Annual Report 2023
Hi-Tech Lubricants Ltd

FROM MILESTONES
TO MOMENTUM

FROM MILESTONES **TO MOMENTUM**

Hi-Tech Lubricants Limited (HTL or Company) is renowned for its exceptional growth and steadfast resilience in navigating challenging terrain. Our unwavering commitment to core values consistently upholds team morale and ignites a collective drive for success. Even in the face of an adverse economic environment that has challenged the entire nation and business community, HTL remains firmly dedicated to the twin pillars of long-term sustainability and expansion. Our strategic approach, guided by a relentless pursuit of innovation and customer-centric solutions, has allowed us to minimize the impact of economic fluctuations. We achieve this by continually diversifying our product portfolio and venturing into burgeoning markets.

Our corporate history is marked by noteworthy milestones that signify remarkable achievements along our journey. However, we've transitioned from celebrating singular successes to emphasizing dynamic and continuous progress. This shift underscores our unwavering commitment not only to attain but to surpass our long-term objectives, maintaining a steadfast course towards ever-greater success.

HTL's comprehensive network of products and services, encompassing HTL Stations, Express Centers, and an extensive retail and distribution framework, positions us uniquely to meet and exceed customer needs comprehensively. Our strategic approach leverages the dedication of our talented workforce and upholds responsible business practices, ultimately creating value not only for our shareholders but for the nation at large.

Our ongoing momentum not only equips us to adapt to change but also empowers us to thrive in the future. By harnessing the collective energy, innovation, and dedication of our entire team, HTL confidently navigates current circumstances, poised to emerge even stronger in the years to come.

HTL BY **NUMBERS**

Rs. 17,524 Million
Gross Revenue Earned

Rs. 1,587 Million
Gross Profit

Rs. 3,823 Million
Total Equity

Rs. 7,395 Million
Total Assets

Rs. 561 Million
EBITDA

Rs. 93 Million
Loss after Taxation

Rs. 293 Million
Profit From Operations

HTL GROUP **BY NUMBERS**

Rs. 17,617 Million
Gross Revenue Earned

Rs. 2,427 Million
Gross Profit

Rs. 247 Million
Loss After Taxation

Rs. 12,163 Million
Total Assets

Rs. 6,044 Million
Total Equity

CONTENTS

CEO'S **MESSAGE**

Dear Stakeholders,

FY 2023, Pakistan faced a complex economic and business landscape marked by devastating floods, political uncertainty, disruptions in global supply chains, and the inflationary impact of the Russia-Ukraine conflict-triggered commodity super-cycle. The country's inflation rate reached historic highs and in response, the State Bank of Pakistan's Monetary Policy Committee raised the Policy Rate incrementally to an unprecedented 22.00%. Additionally, the devaluation of the national currency, the rupee, added to import costs, further contributing to the prevailing inflation.

I am pleased to share an overview of the year, highlighting the challenges faced and noteworthy milestones achieved by Hi-Tech Lubricants Limited (HTL).

During the year in review, on an unconsolidated basis, HTL incurred a net loss of Rupees 93 million, translating to a loss per share of Rupees 0.67. This unfavorable outcome primarily attributed to a substantial 12.44% decline in revenue, largely stemming from the extended sluggishness observed in the automobile sector throughout the past fiscal year. This adverse trend has been exacerbated by various external factors, including persistent inflationary pressures, a diminishing purchasing power among consumers, and the broader economic downturn experienced in Pakistan. It is imperative to underscore that the unprecedented increase in the policy rate has had a profound impact on our finance costs, leading to an increase of Rupees 279 million in comparison to the corresponding year.

On a consolidated basis, your Group (Hi-Tech Lubricants Limited and its wholly owned subsidiary, Hi-Tech Blending (Private) Limited) unfortunately incurred a net loss of Rupees 247 million, translating to a loss per share of Rupees 1.77. Our management is actively and diligently formulating strategies to navigate these intricate challenges, with a steadfast commitment to enhancing the Group's financial resilience as we move forward.

In a year characterized by numerous significant challenges, HTL displayed remarkable resilience and unwavering determination. We successfully launched operations in the polymer segment through our wholly-owned subsidiary, Hi-Tech Blending (Private) Limited. This strategic move reflects our commitment to diversify and adapt to changing circumstances. It also highlights our proactive approach to identifying growth prospects and our steadfast dedication to strengthening our portfolio and market position.

During the year, the Company received formal authorizations from the Oil and Gas Regulatory Authority (OGRA) to commence operations at its state-of-the-art storage facility situated in Nowshera, Khyber Pakhtunkhwa Province. In addition to this significant development, OGRA also granted the Company approval to initiate the sale and marketing of petroleum products through a network of thirty-five HTL Fuel Stations. These regulatory approvals underscore our commitment to stringent compliance and strategic expansion within the petroleum sector. Presently, the HTL manages a network of twenty-nine dealer-operated HTL Fuel Stations within the Punjab Province. Furthermore, subsequent to the reporting date, the Company has initiated operations at an additional nine dealer-operated HTL Fuel Stations situated in the Khyber Pakhtunkhwa Province, demonstrating our strategic commitment to expanding our market presence and offerings.

The Company has a well-established history and a strong track record of actively contributing to the betterment of society and the communities in which it operates. Our commitment to making a real impact on society and finding solutions to global challenges is deeply ingrained in our business philosophy. To guide our efforts, we have set clear goals that prioritize the adoption of the best environmental, social, and governance practices across all our operations. Our primary focus in our Corporate Social Responsibility initiatives remains on the education sector, healthcare, and environmental sustainability. These areas align with our mission to make a meaningful and positive difference in the world.

I extend heartfelt appreciation to our Chairman and esteemed Board members, particularly our Executive Director, Mr. Ali Hassan. Their guidance and support have been invaluable. Gratitude to our stakeholders for their enduring confidence and to our dedicated team for their unwavering commitment. HTL looks forward to a promising next year with optimism for improved performance and growth.

HASSAN TAHIR
Chief Executive Officer

COMPANY **PROFILE**

Hi-Tech Lubricants Limited (HTL or the Company) is a well-established player in the lubricants industry, serving the Pakistani market for the last 26 years. HTL's operations span a wide spectrum, encompassing the automotive, industrial, and marine segments, with an unwavering commitment to delivering top-notch lubricant solutions. The Company has outreach and availability of flagship ZIC products at around 20,000 retail outlets and wash stations, with a sales and technical force comprising of 174 employees across Pakistan including Azad Jammu and Kashmir and Gilgit Baltistan. Over 300 distribution vans are committed to providing door-to-door delivery for customers.

Our product portfolio is a testament to the Company's dedication to meeting the diverse needs of its clientele. Lubricants are thoughtfully categorized into Passenger Car Motor Oil (PCMO), Diesel Engine Oil (DEO), and Motorcycle Oil (MCO), addressing specific application requirements. This product line includes both synthetic and semi-synthetic offerings, ensuring that customers have access to solutions tailored to their unique demands.

In 2017, the Company stepped into the retail service industry with a One-Stop Vehicle Maintenance Solution under the brand name of HTL Express Centers. During the year 2020-2021, the Company has changed its strategy and adopted franchise model for HTL Express Centers. Currently, the Company has given franchises four mega cities of Pakistan i.e. Lahore, Gujranwala, Rawalpindi and Karachi.

In the year 2020, HTL embarked on a strategic diversification initiative by entering the petroleum products market with the launch of HTL Fuel Stations in the province of Punjab. This marked a significant expansion of the company's operations into a new and dynamic sector. Notably, in 2023, HTL achieved a significant regulatory milestone by securing authorization from the Oil and Gas Regulatory Authority (OGRA). This official endorsement granted HTL the privilege to expand its sales and marketing operations for petroleum products into the dynamic and promising market of Khyber Pakhtunkhwa Province.

HTL remains steadfast in its commitment to delivering high-quality lubricants, petroleum products and associated services. Leveraging its extensive network, technical expertise, and unwavering focus on customer satisfaction, HTL continues to be a trusted name in Pakistan's lubricants industry.

PRINCIPLE **BUSINESS ACTIVITIES OF THE COMPANY**

The Company provides a wide range of top quality synthetic and semi synthetic lubricants products mainly to automotive sector and industrial sector under the brand name of ZIC. The Company imports a variety of ZIC products from SK Enmove Co., Ltd. (Formerly SK Lubricants., Ltd.) - South Korean Lubricant Manufacturing Company and is also the sole authorized distributor of ZIC brand in Pakistan.

Through Hi-Tech Blending (Private) Limited (HTBL) - wholly owned subsidiary Company, the Company operates a state-of-the art blending plant facility. This facility stands out as an integrated platform of exceptional capabilities, geared to produce lubricants that consistently adhere to stringent international quality standards. The facility is fully equipped, featuring a comprehensive bottle processing unit and advanced automated filling lines. Through this facility, the company imports a wide array of lubricants in bulk from SK Lubricants, Ltd., subsequently packaging them into bottles utilizing highly efficient automated processes. Furthermore, in a noteworthy collaboration with SK Enmove Co., Ltd. (Formerly SK Lubricants., Ltd.), the company has successfully initiated the local blending of various lubricants within Pakistan, all proudly bearing the esteemed ZIC brand. An integral component of this facility is a cutting-edge Hi-Tech Testing Laboratory, which not only serves the company's internal testing needs but extends its services to external clients as well.

HTL has embarked on a significant venture into the polymer segment through Hi-Tech Blending (Private) Limited - its wholly owned subsidiary Company. This strategic move involves the installation of state-of-the-art machinery and facilities dedicated to the production of polymer products for external customers. HTL's polymer segment represents a commitment to diversify its operations, meet the demands of various industries, and provide high-quality polymer solutions. This expansion underscores the company's dedication to innovation and excellence in serving a broader customer base, contributing to its ongoing growth and achievements.

