضوں پر انحصار۔ کیش فلو کی پیشن گوئی، متنوع بینکنگ لائنوں اور سرمائے کے منصوبوں کے لیے طویل مدتی فنانسنگ کے ذریعے کم کیا گیا۔

کریڈٹ رسک: اعلیٰ تجارتی وصولی۔ کریڈٹ کی حد، سیکورٹی ڈپازٹس اور باقاعدہ نگرانی کے ذریعے کم کی جاتی ہے۔

ریگولیٹری اور ٹیکس رسک

لیویز اور ٹیکسوں میں تبدیلیاں اور ٹیکس کے زیر التواء معاملات۔ قانونی اور ٹیکس ایڈوائزری اور ریگولیٹرز کے ساتھ فعال مشغولیت کے ذریعے تخفیف۔

کمپنی کی سرگرمیاں اسے مارکیٹ کے خطرات (کرنسی، قیمت اور شرح سود)، کریڈٹ رسک اور لیکویڈیٹی رسک کے سامنے لاتی ہیں، جن کا انتظام بورڈ کی طرف سے منظور شدہ پالیسیوں کے تحت ہوتا ہے۔ تفصیلی انکشافات نوٹ 49 میں غیر مربوط مالی بیانات کے لیے فراہم کیے گئے ہیں۔

گورننس کی پالیسیاں اور طریقہ کار

بورڈ کی جانب سے منظور شدہ جامع پالیسیاں اور طریقہ کار مالیاتی، آپریشنل اور تعمیلی (کمپلائنس) خطرات کے انتظام میں رہنمائی فراہم کرتے ہیں۔ بورڈ کمپنی بھر میں اعلیٰ سطحی اخلاقیات اور ضوابط کی پاسداری (کمپلائنس) کو یقینی بنانے کے لیے پرعزم ہے۔ یہ پالیسیاں، 'ضابطہ اخلاق' (Code of Conduct) کے ساتھ مل کر، دیانتداری کے کلچر کو تقویت دیتی ہیں اور ان کے مؤثر نفاذ کے لیے سینئر انتظامیہ کو مناسب اختیارات تفویض کرتی ہیں۔

پائیداری اور کارپوریٹ سماجی ذمہ داری (CSR)

ہائی ٹیک لبریکنٹس میں، پائیداری ہمارے کاروباری حکمت عملی کا لازمی جزو ہے، جس کی رہنمائی اقتصادی، ماحولیاتی، سماجی اور گورننس (EESG) کے اصولوں کے تحت کی جاتی ہے۔ ہم اپنے طریقہ کار کو عالمی فریم ورکس، بشمول اقوام متحدہ کے پائیدار ترقی کے اہداف (SDGs) 2030، سے ہم آہنگ کرنے کا عمل جاری رکھے ہوئے ہیں، اور ساتھ ہی پائیداری اور آب وہوا سے متعلق خطرات کے انتظام میں شفافیت کو مضبوط بنانے کے لیے IFRS S1 اور S2 معیارات کو اپنانے کی جانب بتدریج پیش رفت کر رہے ہیں۔

CSR کے محاذ پر، HTL نے تعلیم، صحت کی دیکھ بھال اور کمیونٹی کی فلاح و بہبود کے لیے اپنے دیرینہ عزم کو برقرار رکھا۔ 'صابرہ حمید ٹرسٹ' کے ذریعے — جسے پاکستان سینٹر فار فلانتھروپی (PCP) نے تسلیم کیا ہے اور جو انکم ٹیکس آرڈیننس کے تحت منظور شدہ ہے — کمپنی نے معیاری تعلیم تک رسائی کو بہتر بنانے کے لیے سرمایہ کاری کا سلسلہ جاری رکھا۔ مالی سال 2026 میں، کمپنی نے فلاحی اقدامات کے لیے 18 ملین روپے کا حصہ ڈالا۔ مزید تفصیلات اس سالانہ رپورٹ کے 'پائیداری' (Sustainability) کے حصے میں پیش کی گئی ہیں۔

ماحول، صحت اور حفاظت

HTL اپنے تمام آپریشنز میں ماحولیاتی پائیداری، صحت اور حفاظت کو اولین ترجیح دیتا ہے۔ کمپنی کم اخراج اور ماحول پر کم اثر ڈالنے والی مصنوعات کے ذریعے ماحول دوست طریقہ کار کو فروغ دیتی ہے، اور باقاعدہ تربیت کے ذریعے صحت اور حفاظت کے مضبوط پروٹوکولز کو برقرار رکھتی ہے۔ مزید تفصیلات اس سالانہ رپورٹ کے 'پائیداری' (Sustainability) کے حصے میں پیش کی گئی ہیں۔

سال کے دوران گروپ کی کسی بھی کمپنی کی جانب سے کسی قرض کی ادائیگی میں کوئی نادہندگی (ڈیفالٹ) نہیں ہوئی ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ کا فریم ورک