In response to the discerning demands of end consumers, the HTL offers vehicle maintenance services through its network of franchise centers, aptly named HTL Express Centers.

The Company successfully running its petroleum segment operations under the brand name of HTL Fuel Stations in Punjab Province. It deals with Petroleum Motor Gasoline (Petrol) and High Speed Diesel (Diesel). In addition to this, HTL is actively pursuing the expansion of its petroleum segment operations into the Khyber Pakhtunkhwa Province, reflecting the Company's commitment to growth and diversification.

KEY **MARKETS**

ZIC LUBRICANTS

The Company's distribution network for ZIC lubricants spans across the entirety of Pakistan, including Azad Jammu and Kashmir and Gilgit Baltistan. To efficiently manage its operations, the Company has strategically divided its sales areas into four distinct regions: South, North, Central, and Baluchistan. It is noteworthy that the majority of the Company's revenue is generated within the Punjab province.

In 2021, in pursuit of expanding its market presence beyond national borders, the Company took a strategic step by entering into a Non-Exclusive Distribution Agreement with M/S Osman Ghani Limited, an Afghanistan-based company. This agreement enables the export of locally blended ZIC Brand products to Afghanistan.

HTL EXPRESS CENTERS

The Company, operating under a franchise model, offers comprehensive vehicle maintenance services in Lahore, Gujranwala, Rawalpindi and Karachi, and Rawalpindi, under its esteemed brand name, HTL Express Centers. These franchise outlets cater to a diverse clientele, serving both corporate and non-corporate customers with the utmost professionalism and efficiency.

PETROLEUM PRODUCTS

The Company has made significant advancements in its petroleum segment operations, establishing a notable presence with the esteemed brand name of HTL Fuel Stations in Punjab Province. Currently, the Company oversees a total of twenty-nine fuel stations, solidifying its foothold in this region.

The Company is actively pursuing the expansion of its petroleum segment operations into Khyber Pakhtunkhwa Province. Subsequent to the reporting date, the Company has successfully commenced operations at nine HTL Fuel Stations in this region, marking a significant step in its strategic growth initiatives. City wise detail of these fuel stations is stated below:

CITY NAME	NUMBER OF HTL FUEL STATIONS
Lahore	3
Multan	3
Lalian	1
Faisalabad	2
Toba Tek Singh	1
Jaranwala	1
Hasilpur	1
Jhang	2
Gujranwala	3
Arifwala	1
Wazirabad	1
Lalamusa	1
Okara	3
Chakwal	1
Bahawalpur	1
Rahim Yar Khan	1
Dera Ghazi Khan	1
Rawalpindi	1
Islamabad	1
Swat	3
Lower Dir	1
Malakand	1
Di Khan	2
Bannu	1
Mansehra	1
Total	**38**


CALVIN
KLEIN
JEANS

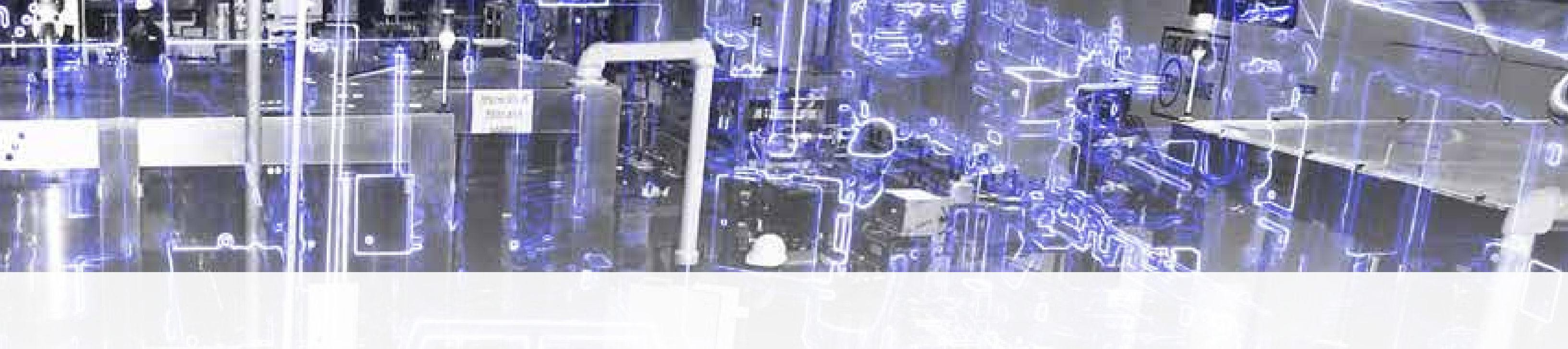
KEY BRANDS **&**
PRODUCT & SERVICES

ZIC **Oil**

The Company's product portfolio consists of three major categories i.e. Mineral / Classic Oil, Semi Synthetic and Synthetic Engine Oils. Mineral oil is refined from crude oil and is conventional, synthetic oil is artificially prepared chemically according to the need or requirements of vehicle, while semi synthetic oils are a mixture of both mineral and synthetic oil. The composition of synthetic oils is 50-90% of synthetic oil and remaining mineral traces while fully synthetic oil exhibit 100% chemical composition.

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 OW30 and 5W40 are done on the bases 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)

X5-20W-50
(Synthetic)

20W-50
(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.

M1-20W-50 **M3-20W-50** **M9-10W-40** **M7-10W-40** **M5-20W-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.

X1000-50 (CF/SF)
(Economy)

X7000-10W-40 (CI-4)
(Fully Synthetic)

X7000-15W-40 (CI-4)
(Fully Synthetic)

X7000-20W-50 (CI-4)
(Synthetic)

X5000-15W-40 (CH-4)
(Synthetic)

X3000-15W-40 (CF-4/SG)
(Classic)

X3000-20W-50 (CF-4/SG)
(Classic)

X3000-SAE-40 (CF/SF)
(Classic)

X3000-SAE-50 (CF/SF)
(Classic)

INDUSTRIAL OILS, GREASES, HYDRAULICS, ATF, GEAR OILS, **BRAKE FLUIDS AND COOLANTS POWER GENERATION GEN-SET OILS**

- 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

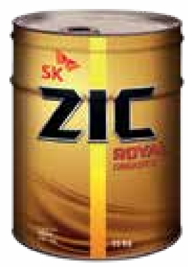
Super Gear 8P

Compressor RS

Super Freeze

Turbine

Grease



ZIC Royal Grease

ZIC Crown Grease

Hydraulic oil

ZIC VEGA

ZIC VEGA LX

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

HTL EXPRESS CENTERS **(FRANCHISE MODEL)**

HTL Express Centers offer a comprehensive and customer-centric vehicle maintenance solution, serving as a one-stop destination for all vehicle maintenance needs. Our services encompass a wide range of offerings, including oil changes, wash / service, tire and battery services, air conditioning maintenance, and vehicle accessories.

Our commitment to long-term vehicle health and durability is evident through our use of advanced diagnostic tools at all our facilities, enabling us to predict and prevent potential defects. We uphold stringent quality standards by sourcing only high-quality branded products, ensuring the reliability and performance of every service we provide.

Our unwavering dedication to international quality benchmarks mirrors our overarching commitment to excellence in all aspects of our business. In alignment with our evolving strategy, we have transitioned to a franchise model for HTL Express Centers in 2021. Currently, we have established thirteen franchise locations across different cities of Pakistan.

HTL FUEL **STATIONS**

HTL Fuel Stations epitomize our vision of providing a comprehensive solution for the diverse needs of vehicle users. Imagine an HTL Station, strategically located along your route, offering not only high-quality fuel products but also housing an HTL Express Center, where complete vehicle maintenance services are delivered, including our renowned ZIC products. To further enhance the customer experience, we also feature an HTL Mart stocked with essential fast-moving consumer goods. All these conveniences are available in one convenient stop.

The Company successfully manages the marketing and sale of petroleum products through HTL Fuel Stations, all operated by dealers, primarily in the Punjab Province. The number of these dealer-operated fuel stations has reached twenty-nine, with plans for steady expansion. Additionally, we are actively pursuing opportunities for expansion in the Khyber Pakhtunkhwa Province. We have received formal approval from Oil and Gas Regulatory Authority (OGRA) to initiate petroleum operations in Khyber Pakhtunkhwa Province, through thirty-five HTL Fuel Stations, with nine of them already commencing operations after the reporting year.

Our commitment is to extend our fuel business throughout the country as part of our long-term strategic vision, revolutionizing the way customers experience road travel. We aspire to instill the same level of confidence in our customers with our fuel stations as we have achieved with our ZIC products. This can only be accomplished by consistently delivering excellence in all our products and services.

Our vision is to establish HTL Fuel Stations as a prominent leader in the oil marketing sector, setting new standards for product quality and service excellence compared to existing market players. Throughout this journey, our customers' needs will remain at the heart of all our planning and decision-making processes. We envision HTL as the brand of choice in the oil marketing industry, with HTL Fuel Stations proudly serving as a comprehensive representation of our flagship offerings—a One-Stop Solution for all travelers on the move.

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

WHOLLY OWNED SUBSIDIARY COMPANY

BLENDING PLANT

Our capabilities are expanding to meet the growing demand for ZIC Lubricants in the country. As our customer base continues to grow, the consistent and reliable supply of our premium lubricants remains a top priority. To ensure that we can consistently provide ZIC Lubricants to our valued customers, we established Hi-Tech Blending (Private) Limited (HTBL), a wholly-owned subsidiary. HTBL is equipped with an independent and state-of-the-art Hi-tech Testing Laboratory, filling lines, and stringent quality control checks.

This facility has been designed to produce cans and caps in-house and locally blend lubricants for our ZIC mid-tier products. Its advanced technology eliminates any risk of contamination during the blending and bottling process. To meet the increasing demand for ZIC Lubricants, the Company has successfully completed its blending facilities expansion project, further enhancing our ability to meet our customers' needs.

HI-TECH **TESTING LABORATORY**

TESTING LABORATORY

The HTBL blending plant is complemented by a cutting-edge Hi-Tech Testing Laboratory, equipped with the latest lubricant testing technology. This state-of-the-art laboratory enhances the accuracy and precision of our quality control operations, ensuring that our lubricant products meet the highest standards.

In addition to supporting our internal quality assurance processes, the laboratory also offers commercial lubricant testing services. This strategic move aims to make quality assurance more accessible to customers and, in doing so, has the potential to reduce the prevalence of substandard lubricant products in the market.

HI-TECH **BOTTLING SECTION**

The HTBL bottling section, housed within the blending plant facility, represents a specialized and comprehensive bottle manufacturing unit. This segment employs approximately 50 highly skilled technicians who adhere to the most stringent international quality standards, ensuring the production of flawless bottles and caps for ZIC lubricants.

To maintain the highest levels of quality and eliminate any risk of contamination in the final product, HTBL has invested in cutting-edge machinery that stands out in the region for its exceptional output capacity, quality, energy efficiency, and cost-effectiveness. Notably, the bottling section is equipped with an extrusion blow molding machine known as the Innova 130 SE. This state-of-the-art machine, capable of producing bottles ranging from 3 to 10 liters, not only enhances our bottle quality but also significantly reduces production costs due to its low energy consumption.

Additionally, the bottling section boasts an injection molding machine, which underwent an upgrade in 2019. This upgrade effectively doubled our cap production rate without necessitating additional resources, thereby reducing cap manufacturing costs by half. Our commitment to continuous improvement extends to our bottling facility, which continues to advance in terms of sophistication and capacity. This ensures the consistent enhancement of bottle quality and increased bottling output rates, meeting our lubricant business requirements and paving the way for potential business opportunities where high-quality bottle production is needed.


SOLAR **POWR SYSTEM**

At the HTBL plant site, the Company has achieved a significant milestone by successfully installing a 997.38 KW solar power system. This strategic investment not only addresses the growing energy demands of our operations but also positions us to realize substantial cost savings in energy expenses. This solar power system underscores our commitment to sustainable practices and responsible energy management while enhancing the overall efficiency of our plant operations.

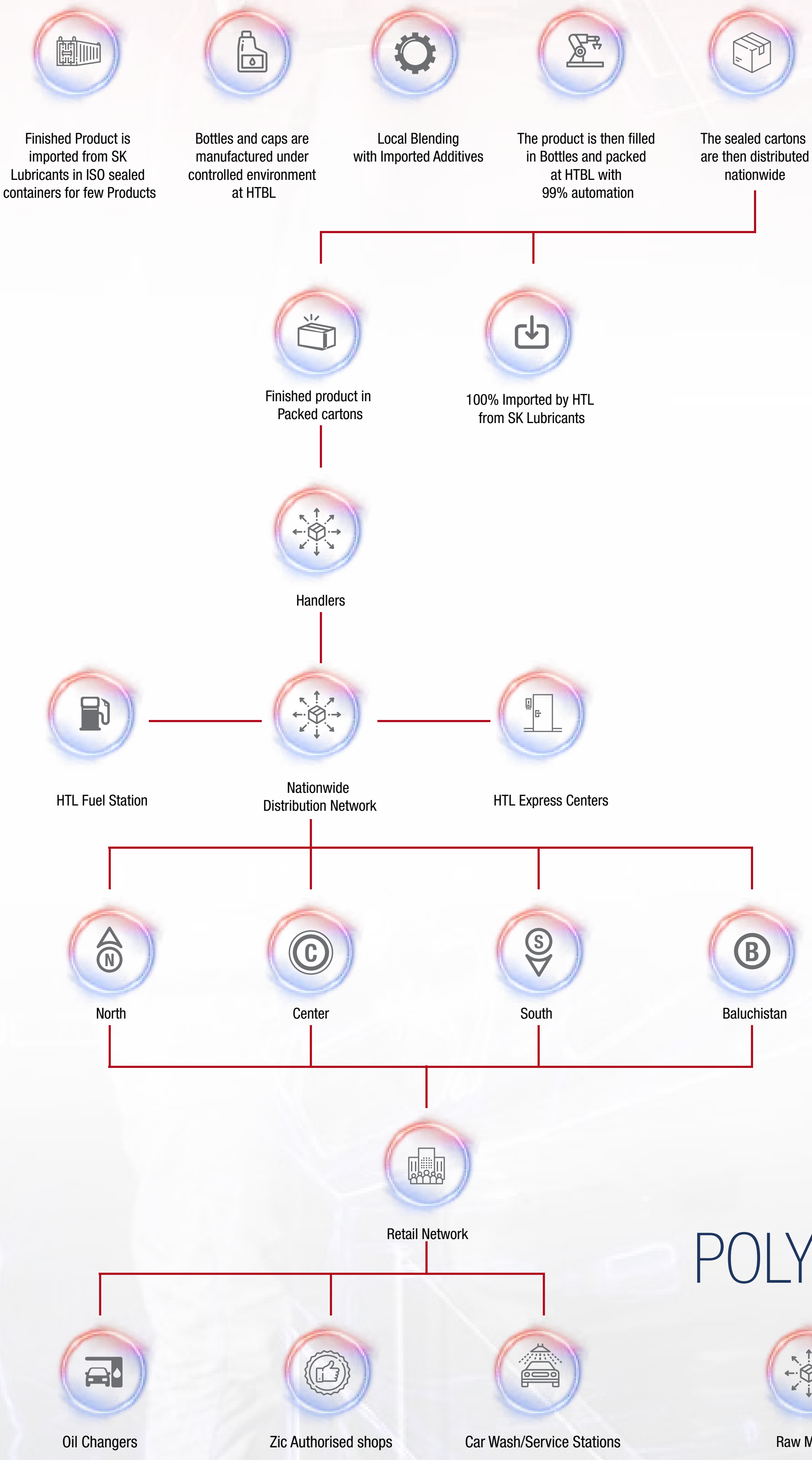
POLYMER **SEGMENT**

During the year, HTL achieved a significant milestone by launching its polymer segment operations through HTBL. This strategic move involved the installation of state-of-the-art machinery, reflecting the company's commitment to staying at the forefront of technological advancements. To complement this advanced infrastructure, the Company effectively leveraged its existing pool of highly skilled professionals and their wealth of experience to drive this cutting-edge venture.

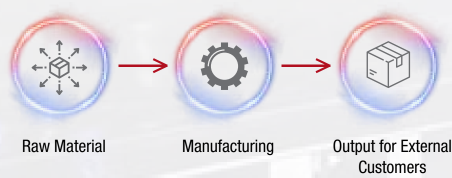
In this newly established polymer segment, the company now engages in the order based production of plastic products for its external customers. This expansion into polymer manufacturing underscores HTL's dedication to diversifying its product offerings and serving a broader market base. With a focus on quality, innovation, and meeting customer demands, HTL's foray into the polymer segment exemplifies its commitment to growth and excellence in all aspects of its business operations.