کمپنیز ایکٹ 2017 اور لسٹڈ کمپنیز (کارپوریٹ گورننس کا ضابطہ) ریگولیشنز 2019 کی تعمیل میں، ڈائریکٹرز اس بات کی تصدیق کرتے ہیں کہ:

i. انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے کمپنی اور گروپ کے معاملات کی صورتحال، ان کے آپریشنز کے نتائج، کیش فلو (نقد رقوم کی آمد و رفت) اور ایکویٹی میں ہونے والی تبدیلیوں کی درست عکاسی کرتے ہیں۔

ii. کمپنی کے کھاتوں کی مناسب کتب (books of account) کو برقرار رکھا گیا ہے۔

iii. مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مستقل طور پر اطلاق کیا گیا ہے، اور اکاؤنٹنگ کے تخمینے معقول اور محتاط فیصلے پر مبنی ہیں۔

iv. کمپنیز ایکٹ 2017 کے تحت مطلع کردہ IASB کے جاری کردہ بین الاقوامی مالیاتی رپورٹنگ کے معیارات (IFRSs) اور کمپنیز ایکٹ 2017 کی دفعات و ہدایات کی پیروی کی گئی ہے؛ جہاں ان میں تضاد پایا گیا، وہاں ایکٹ کی دفعات پر عمل کیا گیا ہے۔

iv. اندرونی کنٹرول کا نظام ڈیزائن کے اعتبار سے مستحکم ہے اور اس پر مؤثر طریقے سے عمل درآمد اور نگرانی کی گئی ہے۔

vi. کمپنی کی بطور 'گوئنگ کنسرن' (کاروبار جاری رکھنے والی اکائی) کام جاری رکھنے کی صلاحیت پر کوئی نمایاں شبہات موجود نہیں ہیں۔

vii. کارپوریٹ گورننس کے بہترین طریقوں سے کوئی نمایاں انحراف نہیں کیا گیا ہے، جن کی تفصیل لسٹنگ ریگولیشنز اور لسٹڈ کمپنیز (کارپوریٹ گورننس کا ضابطہ) ریگولیشنز 2019 میں بیان کی گئی ہے۔

viii. گزشتہ چھ سالوں کے اہم آپریشنل اور مالیاتی اعداد و شمار اس سالانہ رپورٹ میں کہیں اور دیے گئے ہیں۔

ix. مالیاتی گوشواروں میں ظاہر کردہ رقوم کے علاوہ، ٹیکسوں، ڈیوٹیز، لیویز (محصولات) اور چارجز کی مد میں کوئی واجب الادا قانونی ادائیگیاں باقی نہیں ہیں۔

x. 30 جون 2026 کو ایمپلائز پراویڈنٹ فنڈ ٹرسٹ کی سرمایہ کاری کی مالیت PKR 238 ملین تھی (اس کے آڈٹ شدہ مالیاتی گوشواروں کی بنیاد پر)۔

xi. آڈیٹرز نے گروپ کی ہر کمپنی کے مالیاتی گوشواروں پر غیر مشروط رائے (unqualified opinions) کا اظہار کیا ہے۔

xii. سال کے دوران ڈائریکٹرز، سی ای او (CEO)، سی ایف او (CFO)، کمپنی سیکرٹری، ہیڈ آف انٹرنل آڈٹ، دیگر ایگزیکٹوز اور ان کے شریک حیات اور نابالغ بچوں کی جانب سے کمپنی کے حصص کی خرید و فروخت (ٹریڈنگ) کی تفصیلات ذیل میں دی گئی ہیں:

نام اور تفصیل	تاریخ	نوعیت	حصص کی تعداد	شرح (پاکستانی روپے)
جناب شوکت حسن (نان ایگزیکٹو ڈائریکٹر)	۱۹ دسمبر ۲۰۲۵	تحفے میں دینا	۱،۵۰۰،۰۰۰	صفر
محترمہ آمنہ زیدی (شریک حیات: نان ایگزیکٹو ڈائریکٹر جناب فراز اختر زیدی)	۱۹ دسمبر ۲۰۲۵	تحفے میں وصولی	۱،۵۰۰،۰۰۰	صفر
جناب سعید اللہ خان نیازی (ایگزیکٹو)	۱۲ اپریل ۲۰۲۶	خریداری	۴،۰۰۰	۳۵.۰۹
سال کے اختتام کے بعد				
محترمہ ماویرا طاہر (نان ایگزیکٹو ڈائریکٹر)	۱۰ جولائی ۲۰۲۶	فروخت	۴۳۵،۰۰۰	۴۶
جناب فراز اختر زیدی (نان ایگزیکٹو ڈائریکٹر)	۱۰ جولائی ۲۰۲۶	خریداری	۴۳۵،۰۰۰	۴۶

تمام لین دین کا انکشاف PSX کے ضابطہ نمبر 5.6.4 کے تحت پاکستان اسٹاک ایکسچینج کو کیا گیا۔

کارپوریٹ گورننس کے ضابطہ کار کی تعمیل

لسٹڈ کمپنیوں (کارپوریٹ گورننس کے ضابطہ کار) کے ضوابط، 2019 کی لازمی شرائط کی مکمل تعمیل کی گئی ہے، اور اس سلسلے میں تعمیلی بیان (Statement of Compliance) بمعہ بیرونی آڈیٹر کی جائزہ رپورٹ، سالانہ رپورٹ کے ساتھ منسلک ہے۔