LUBRICANTS **SEGMENT VALUE CHAIN**

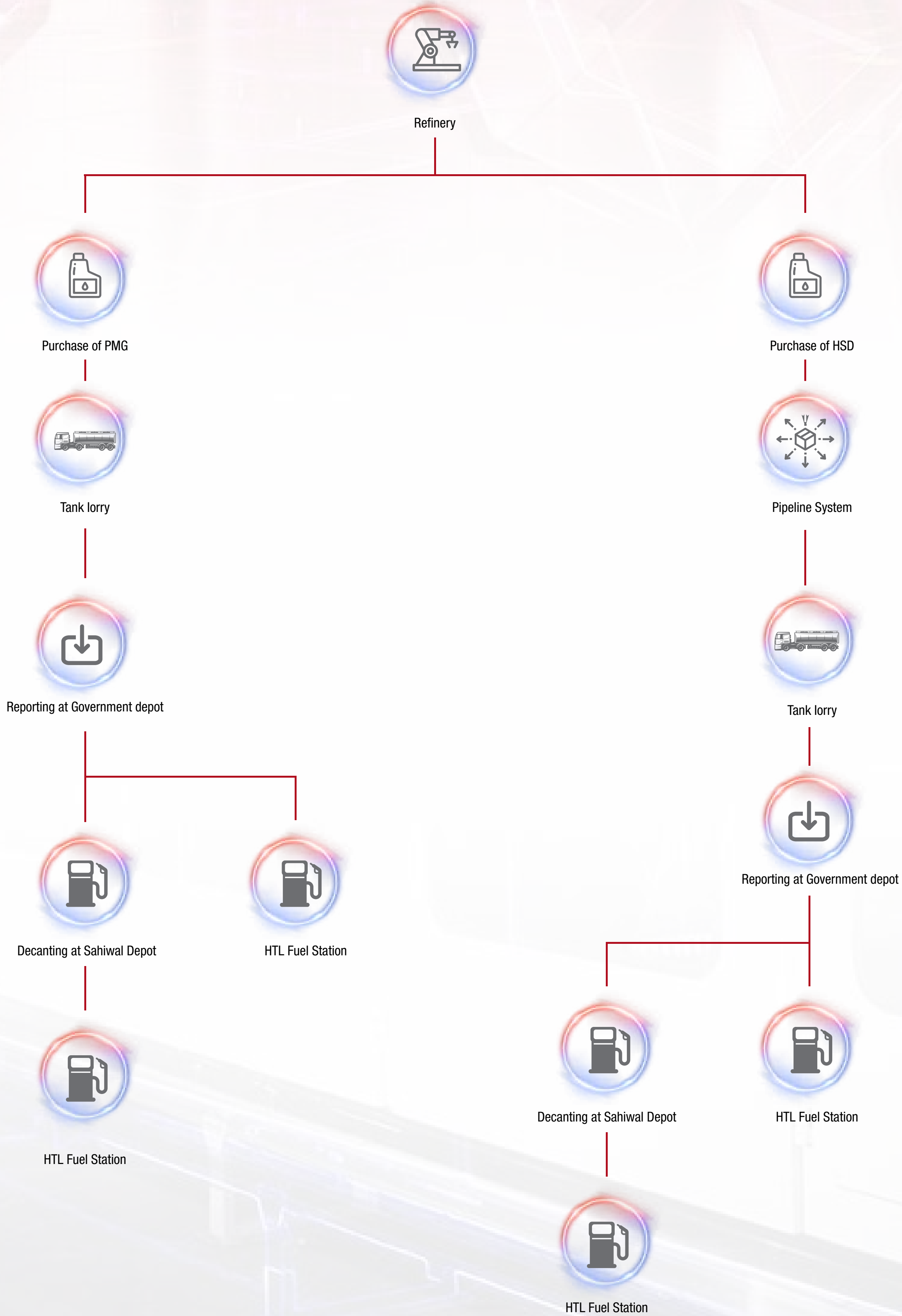
VIA HTBL



POLYMER **SEGMENT**



PETROLEUM **SEGMENT VALUE CHAIN**



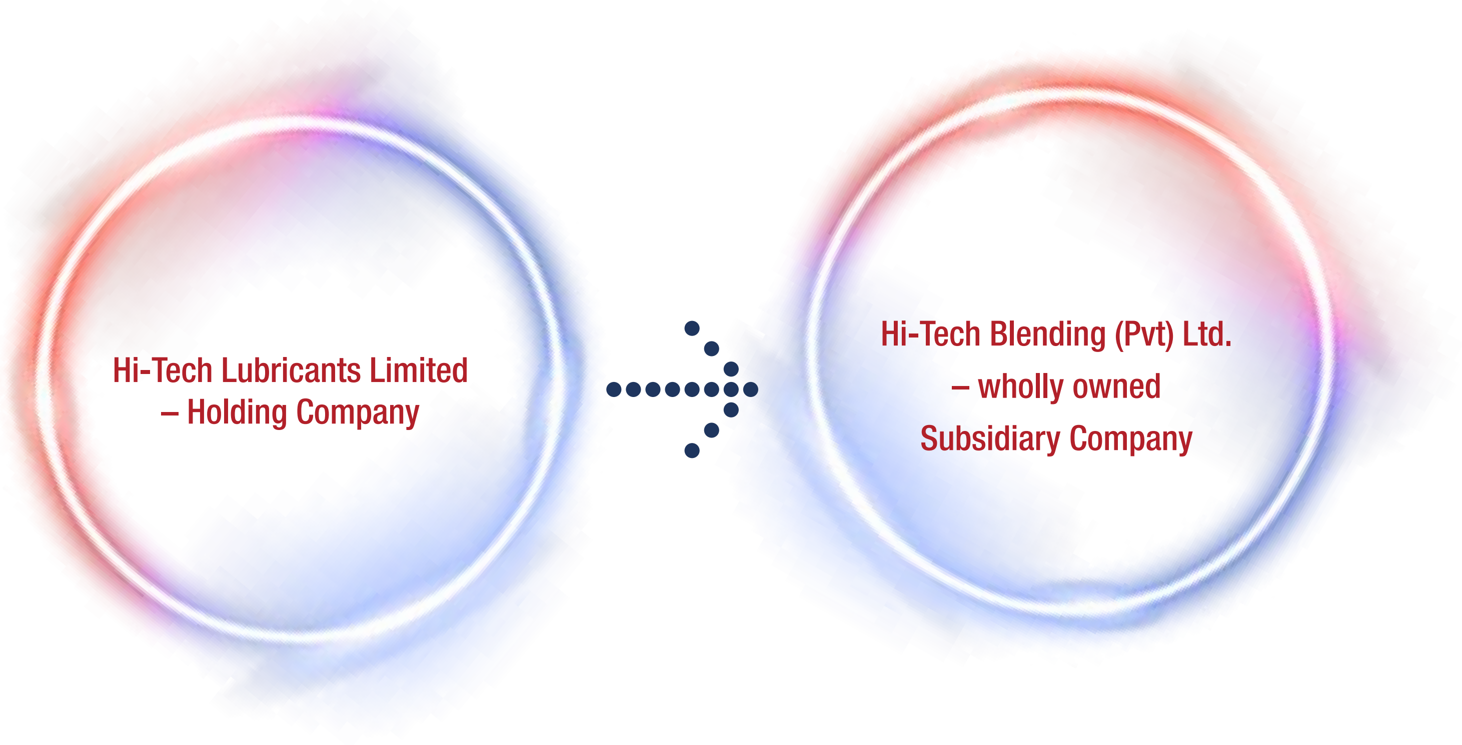
SIGNIFICANT **CHANGE FROM PRIOR YEAR**

- Successfully started polymer segment operations through Hi-Tech Blending (Private) Limited – wholly owned subsidiary Company.

- HTL received formal authorizations from the Oil and Gas Regulatory Authority (OGRA) to commence operations at its storage facility situated in Nowshera, Khyber Pakhtunkhwa Province. In addition to this, OGRA also granted approval to initiate the sale and marketing of petroleum products through a network of thirty-five HTL Fuel Stations in Khyber Pakhtunkhwa Province.

OWNERSHIP, OPERATING STRUCTURE AND RELATIONSHIP WITH **GROUP COMPANIES AND NATURE OF THOSE RELATIONS**

The Company is a part of Hi-Tech Lubricants Group. The Group comprises of two companies i.e. Hi-Tech Lubricants Limited and Hi-Tech Blending (Private) Limited.



Hi-Tec Lubricants Limited

Hi-Tech Lubricants Limited (HTL) is the holding company of Hi-Tech Blending (Private) Limited. In March 1997, HTL started its business as an Association of Persons (AOP) and 2011 it was first converted into private limited company and later on converted into a public unlisted company. In 2016, HTL finally got listed on Pakistan Stock Exchange. As at 30 June 2023, the market capitalization of HTL is around Rupees 2.97 billion, with majority of its shares being held by the directors, their spouses and children.

Hi-Tech Blending (Private) Limited

Hi-Tech Blending (Private) Limited (HTBL) is a wholly owned subsidiary of HTL and 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 Company is to construct, own and operate oil blending plant.

CALENDAR OF **MAJOR EVENTS**

19 AUGUST 2022

80th BOD MEETING

Approval of six monthly budget for the period started from 01 July 2022 to 31 December 2022

23 SEPTEMBER 2022

81st BOD MEETING

Approval of financial statements for the year ended 30 June 2022 Declaration of final Cash dividend @ Rupees 2 per share i.e. 20%

28 OCTOBER 2022

14TH Annual General Meeting (AGM)

Approval of financial statements for the year ended 30 June 2022
Approval of final Cash dividend @ Rupees 2 per share i.e. 20%

28 OCTOBER 2022

82nd BOD MEETING

Approval of financial statements for the first quarter ended 30 September 2022

08 NOVEMBER 2022

Electronic Disbursement Of Final Cash Dividend D12

25 NOVEMBER 2022

Corporate briefing session organized on the basis of annual financial results for the year ended 30 June 2022.

02 DECEMBER 2022

VIS assigns positive outlook rating to HTL

24 FEBRUARY 2023

83rd BOD MEETING

Approval of half year financial results for the period ended 31 December 2022

17 MARCH 2023

Permission by OGRA to Operate New Oil Storage and Sale / Marketing of Petroleum Products through upto 35 Stations in KPK

19 APRIL 2023

84th BOD MEETING

Approval of financial statements for the third quarter ended 31 March 2023

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. Further in the same year, in 2017 to reach out to consumers directly to fulfill their car care needs.

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 ENTERANCE 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, enterance into plastic packaging industry by venturing into the production of plastic products for external customers.

2023 POLYMER SEGMENT OPERATIONAL

- Successfuly started Polymer Segment Operations through Hi-Tech Blending (Private) Limited- wholly owned subsidiary company
- Received formal authorizations from OGRA to commence operations at its storage facility situated in Nowshera, Khyber Pakhtunkhwa 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.

OUR **VISION**

Our Vision is a steadily progressive Pakistan where the wheels of transport and industries are incessantly moving to take the country and her 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.

OUR CORPORATE **CULTURE AND CORE VALUES**

RESPECT

We maintain openness and respect for others just the way we want to be respected. We learn from others and we believe teamwork is the ultimate reflection of collaboration. We treat one another with respect and take pride in the significant contributions that come from the diversity of individuals and ideas. Our continued success requires us to provide the education and development needed to help our people grow. We are committed to openness and trust in all relationships.

INTEGRITY

We are honest & trustworthy and expect adherence to the highest ethical standards through personal integrity and compliance with all operating laws, regulations, moral and social values, norms and traditions in the societies or countries where we operate. We put ourselves accountable, individually & collectively, for the acceptable standards of behavior, including honesty and fairness in all aspects of our work. We fulfill our commitments as responsible employees & citizens. We consistently treat company assets and resources in a dignified manner.

We at HTL, are guided by the Core Values of Integrity, Respect, Quality & Responsibility. These values describe us as we want our image to be. We ensure that our decisions and actions consistently demonstrate these values. And by practicing the same we will be able to achieve long term commitments with our stakeholders including distributors, institutions, customers, employees, suppliers, and the communities we serve.

QUALITY

We will enhance the inherent competitiveness of our business divisions and maximize corporate values based on value-centric management. For this, we will continue to innovate profits, business and financial structures. We will keep identifying global opportunities for growth and innovate business portfolios and also ensure stable financial performances.

RESPONSIBILITY

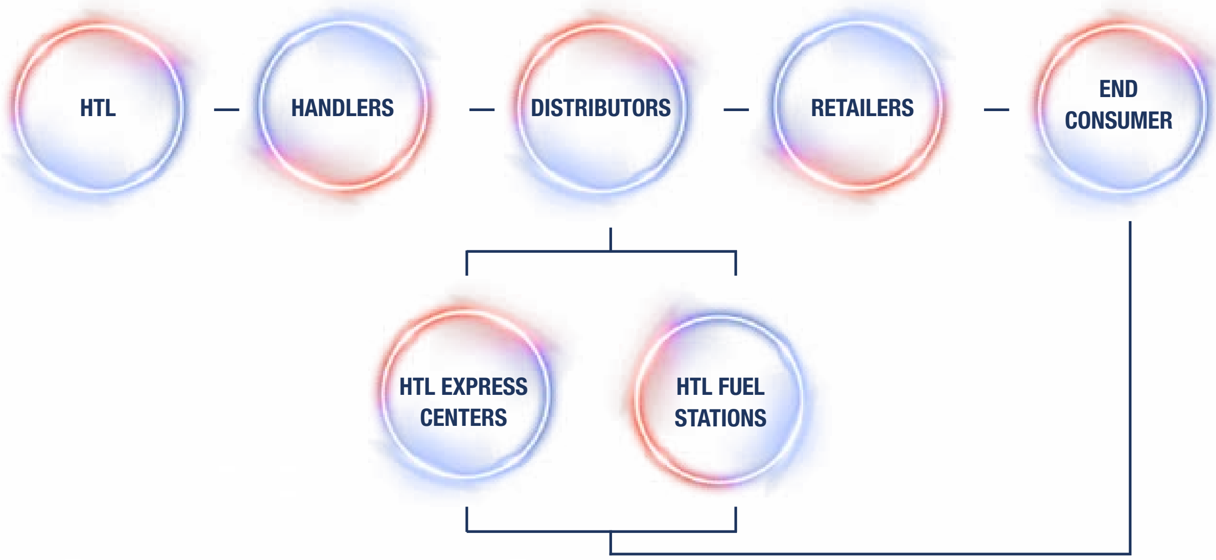
We take responsibility for people and the environment. We are committed to the well being of our employees and to the care of our environment. We conduct business activities in a way that is safe for our employees, our contractors, visitors to our sites, the communities we operate in, and our environment. We protect the environment by preventing or minimizing the environmental impact of our activities and products through appropriate design, distribution and disposal practices.

BUSINESS **MODEL**

KEY **ELEMENTS**

INPUT
- Nationwide geographical presence
- Sophisticated policies and procedures
- Skilled work force
- Continuing professional development
- Efficient treasury management
- Effective stakeholder engagements
- Strong supply chain quality assurance

BUSINESS ACTIVITIES
- Marketing and sales of lubricant products through nationwide distribution network as presented below:



- Marketing and sales of petroleum products to dealer operated HTL fuel stations.

OUTPUT
- Positive Brand Image (ZIC) and market reputation
- Best corporate governance and business practices
- Effective working capital management
- Maximum shareholder's return
- Stakeholders relationship and trust building
- Best CSR practices and ISO compliant operations
- Smooth and un-interrupted supply chain
- Premium quality products
- Customer satisfaction and brand Loyalty

CODE OF BUSINESS **CONDUCT AND ETHICS**

ETHICAL CONDUCT **& PERSONAL MAINTENANCE**

Delivering high quality products and services for client satisfaction. Each employee owes a duty to the Company to act with integrity. Integrity requires, among other things, being honest and ethical. It is of high importance that each employee maintains certain personal standards to make sure he / she stay on top of game with outstanding results. All employees must practice proper personal hygiene standards. The Company encourages a work environment where all employees can practice the organizational values and job goals effectively and efficiently.

WORK **ETHICS**

Employees make all work decisions according to the **STAR method: STOP, THINK, and ACT RESPONSIBLY.** HTL values must be upheld during all decision making processes without any violation of rules and regulations. Make responsible decisions for issues like employment inquiries and attendance matters.

HEALTH AND **SAFETY**

All employees are expected to take an active part in maintaining a safe and healthy environment. Employees are expected to be mentally and physically fit for work and remain fit while on duty. While on duty, they must not be under the influence of alcohol or any drugs that impair their ability to perform on the job. While on duty, employees must refrain from taking naps or long rest breaks. The exceptions are aspirin - or ibuprofen-based products and legal drugs which have been prescribed to the employees, and are being used in the manner prescribed by a health practitioner.

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**

Bullying or discrimination, including behavior, comments, jokes, slurs, e-mail messages, photographs, or other conducts that contribute to an intimidating or offensive environment are not tolerated (zero tolerance).

HTL is committed to maintaining a non-discriminatory and free of bullying workplace. Acts or threats of intimidation, sabotage, physical or mental harm, terrorization and similar activities are not tolerated.

Supervisors who fail to take action, engage in, or permit such activities to occur not only expose HTL to liability; they also expose themselves to personal liability or even to non-tolerable offence.

SEXUAL HARASSMENT **AT WORKPLACE**

"Sexual Harassment" means any unwelcome sexual advance, request for sexual favors or other verbal or written communication or physical conduct of a sexual nature. This also includes sexually demeaning attitudes, causing interference with work performance or creating an intimidation, hostile or offensive work environment. Also any attempt to punish the complainant for refusal to comply to such a request or is made a condition for employment. We practice zero tolerance for sexual harassment, physical or mental, that contributes to a sexually offensive environment for either male or female. Supervisors who fail to take action, engage in harassment, or permit harassment to occur not only expose HTL to liability; they also expose themselves to personal liability or even to non-tolerable offence.

ABUSE OF **COMPANY RESOURCES**

HTL provides the necessary equipment to employees for their job performance. None of this equipment should be used for personal use and nor it is removed without approval from the physical confines of HTL premises. Employees are also required to comply information security policies defined by HTL. It is the responsibility of the employees to use HTL's assets properly and follow the standard operating procedures.

MEDIA & SOCIAL **NETWORKING**

Only officially designated employees are allowed to speak on behalf of HTL before television, print media, social media or any other media by whatsoever mean. If any employee does this, he / she would be personally liable for such acts.

CONFIDENTIALITY

Employees and directors maintain the confidentiality of all information entrusted to them, except when disclosure is authorized or legally mandated. Confidential or proprietary information includes any non-public information that would be harmful to the Company or useful or helpful to competitors if disclosed.