بورڈ کے اجلاس اور حاضری

سال کے دوران بورڈ آف ڈائریکٹرز کے چار اجلاس منعقد ہوئے، اور یہ تمام اجلاس پاکستان میں ہوئے۔

شرکت کی تفصیلات حسب ذیل ہیں:

ڈائریکٹر کا نام	اجلاسوں میں شرکت
جناب شوکت حسن	4/4
جناب حسن طاہر	4/4
جناب محمد علی حسن	4/4
محترمہ ماورا طاہر	4/4
جناب فراز اختر زیدی	4/4
محترمہ مہوش خان	رخصت منظور کی گئی
جناب شفیق الرحمٰن	4/4
جناب منتظر عباس حسین	4/3
جناب محمود اختر	4/4
جناب ڈونگ ہیون کم (ایس کے این موو کے نامزد کردہ)	4/2

جو ڈائریکٹرز اجلاسوں میں شرکت نہ کر سکے، انہیں غیر حاضری کی رخصت منظور کی گئی۔

cost) نے آپریٹنگ منافع میں اضافے کے اثر کو زائل کر دیا۔ 30 جون 2026 تک کمپنی کے ریٹیل نیٹ ورک میں 55 فعال فیول اسٹیشنز شامل تھے (مالی سال 2025: 61)؛ اس کے علاوہ کمپنی 21 'ایچ ٹی ایل ایکسپریس سینٹرز' (HTL Express Centres) چلاتی ہے جنہیں 129 ڈسٹری بیوٹرز، 3 گوداموں، 2 آئل ڈپوز اور 4 علاقائی دفاتر کا تعاون حاصل ہے۔ سال کے دوران، کمپنی نے شکار پور میں زیرِ تعمیر آئل اسٹوریج کی تنصیب (سہولت) کو فروخت کر دیا، اور سال کے اختتام کے بعد، آئل اسٹوریج کی نئی تنصیب کے لیے دولت پور میں ایک نئی جگہ حاصل کی۔

مائع اثاثوں (Liquid Resources) کا انتظام

نقد رقم کا انتظام اور تزویراتی فیصلہ سازی

موثر کیش مینجمنٹ اور مائع اثاثوں (لیکویڈیٹی) کا دانشمندانہ کنٹرول کمپنی کے تزویراتی ڈھانچے میں مرکزی حیثیت رکھتے ہیں، جنہیں ایک مضبوط سالانہ آپریٹنگ پلان (AOP)، پیش گوئی (forecasting) اور اندرونی کنٹرول کے نظاموں کی معاونت حاصل ہے۔ فروخت کے حجم میں اضافے کے باعث سال کے دوران انوینٹریز اور قابلِ وصول رقوم (receivables) میں گروپ کی سرمایہ کاری بڑھی؛ اس کی مالی اعانت 500 ملین روپے کی نئی طویل مدتی فنانسنگ اور قلیل مدتی قرضہ جات کی سہولیات کے ذریعے کی گئی۔ گروپ کا کرنٹ ریشو (current ratio) بہتر ہو کر 1.09 گنا (مالی سال 2025: 0.93 گنا) ہو گیا، اور انتظامیہ منافع کو آپریٹنگ کیش فلو میں تبدیل کرنے پر اپنی توجہ مرکوز رکھے ہوئے ہے۔

سرمایہ کاری اخراجات (Capital Expenditure)

بورڈ اس بات کی تصدیق کرتا ہے کہ ایسی کوئی مالی رکاوٹیں موجود نہیں ہیں جو کمپنی کی طویل مدتی تزویراتی منصوبوں کو آگے بڑھانے کی صلاحیت میں حائل ہوں۔ سرمایہ کاری اخراجات کا جائزہ منافع اور رسک مینجمنٹ (خطرات کے انتظام) کے مقاصد سے ہم آہنگی کے تناظر میں لیا جاتا ہے، جس میں انٹرنل آڈٹ ڈیپارٹمنٹ اور آڈٹ کمیٹی کی نگرانی شامل ہوتی ہے۔ 30 جون 2026 کو ختم ہونے والے سال کے لیے، گروپ نے 696 ملین روپے (مالی سال 2025: 538 ملین روپے) کے سرمایہ کاری اخراجات کیے، جو بنیادی طور پر بلینڈنگ اور پولیمر مشینری، فیول اسٹیشن کے بنیادی ڈھانچے اور گاڑیوں پر خرچ کیے گئے۔

قومی خزانے میں حصہ داری

گروپ نے مالی سال 26-2025 میں قومی خزانے میں 10.7 ارب روپے سے زائد کی رقم جمع کرائی۔ اس میں سیلز ٹیکس، پیٹرولیم ڈویلپمنٹ لیوی اور کلائمیٹ سپورٹ لیوی، انکم ٹیکس، اور ورکرز پرافٹ پارٹیسپیشن فنڈ و ورکرز ویلفیئر فنڈ کی ادائیگیاں شامل ہیں، اس کے علاوہ درآمدات پر کسٹم ڈیوٹیز بھی ادا کی گئیں۔ یہ ملک کی اقتصادی ترقی اور ضوابط کی پاسداری کے حوالے سے گروپ کے مستقل عزم کی عکاسی کرتا ہے۔