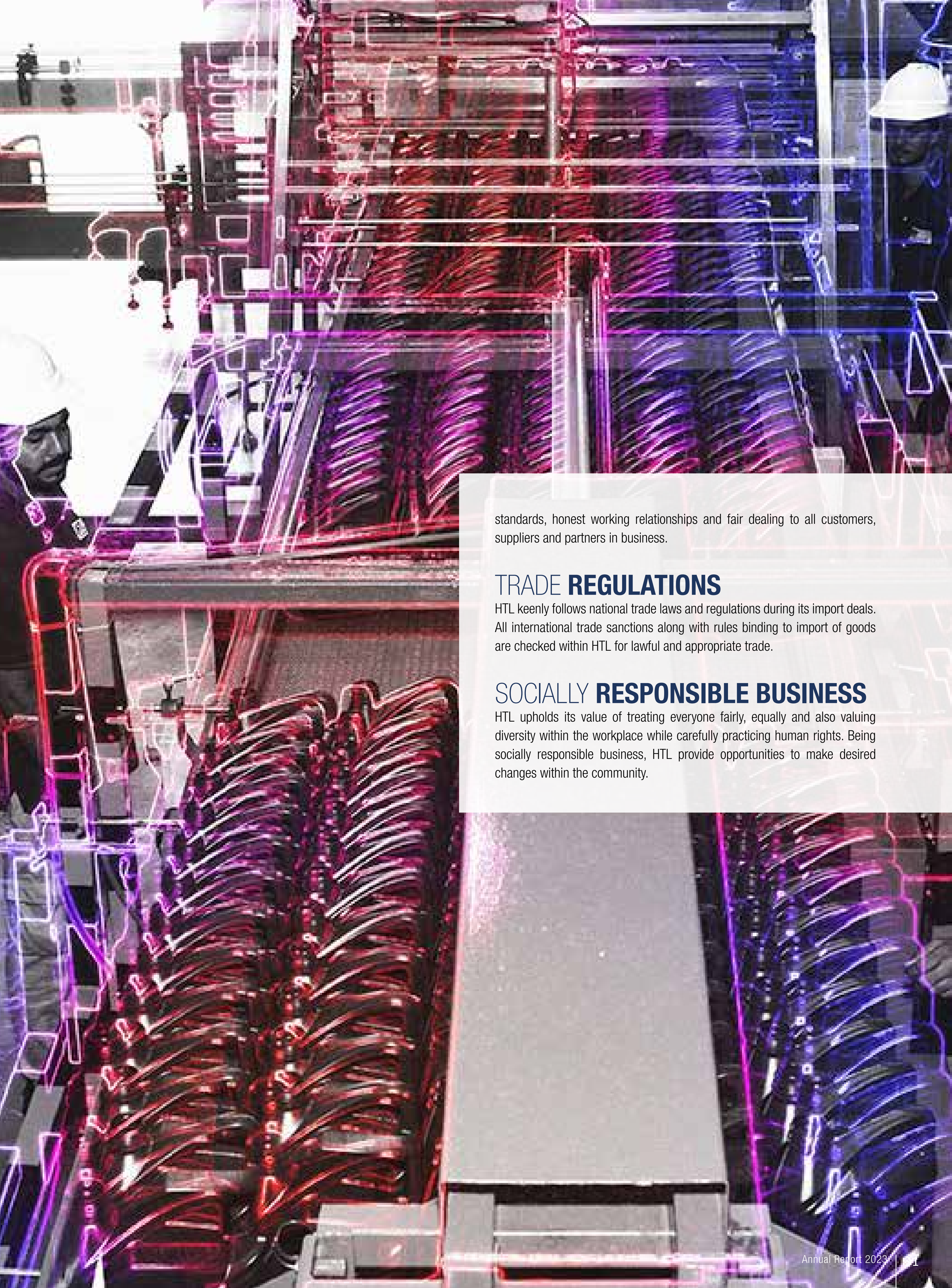
FRAUD, DECEPTION, DISHONESTY, BRIBERY **& ANTI-CORRUPTION MEASURES**

HTL upholds its value of never indulging in any fraudulent or dishonest act with its employees or any third party. Fraud basically means to deceive or to act dishonestly or to abuse your power or position to take advantage.

We do not get involved in bribery or corruption to retain the reputation for a long time. We do not choose business partners who indulge in such activities. We do not give, receive, ask for or permit anyone else to give bribes or undertake any corrupt activities to win new business share, retain existing HTL business or to further our interests.

CONFLICT **OF INTEREST**

"A conflict of interest arises when an individual's personal interest interferes or appears to interfere with the interests of the Company". HTL ensure uniform



standards, honest working relationships and fair dealing to all customers, suppliers and partners in business.

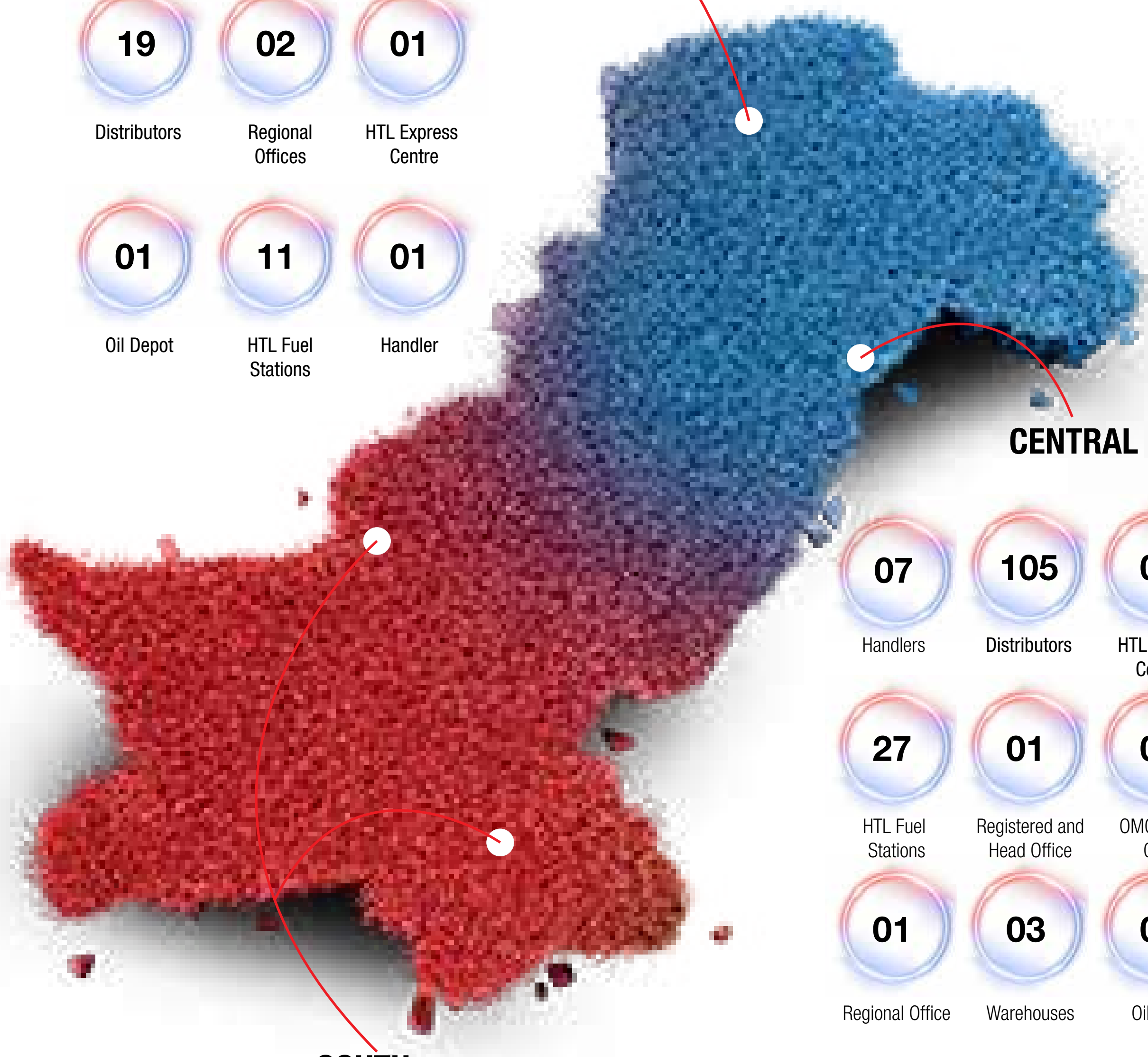
TRADE **REGULATIONS**

HTL keenly follows national trade laws and regulations during its import deals. All international trade sanctions along with rules binding to import of goods are checked within HTL for lawful and appropriate trade.

SOCIALLY **RESPONSIBLE BUSINESS**

HTL upholds its value of treating everyone fairly, equally and also valuing diversity within the workplace while carefully practicing human rights. Being socially responsible business, HTL provide opportunities to make desired changes within the community.

GEOGRAPHICAL **PRESENCE**



NORTH

- 19 Distributors
- 02 Regional Offices
- 01 HTL Express Centre
- 01 Oil Depot
- 11 HTL Fuel Stations
- 01 Handler

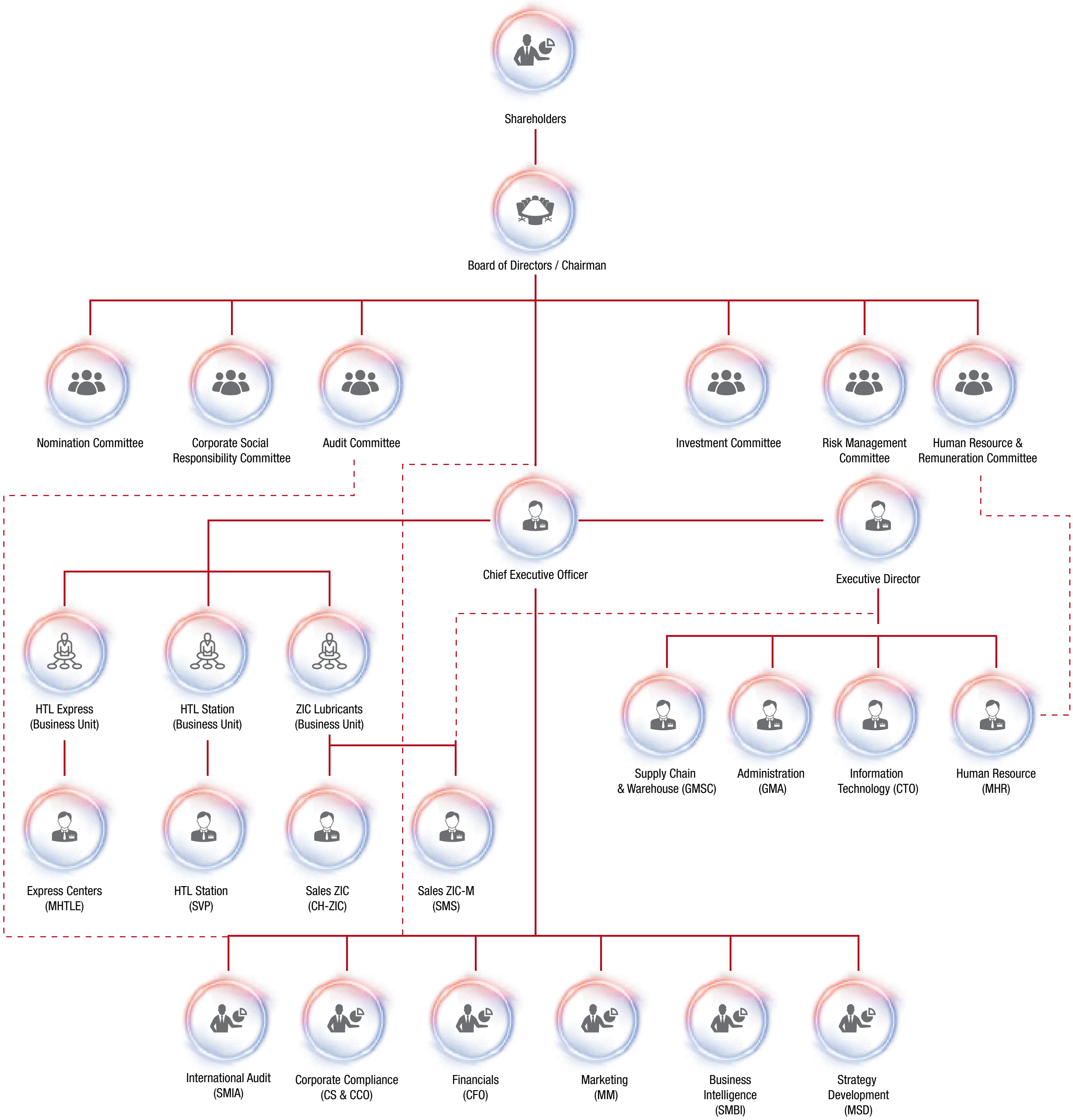
CENTRAL

- 07 Handlers
- 105 Distributors
- 09 HTL Express Centers
- 27 HTL Fuel Stations
- 01 Registered and Head Office
- 01 OMC Project Office
- 01 Regional Office
- 03 Warehouses
- 01 Oil Depot