منافع کی تقسیم

بورڈ آف ڈائریکٹرز نے 18 ستمبر 2026 کو منعقدہ اپنے اجلاس میں، 30 جون 2026 کو ختم ہونے والے سال کے لیے 1.15 روپے فی حصص (یعنی 11.5 فیصد) کے حتمی نقد منافع (کیش ڈیویڈنڈ) کی تجویز دی ہے، جس کی کل مالیت 160.09 ملین روپے بنتی ہے (مالی سال 2025: صفر)؛ یہ تجویز سالانہ اجلاسِ عام میں اراکین کی منظوری سے مشروط ہے۔ منافع کی انفرادی تقسیم کا خلاصہ ذیل میں دیا گیا ہے:

تفصیلات	(ہزار روپے میں)
گزشتہ سال سے منتقل شدہ غیر منقسم منافع	۲۴،۹۷۵
سال کے دوران ٹیکس کی کٹوتی کے بعد منافع	۴۱۳،۲۲۲
فری ہولڈ (مملکیتی) اراضی کی فروخت پر ری ویلیوایشن (Revaluation) کے سرپلس سے منتقلی	۲۲۵،۰۰۰
آئندہ سال کے لیے منتقل شدہ غیر منقسم منافع	۶۶۳،۱۹۷
مجوزہ حتمی نقد ڈیویڈنڈ: 1.15 روپے فی حصص ریورسنگ کی مدت کے بعد	منفی ۱۶۰۰۸۶
مجوزہ ڈیویڈنڈ کے بعد غیر منقسم منافع	۵۰۳،۱۱۱

سال کے دوران فی حصص آمدنی (Earnings per share) انفرادی بنیادوں پر 2.97 روپے اور مجموعی (کنسولیڈیٹڈ) بنیادوں پر 3.40 روپے رہی۔

مستقبل کا منظر نامہ

گزشتہ سال کے منظر نامے کے تناظر میں پیش رفت

HTBL کے ذریعے مقامی سطح پر بلینڈنگ (آمیزش) سے توقع کے مطابق لبریکنٹس کے مارجن میں بہتری آئی ہے؛ پولیمر کے شعبے نے منافع بخش حیثیت حاصل کر لی ہے؛ اور گروپ دوبارہ مستحکم منافع کی سطح پر واپس آ گیا ہے۔ فیول اسٹیشن نیٹ ورک میں توسیع کا عمل منصوبہ بندی کے مقابلے میں سست رہا، اور سال کے اختتام پر 55 اسٹیشنز فعال تھے۔

مستقبل پر نظر

کمپنی کو مقامی بلینڈنگ اور لبریکنٹس میں مصنوعات کے متنوع اور بہتر امتزاج (product mix) سے مسلسل فوائد کی توقع ہے۔ اس کے علاوہ، FMCG، دواسازی اور ای کامرس کے شعبوں میں پیکیجنگ کی طلب کے باعث پولیمر کے شعبے میں مزید ترقی، اور ریگولیٹری منظوریوں سے مشروط فیول اسٹیشن نیٹ ورک اور اسٹوریج کے بنیادی ڈھانچے (بشمول دولت پور کی نئی سائٹ) میں محتاط توسیع کی بھی توقع ہے۔ اہم غیر یقینی عوامل میں مشرق وسطیٰ کی صورتحال سے منسلک تیل کی قیمتوں میں اتار چڑھاؤ، افراطِ زر اور شرحِ سود کا رجحان، شرحِ مبادلہ میں تبدیلی اور ورکنگ کیپیٹل کی فنانسنگ کے اخراجات شامل ہیں۔ انتظامیہ کارکردگی اور شیئر ہولڈرز کو طویل مدتی منافع کی فراہمی کو برقرار رکھنے کے لیے مارجن کے تحفظ، اخراجات پر نظم و ضبط اور کیش کنورژن (نقد رقم میں تبدیلی کے عمل) کو ترجیح دے گی۔

اہم تبدیلیاں اور وعدے

30 جون 2026 کو ختم ہونے والے مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان کمپنی یا اس کی گروپ کمپنی کی مالی حیثیت پر اثر انداز ہونے والی کوئی اہم تبدیلی یا نیا وعدہ سامنے نہیں آیا، سوائے ان امور کے جو غیر مجموعی اور مجموعی مالیاتی گوشواروں میں ظاہر کیے گئے ہیں، جن میں شامل ہیں: (i)1.15 روپے فی حصص (11.5 فیصد) کا مجوزہ حتمی نقد ڈیویڈنڈ؛ (ii) 10 جولائی 2026 کو بورڈ کی جانب سے پولیمر کے کاروباری شعبے کو ایک علیحدہ ادارے میں تبدیل کرنے کی منظوری (جو تمام ریگولیٹری منظوریوں سے مشروط ہے)؛ (iii) 21 جولائی 2026 کو کلکٹر آف کسٹمز (ایڈجوڈیکیشن) کی جانب سے 116.753 ملین روپے سے متعلق موصول ہونے والا 'شوکاز نوٹس' (وضاحتی نوٹس)، جس کے خلاف کمپنی اپنا جواب جمع کروا رہی ہے اور قانونی مشورے کی بنیاد پر اسے اپنے حق میں فیصلے کی توقع ہے۔ اور (iv)12 اگست 2026 کو دولت پور میں تیل ذخیرہ کرنے کی نئی جگہ کا حصول۔

کسی بھی مرحلے پر گروپ کی کسی بھی کمپنی کے حوالے سے آڈیٹر کی رپورٹ میں کوئی ترمیم نہیں کی گئی ہے۔

تفصیلات	مجموعی برائے ۳۰ جون ۲۰۲۶ء	مجموعی برائے ۳۰ جون ۲۰۲۵ء	تبدیلی
	پاکستانی روپے ملین میں	پاکستانی روپے ملین میں	(مثبت، منفی)
مجموعی آمدنی	۴۱،۱۳۵	۳۶،۳۷۸	۱۳۔۰۷ فیصد
خالص آمدنی	۳۷،۵۸۳	۳۳،۵۰۸	۱۲۔۱۶ فیصد
مجموعی منافع	۳،۶۶۶	۳،۰۷۸	۱۹۔۱۱ فیصد
ریونیو کا فیصد	۹۔۷۵ فیصد	۹۔۱۹ فیصد	
آپریٹنگ منافع	۱،۳۸۸	۹۱۷	۵۱۔۲۸ فیصد
مالیاتی لاگت	۴۹۲	۵۹۵	منفی ۳۰۔۱۷ فیصد
(نقصان)/ٹیکس سے پہلے منافع	۸۹۶	۳۲۲	۱۷۷۔۸۴ فیصد
(نقصان)/ٹیکس کے بعد منافع	۴۷۳	۱۰۲	۳۶۴۔۵۶ فیصد
(نقصان)/فی شیئر آمدنی	۳۔۴۰	۰۔۷۳	۳۶۵۔۷۵ فیصد

انفرادی بنیادوں پر مالیاتی کارکردگی:

انفرادی بنیادوں پر، کمپنی کی خالص آمدنی (Net Revenue)11.89 فیصد اضافے کے ساتھ 36,973 ملین روپے اور مجموعی منافع (Gross Profit)52.23 فیصد اضافے کے ساتھ 3,104 ملین روپے تک پہنچ گیا۔ آپریٹنگ منافع بڑھ کر 1,072 ملین روپے (مالی سال 2025:262 ملین روپے) ہوگیا اور مالیاتی لاگت میں 30.69 فیصد کمی واقع ہوئی۔ نتیجتاً، کمپنی مالی سال 2025 میں 319 ملین روپے کے بعدِ ٹیکس نقصان کی صورتحال سے نکل کر 413 ملین روپے کے بعدِ ٹیکس منافع کی سطح پر آگئی، جس کے تحت فی حصص آمدنی 2.97 روپے رہی (مالی سال 2025: فی حصص نقصان 2.29 روپے)۔

تفصیلات	انفرادی برائے ۳۰ جون ۲۰۲۶ء	انفرادی برائے ۳۰ جون ۲۰۲۵ء	تبدیلی
	پاکستانی روپے ملین میں	پاکستانی روپے ملین میں	(مثبت، منفی)
مجموعی آمدنی	۴۰،۴۱۳	۳۵،۸۲۸	۱۲۔۸۰ فیصد
خالص آمدنی	۳۶،۹۷۳	۳۳،۰۴۳	۱۱۔۸۹ فیصد
مجموعی منافع	۳،۱۰۴	۲،۰۳۹	۵۲۔۲۳ فیصد
ریونیو کا فیصد	۸۔۴۰ فیصد	۶۔۱۷ فیصد	
آپریٹنگ منافع	۱،۰۷۲	۲۶۲	۳۰۸۔۴۴ فیصد
مالیاتی لاگت	۲۸۱	۴۰۵	منفی ۳۰۔۶۹ فیصد
(نقصان)/ٹیکس سے پہلے منافع	۷۹۱	منفی ۴۱۳	تبدیلی
(نقصان)/ٹیکس کے بعد منافع	۴۱۳	منفی ۳۱۹	تبدیلی
(نقصان)/فی شیئر آمدنی	۱۔۹۷	منفی ۲۔۲۹	تبدیلی

ہائی ٹیک بلینڈنگ (پرائیویٹ) لمیٹڈ ("HTBL")

کمپنی کی مکمل ملکیتی ذیلی کمپنی، HTBL نیایس کے این موو کمپنی لمیٹڈ کے اشتراک سے مقامی سطح پر کمپنی کے لبریکنٹس (تیل و چکنائی) کے پورٹ فولیو کی بلینڈنگ (آمیزش) کا عمل جاری رکھا۔ مقامی بلینڈنگ کی بدولت درآمد شدہ تیار مصنوعات پر انحصار کم ہوا، فراہمی کے دورانیے (لیڈ ٹائمز) میں کمی آئی اور لاگت کے اعتبار سے مسابقت میں بہتری پیدا ہوئی۔ اس کے نتیجے میں لبریکنٹس کے شعبے کا مجموعی مارجن (gross margin) بڑھ کر 26.1 فیصد (مالی سال 2025: 24.4 فیصد) ہوگیا اور لیوی (levy) و ٹیکس سے قبل منافع 674 ملین روپے (مالی سال 2025: 198 ملین روپے) تک پہنچ گیا۔ لاہور میں سندر انڈسٹریل اسٹیٹ کے قریب واقع جدید ترین بلینڈنگ پلانٹ لبریکنٹس کے لیے HDPE بوتلیں اور ڈھکن بھی تیار کرتا ہے، جس سے مربوط کوالٹی کنٹرول اور سپلائی چین کی کارکردگی کو یقینی بنایا جاتا ہے۔