SOUTH

- 30 Distributors
- 03 HTL Express Centers
- 01 Regional Office
- 02 Handlers

ORGANIZATIONAL STRUCTURE



LEGEND

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

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

Mr. Tahir Azam
Non Executive Director

Ms. Mavira Tahir
Non Executive Director

Mr. Faraz Akhtar Zaidi
Non Executive Director

Dr. Safdar Ali Butt
Non Executive Independent Director

Syed Asad Abbas Hussain
Non Executive Independent Director

Mr. Shafiq Ur Rehman
Non Executive Independent Director

Mr. Sanghyuk Seo (Nominee of SK Enmove Co., Ltd. formerly SK Lubricants Co. Ltd.)
Non Executive Director

CHIEF FINANCIAL **OFFICER**

Mr. Muhammad Imran
Phone: +92-42-111-645-645
Fax: +92- 42-3631-18-14

COMPANY SECRETARY & **CHIEF COMPLIANCE OFFICER**

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

EXTERNAL **AUDITORS**

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

SHARE **REGISTRAR**

M/S CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S. Main Shahra-e-Faisal, Karachi-74400
Phone: +92-21-111-111-500, Fax: +92-21-34326053
Toll Free: 0800 23275 (CDCPL)
Email Address: info@cdcsrsl.com
Website: www.cdcsrsl.com

LEGAL **ADVISOR**

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

STOCK **SYMBOL**

HTL

REGISTERED **/ HEAD OFFICE**

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

REGIONAL **OFFICES**

KARACHI **OFFICE:**

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

ISLAMABAD **OFFICE:**

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

MULTAN **OFFICE:**

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

PESHAWAR **OFFICE:**

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

OMC **OFFICE:**

2-K, Main Boulevard Road, Lahore
Phone: +92-42-35752213-4

HTBL **LOCATION**

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

COMPANY **WEBSITE:**

www.hitechlubricants.com
www.zicoil.pk

BANKERS

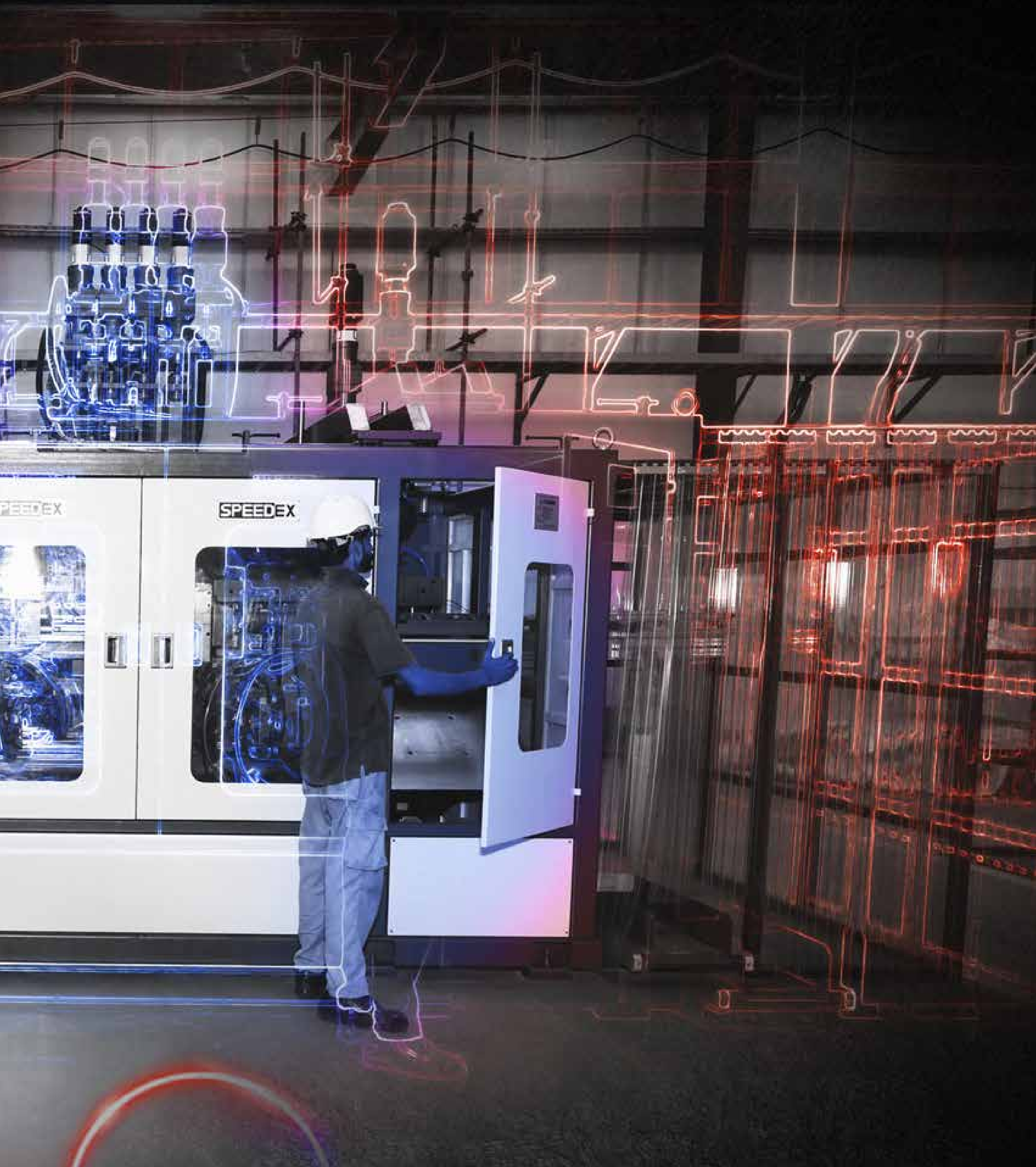
ISLAMIC **BANKS**

Meezan Bank Limited
AL-Baraka Bank Limited
Dubai Islamic Bank Limited

CONVENTIONAL **BANKS**

MCB Bank Limited
Standard Chartered Bank Limited
Habib Metropolitan Bank Limited
The Bank of Punjab
Bank AL-Habib Limited
National Bank of Pakistan
Askari Bank Limited
JS Bank Limited
Habib Bank Limited
United Bank Limited
Summit Bank Limited
Samba Bank
Faysal Bank
Bank Alfalah Limited
Soneri Bank Limited


TEX



STRATEGIC **DIRECTION**

Pathways to Excellence: Crafting Our Strategic Journey

STRATEGIC **DIRECTION**

STRATEGIC **OBJECTIVES**

To support value creation for all of our stakeholders, HTL's business is focused on the delivery of following five strategic priorities, which aim to increase upon sustainable growth and improve cost efficiency. Everyone at HTL has a role to play in delivering these strategic priorities. To achieve these strategic objectives, the management carefully sets up strategies and plans. The strategies put in place to achieve the respective strategic objectives are also mentioned below:

SR. No.	Strategic Objectives	Strategies in place or intended to be implemented to achieve those strategic objectives	Plan
1)	**Revenue growth**	HTL is strategically committed to driving revenue growth across all business units by leveraging data-driven strategies. At the core of this revenue growth strategy lies a sophisticated business intelligence function that continuously collects and analyzes real-time market data. This function serves to identify and illuminate key focus areas for expanding our sales operations, ultimately propelling our revenue growth initiatives.	Short Term
		To execute revenue growth strategy, HTL has undertaken a crucial step through its wholly-owned subsidiary company, Hi-Tech Blending (Private) Limited, by successful completion of expansion project for lubricants blending facilities. This strategic investment is a pivotal component of our growth plan, enabling us to meet the rising demand for top-quality lubricants and further solidify our position in the market. This expansion positions us for enhanced revenue generation and strengthens our ability to deliver exceptional products to our valued customers, in line with our broader revenue growth strategy.	Short Term
		Our revenue growth strategy entails a deliberate expansion plan for HTL Fuel Stations within the Punjab Province, complemented by the incorporation of HTL Express Centers to provide enhanced value to our customers. This comprehensive strategy not only solidifies our market presence but also serves as a catalyst for revenue growth. By seamlessly integrating our services, we aim to attract a larger customer base and drive increased sales, thereby making a substantial contribution to achieving our revenue growth objectives.	Long Term
		Furthermore, as part of our strategic revenue growth plan, we are extending our reach to the Khyber Pakhtunkhwa Province. We are pleased to announce that we have successfully obtained approvals from the Oil and Gas Regulatory Authority (OGRA) to operate in this region. This expansion into Khyber Pakhtunkhwa presents a valuable opportunity to tap into a new market and further drive revenue growth for our business. It is a significant milestone in our expansion efforts, aligning with our overarching strategy to broaden our market presence and revenue streams.	Long Term