HTBL کے ذریعے پولیمر کا شعبہ

پولیمر کا شعبہ، جو 2023 سے فعال ہے، اس نے مالی سال 2026 کے دوران اپنی فروخت میں 35 فیصد اضافہ کیا اور یہ 630 ملین روپے تک پہنچ گئی۔ مجموعی منافع کا مارجن بہتر ہو کر 15.4 فیصد (مالی سال 2025: 12.0 فیصد) ہوگیا اور اس شعبے نے لیوی و ٹیکس سے قبل 106 ملین روپے کا منافع ریکارڈ کیا، جبکہ گزشتہ سال 7 ملین روپے کا نقصان ہوا تھا۔ یہ گزشتہ سال کی پیش گوئی کے عین مطابق منافع بخش ہونے کا پہلا مکمل سال تھا۔

پیٹرولیم کا شعبہ (HTL فیول اسٹیشنز)

پیٹرولیم کے شعبے کی آمدنی فروخت کے حجم میں اضافے کے باعث 17 فیصد بڑھ کر 27,205 ملین روپے ہوگئی اور مجموعی منافع 64 فیصد اضافے کے ساتھ 1,028 ملین روپے تک پہنچ گیا۔ لیوی و ٹیکس سے قبل منافع 116 ملین روپے (مالی سال 2025: 131 ملین روپے) رہا، کیونکہ ورکنگ کیپیٹل پر بڑھتی ہوئی مالیاتی لاگت (finance

شیئر ہولڈرز کے نام ڈائریکٹرز کی رپورٹ

ہائی ٹیک لبریکنٹس لمیٹڈ ("HTL" یا "کمپنی") کے ڈائریکٹرز، 30 جون 2026 کو ختم ہونے والے سال کے لیے سالانہ رپورٹ، بشمول انفرادی (standalone) اور مجموعی (consolidated) آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

بنیادی سرگرمیاں:

کمپنی کی بنیادی سرگرمی اپنے لبریکنٹس کے کاروبار (SK ZIC برانڈ) اور آئل مارکیٹنگ کے کاروبار (HTL فیول اسٹیشنز) کے ذریعے لبریکنٹس اور پیٹرولیم مصنوعات کا حصول اور تقسیم ہے۔ اس کی مکمل ملکیتی ذیلی کمپنی، ہائی ٹیک بلینڈنگ (پرائیویٹ) لمیٹڈ ("HTBL")، لبریکیٹنگ آئل بلینڈنگ پلانٹ چلاتی ہے اور پلاسٹک کی بوتلیں (پولیمر) تیار کرتی ہے۔ سال کے دوران کمپنی یا گروپ کے کاروبار کی نوعیت میں کوئی تبدیلی نہیں آئی۔

پاکستان کا معاشی جائزہ:

پاکستان کی معیشت نے مالی سال 26-2025 میں 3.7 فیصد (مالی سال 25-2024: 3.2 فیصد) کی عارضی جی ڈی پی (GDP) نمو ریکارڈ کی، جس کی وجہ بڑے پیمانے پر مینوفیکچرنگ اور خدمات کے شعبوں میں بحالی تھی، اور آئی ایم ایف (IMF) کے تعاون سے چلنے والے پروگرام کے تحت زرمبادل کے ذخائر مستحکم ہوئے۔ سال کے بیشتر حصے میں افراطِ زر اسٹیٹ بینک آف پاکستان کے 5 سے 7 فیصد کے درمیانی مدت کے ہدف کی حد کے اندر رہا، لیکن اپریل-مئی 2026 میں یہ دو ہندسوں تک پہنچ گیا کیونکہ مشرقِ وسطیٰ کے تنازعے نے توانائی کی قیمتوں میں اضافہ کر دیا۔ مانیٹری پالیسی کمیٹی نے دسمبر 2025 میں پالیسی ریٹ کم کر کے 10.5 فیصد کر دیا اور اپریل 2026 میں اسے بڑھا کر 11.5 فیصد کر دیا، جو سال کے اختتام پر اسی سطح پر برقرار رہا۔

ہمارے کاروبار سے متعلق حکومتی پالیسیاں:

جولائی 2025 سے متعارف کرایا گیا پیٹرولیم مصنوعات پر لگائی گئی 'پیٹرولیم ڈویلپمنٹ لیوی' (پیٹرولیم ڈویلپمنٹ لیوی کے علاوہ)، ایندھن کی اسمگلنگ کی روک تھام کے لیے حکومتی اقدامات، اور اوگرا (OGRA) کی جانب سے کمپنی کے عارضی او ایم سی (OMC) لائسنس میں 31 دسمبر 2027 تک توسیع، اس شعبے کے لیے اہم پالیسی پیش رفت تھیں۔ کمپنی ان میکرو اکنامک اور ریگولیٹری عوامل کو اپنی اسٹریٹجک منصوبہ بندی اور آپریشنل فیصلوں میں شامل کرتی ہے۔

مجموعی (کنسولیڈیٹڈ) بنیادوں پر مالیاتی کارکردگی:

ہائی ٹیک لبریکنٹس لمیٹڈ اور اس کی مکمل ملکیتی ذیلی کمپنی، ہائی ٹیک بلینڈنگ (پرائیویٹ) لمیٹڈ پر مشتمل گروپ نے 30 جون 2026 کو ختم ہونے والے سال کے دوران نمایاں طور پر بہتر کارکردگی کا مظاہرہ کیا۔ مجموعی آمدنی (Gross Revenue) بڑھ کر 41,135 ملین روپے (مالی سال 2025: 36,378 ملین روپے) ہو گئی، جو کہ 13.07 فیصد اضافہ ہے، جبکہ خالص آمدنی (Net Revenue) 37,583 ملین روپے (مالی سال 2025: 33,508 ملین روپے) تک پہنچ گئی، جس میں 12.16 فیصد اضافہ ریکارڈ کیا گیا۔ شعبہ وار جائزہ لیں تو پیٹرولیم کے شعبے میں 17 فیصد اور پولیمر کے شعبے میں 35 فیصد نمو ہوئی، جبکہ لبریکنٹس کی آمدنی مجموعی طور پر مستحکم (-0.6 فیصد) رہی۔ مقامی سطح پر بلینڈنگ اور مصنوعات کے بہتر امتزاج (product mix) کی بدولت مجموعی منافع (Gross Profit) 19.11 فیصد اضافے کے ساتھ 3,666 ملین روپے ہو گیا، جس سے گراس مارجن خالص آمدنی کے 9.75 فیصد تک بہتر ہوا (مالی سال 2025: 9.19 فیصد)۔

گروپ کے آپریٹنگ منافع میں 51.28 فیصد اضافہ ہوا اور یہ 1,388 ملین روپے تک پہنچ گیا۔ مالیاتی اخراجات (Finance costs) میں 17.30 فیصد کمی واقع ہوئی اور یہ 492 ملین روپے (مالی سال 2025: 595 ملین روپے) رہ گئے؛ اس کی بنیادی وجہ مالی سال 2025 کے مقابلے میں زیرِ جائزہ سال کے دوران اوسط شرحِ سود کا کم ہونا تھا۔

نتیجتاً، گروپ نے لیوی اور ٹیکس سے قبل 896 ملین روپے (مالی سال 2025: 322 ملین روپے) کا منافع اور ٹیکس کے بعد 473 ملین روپے (مالی سال 2025: 102 ملین روپے) کا خالص منافع ریکارڈ کیا، جس کے نتیجے میں فی حصص آمدنی (Earnings per Share) 3.40 روپے (مالی سال 2025: 0.73 روپے) رہی۔

آپ کے گروپ کی تفصیلی مجموعی مالیاتی کارکردگی ذیل میں پیش کی گئی ہے:

FORM OF **PROXY**

I/We _____ a member / member of Hi-Tech Lubricants Limited and holder of_____shares as per Share Register Folio # / CDC Participant I.D. Participant ID # Sub A/C # / Investor A/C #_____do hereby appoint_____of _____or failing him_____of who is also member of the Company vide Registered Folio # _____as my/our Proxy to attend, speak and vote for me /us and on my / our behalf at the Annual General Meeting of the Company to be held on Tuesday October 27, 2026 at 11:00 a.m. and at any adjournment thereof.

As witness my/our hand this _____day of October, 2026 at _____

Witness' Signature:.....

.....

Name.....

CNIC # .....

Address.....

.....

Affix Revenue Stamp of Rs. 50/-

Witness' Signature:.....

.....

Name.....

CNIC # .....

Address.....

.....

Member's Signature

Date:
Place:

Notes:

A member entitled to attend and vote at the AGM is entitled to appoint another member as a proxy to attend and vote instead of him/her. The instrument appointing a proxy must be received at the Registered Office of the company not less than 48 hours before the time fixed for AGM.

For Appointing Proxies:

a. In case of individuals, the account holder and/or sub-account holder, whose registration details are uploaded as per the CDC Regulations, shall submit scan/photo of the proxy form as per above requirements.
b. The proxy form shall be (i) duly stamped with adhesive revenue tickets of PKR 50/- and (ii) witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the proxy form.
c. Attested copies of CNIC or the Passport of beneficial owners and of the proxy shall be furnished with the proxy form.
d. The proxy shall submit scan/photo of his original CNIC or Passport at the time of login to the video link/Zoom application for attending online AGM.
e. In case of corporate entity, scan/photo of the Board's resolution / power of attorney with specimen signature thereon shall be submitted online (unless it has been provided earlier) along with proxy form to the Company at the time of login to the video link/Zoom application for attending online AGM.

ھائی-ٹیک لبریکنٹس لمیٹڈ

مختار نامہ

میں/ہم _____

کا/کے _____

بحیثیت رکن ہائی۔ٹیک لبریکنٹس لمیٹڈ اور حامل حصص، بمطابق شیئر رجسٹر فولیو نمبر _____

اور/یا سی ڈی سی پارٹیسپینٹ (شرکت آئی ڈی) نمبر _____

اور سب اکاؤنٹ (ذیلی کھاتہ) نمبر _____

محترم/محترمہ _____ مورخہ 27 اکتوبر 2026ء بروز منگل بوقت صبح 11:00 بجے

کو اپنے/ہمارے ایماء پر _____

کو منعقد ہونے والے کمپنی کے سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے یا کسی بھی التواء کی صورت اپنا/ہمارا بطور مختار (پراکسی) مقرر کرتا ہوں/ کرتے ہیں۔

آج بروز ..... بتاریخ ..... 2026ء کو دستخط کیے گئے۔

گواہان

1۔

دستخط: _____

نام: _____

پتہ _____

_____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____

پچاس روپے مالیت کے رسید ٹکٹ پر دستخط

2۔

دستخط: _____

نام: _____

پتہ _____

_____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____

دستخط کمپنی کے نمونہ دستخط سے مماثل ہونے چاہئیں۔

نوٹ

1۔ اجلاس میں شرکت اور ووٹ دینے کا اہل رکن، اجلاس میں شرکت کیلئے اپنی بجائے کسی دوسرے رکن کو اپنا نائب مقرر کرسکتا ہے۔

2۔ نیابت فارم باقاعدہ دستخط شدہ اور مہر شدہ لازماً اجلاس سے کم از کم اڑتالیس (۴۸) گھنٹے قبل کمپنی کے رجسٹرڈ دفتر میں جمع کرائے جانے چاہئیں۔

3۔ نائب کی نامزدگی کیلئے۔

a۔ فرد کی صورت میں، کھاتہ دار اور یا ذیلی کھاتہ دار جن کی رجسٹریشن کی تفصیلات سی ڈی سی ضابطے کے مطابق اپ لوڈ کردی گئی ہوں، درج ذیل ضروریات کے مطابق نیابت فارم جمع کرانا ہوگا۔

b۔ نیابت فارم پر دو گواہوں کی تصدیق کرانا ضروری ہے جن کے نام، پتے اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبرز فارم پر درج ہونگے۔

c۔ حصص یافتگان اور انکے نائب کے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ فوٹو کاپیاں نیابت فارم کے ساتھ منسلک ہونگی۔

d۔ نائب اپنے اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ کی سکین/فوٹو آن لائن اجلاس میں شرکت کے لئے وڈیو لنک/زوم ایپلیکیشن میں لاگن کرتے وقت بھیجے گا۔

e۔ کاروباری اداروں کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی بمعہ نامزد شخص کے نمونہ دستخط اور نیابت فارم کی سکین/فوٹو آن لائن اجلاس میں شرکت کے لئے وڈیو لنک/زوم ایپلیکیشن میں لاگن کرتے وقت بھیجے گا، (اگر پہلے فراہم نہ کئے گئے ہوں)۔

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STATEMENT OF USE

Hi-Tech Lubricants Limited has reported in accordance with the GRI Standards for the period 1 July 2025 to 30 June 2026. The report covers HTL and its wholly owned subsidiary, Hi-Tech Blending (Private) Limited.

GRI 1 used: GRI 1: Foundation 2021 | **Applicable GRI Sector Standard:** GRI 11: Oil and Gas Sector 2021 used as guidance in identifying material topics (page 149).

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GRI Standard	Disclosure	Disclosure title	Location / omission
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Page numbers refer to this Integrated Annual Report 2026. The Sustainability Report (pages 144–177) has been subject to limited assurance by Z. M. T. & Co., Chartered Accountants (pages 176–177), who have also confirmed the "in accordance with" claim and the reasons for omission disclosed in this GRI Content Index.

Hi-Tech Lubricants Limited



In Loving Memory of

TAHIR AZAM
1951-2024

Our esteemed Founder and Director, was a trailblazer whose entrepreneurial foresight and unwavering commitment laid the foundation of the Company. His humility, wisdom, and dedication to excellence touched countless lives, embedding values that remain central to our culture.

MUHAMMAD BASIT HASSAN
1979-2v017

Our beloved Executive Director, was a dynamic leader whose energy, innovation, and ability to inspire others drove the Company's growth. His rare blend of business acumen and human warmth continues to guide us in every endeavor.

We fondly remember two remarkable leaders whose vision and character continue to shape the journey of Hi-Tech Lubricants Limited. Their legacy is defined by integrity, resilience, and compassion. Though they are no longer with us, their spirit endures in the principles they instilled and the aspirations they set in motion. We remain committed to honoring their memory by carrying forward the vision and values they so passionately championed.



Corporate Office:
1-A , Danepur Road, GOR - 1, Lahore
Phone: +92-42-111-645-645
Fax: +92-42-3631-18-14

Karachi Office:
Bungalow No. F-4/1, Block-4,
KDA Scheme No. 5,
Kehkashan, Clifton, Karachi
Phone: +92-21-35290674

Islamabad Office:
Pak Land Tower 2, Unit #501, 5th Floor,
New Blue Area, Islamabad
Phone: +92-51-2813054

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.hitechlubricants.com