SR. No.	Strategic Objectives	Strategies in place or intended to be implemented to achieve those strategic objectives	Plan
2)	**Brand image**	Our strategic objective is to solidify HTL's brand image as a synonymous provider of top-tier products catering to the needs of automobile enthusiasts. This encompasses our diverse offerings, which include ZIC lubricants, HTL Fuel Stations, and HTL Express Centers. Our brand image strategy revolves around positioning HTL as a trusted and renowned name in the industry, synonymous with unparalleled quality and excellence across all our product and service lines. For this, the Company continues its long-standing tradition of delivering high-quality products to its valued customers. HTL's strategy includes rigorous marketing efforts aimed at building and reinforcing its brand image. By consistently offering quality products and actively marketing them, it aim to solidify HTL's brand's reputation, instill trust, and strengthen recognition among customers and stakeholders, aligning with our overarching brand image goals.	Long Term
3)	Modernization of IT infrastructure and Advancement of automation	As an integral part of our strategic objective to advance the upgrading of our IT infrastructure and bolster automation, the Company systematically conducts continuous enhancements of its systems and processes. This unwavering commitment is focused on optimizing the efficiency of our business operations. In pursuit of this goal, the Company has made substantial investments in the implementation of globally-recognized and efficient technologies, such as Oracle in all segments of the business to elevate our technological capabilities. Furthermore, we invested into customized software solutions like Distribution Management System (DMS) and Handler Management System (HMS) and many more to align seamlessly with our operational needs. These tailored software solutions are instrumental in streamlining and automating key functions, enhancing the overall efficiency of our business processes. Additionally, we harness the power of a meticulously-designed intranet portal to facilitate swift and effective internal communication, further reinforcing our commitment to enhancing IT infrastructure and optimizing automation for heightened operational efficiency. The company is in the testing stage a mobile application designed to streamline the process of online vehicle oil change bookings. This forward-looking initiative aligns seamlessly with our strategic objective to enhance our IT infrastructure and optimize automation for increased operational efficiency.	Medium Term

SR. No.	Strategic Objectives	Strategies in place or intended to be implemented to achieve those strategic objectives	Plan
4)	Shareholders' Equity	HTL is steadfast in its commitment to meeting and exceeding the expectations of our valued shareholders. In pursuit of this strategic objective, we have implemented a comprehensive framework of checks and balances designed to meticulously monitor and manage risks across our operations. Our strategic initiatives are carefully crafted and rigorously assessed to ensure they are in complete alignment with the overarching goal of enhancing shareholder equity. This alignment extends to our unwavering focus on optimizing the return on investment for our shareholders. We prioritize prudent financial management and strategic allocation of resources to generate sustainable growth and deliver consistent value. By fostering a culture of transparency, accountability, and responsible corporate governance, we aim to not only meet but also surpass the expectations of our shareholders, thereby enhancing their equity and maximizing their returns.	Long Term
5)	Business diversification	Our strategy for achieving the strategic goal of business diversification is multi-faceted and deliberate. A significant step in this direction was the expansion into non-lubricant business sectors, most notably through the introduction of HTL Fuel Stations in the Punjab Province. With their number now standing at 29 and steadily increasing, these fuel stations have proven to be a cornerstone of our diversification efforts. Furthermore, we are pleased to announce that the company has obtained approval from the Oil and Gas Regulatory Authority (OGRA) to initiate fuel stations in the Khyber Pakhtunkhwa Province, representing a substantial stride towards expanding our geographic footprint. Additionally, we have embarked on diversifying our business portfolio by venturing into the polymer segment. This strategic move was executed through our wholly-owned subsidiary company. These endeavors collectively reflect our commitment to diversifying our business operations, thus mitigating risks and harnessing new growth opportunities. As we progress in these ventures, our focus remains on sustainable expansion and creating value for our stakeholders.	Long Term

RESOURCE ALLOCATION PLANS **TO IMPLEMENT THE STRATEGY**

Our primary objective is to establish ourselves as frontrunners in sustainable performance. This entails an ongoing commitment to enhancing the effectiveness of our operations. We prioritize our customers by integrating their needs into the heart of our decision-making processes, all while strategically managing costs and investments. Furthermore, we are dedicated to the efficient allocation and cost management of capital resources.

To attain our strategic objectives, the Company systematically deploys a range of available resources. Our value-creation model is intricately designed to deliver maximum value to all our stakeholders, manifesting in diverse and multifaceted ways.

FINANCIAL **CAPITAL**

The Company's management boasts extensive expertise in liquidity management, encompassing policies, processes, regulatory compliance, and tax considerations. Our capital structure predominantly comprises shareholders' equity and long term debt. Management holds the belief that this capital structure is robust and sufficient.

To execute our strategic initiatives, the Company is well-prepared to address potential challenges. We will manage our working capital needs through internally generated cash flows, employ effective fixed-cost reduction methods, and short term financing. HTL maintains positive relationships with reputable banks and financial institutions nationwide.

HUMAN **CAPITAL**

The cornerstone of organizational success undeniably resides in the caliber of its human capital resources. Within HTL, the most fundamental and invaluable strategic asset is its human capital, which comprises a diverse array of individuals boasting a wide spectrum of experiences, professional attitudes, abilities, and skills. Each member of the HTL team is held in equal regard and benefits from ongoing training, motivation, and guidance to continually augment their human resource capabilities.

HTL boasts a dedicated sales force characterized by a profound technical understanding of our products. This diligent team operates tirelessly to bolster the Company's sales performance. Furthermore, our support departments, including IT, HR, Marketing, Finance, Administration, Corporate Compliance, Internal Audit, Supply Chain, and Warehouse, are staffed with dedicated professionals who bring their expertise and commitment to their respective domains. These teams work collaboratively, synergizing their efforts to drive the success of HTL's business endeavors.

Notably, within the HTL Fuel Stations (Petroleum segment), our team possesses substantial hands-on experience and operates with unwavering dedication and motivation to ensure the triumph of this new project. We take immense pride in HTL's empowerment philosophy, which entrusts our team members with both responsibility and accountability, empowering them to reach their full potential and excel in their roles.

MANUFACTURED **CAPITAL**

HTL prides itself on its robust portfolio of manufactured capital, which encompasses a wide range of physical assets and infrastructure critical to our operations. These assets include state-of-the-art production facilities at our wholly owned subsidiary company, specialized equipment, buildings, depots, warehouses, infrastructures etc. all meticulously developed and maintained to enhance our operational efficiency and competitiveness. We are confident that our current inventory of manufactured capital is not only substantial but also well-equipped to meet the demands of implementing our strategic initiatives effectively. This ensures that we have the necessary resources in place to execute our strategies and drive our business towards continued growth and success.

INTELLECTUAL **CAPITAL**

The Company is fully poised to leverage its substantial intellectual capital in the strategic implementation process. Our intellectual capital comprises a valuable repository of assets that includes our esteemed brands, such as "ZIC" for lubricants, "HTL Express Centers," and "HTL Fuel Stations." Additionally, our intellectual capital encompasses advanced ERP systems, meticulously crafted systems and procedures, and a host of technological tools.

We have successfully executed the integration of sophisticated solutions, including Oracle and Business Intelligence Tool implementations, Handler Management Systems, Distributor Management Systems, and a cutting-edge Claim Management System, among various others. This extensive intellectual capital serves as a powerful resource that empowers the Company to drive efficiency, informed decision-making, and sustained growth, thereby fortifying our competitive position in the industry.

SOCIAL AND **RELATIONSHIP CAPITAL**

As a conscientious corporate entity, the Company upholds a steadfast commitment to the continual enhancement of safety, health, and environmental protection measures. Our dedication to social and relationship capital extends beyond compliance, as we have garnered substantial respect and appreciation through consistent and substantial contributions to various social and charitable initiatives. These endeavors encompass vital areas such as education, healthcare, and environment, reflecting our unwavering commitment to fostering positive relationships and making meaningful contributions to the well-being of our communities.

KEY RESOURCES AND CAPABILITIES WHICH PROVIDE **US SUSTAINABLE COMPETITIVE ADVANTAGE**

HTL, with over 26 years of experience, is a leading provider of lubricants to automotive, industrial, and marine sectors. Our substantial market share highlights unwavering commitment to customer satisfaction. We are committed to efficient resource management, a cornerstone of our leadership in sustainable performance. Through strategic initiatives, we have cultivated key resources and capabilities that solidify HTL's competitive advantage:

OUR BRANDS **IMAGE**

HTL's suite of brands, including ZIC, HTL Fuel Stations, and HTL Express Centers, serves as the linchpin of our competitive advantage in Pakistan. ZIC, renowned for its high-quality lubricants, embodies excellence in performance and reliability, earning the trust of consumers and industry professionals alike. Our HTL Fuel Stations offer not only top-tier petroleum products but also a seamless and customer-centric experience, setting the standard for convenience and service in the fuel industry. Likewise, HTL Express Centers provide a hub for automotive solutions, combining efficiency and expertise to cater to the evolving needs of our customers. These brands collectively represent HTL's commitment to excellence and innovation, positioning us as a foremost player in the Pakistani market.

NATIONWIDE **PRESENCE**

HTL commands a formidable competitive advantage through its expansive nationwide presence, strategically orchestrated to encompass distributors, handlers, offices, HTL Express Centers, and warehouses across the central, northern, and southern regions of Pakistan. This meticulously designed network ensures comprehensive coverage, enabling us to effectively serve our customers throughout the country. Additionally, our strategic placement of HTL Fuel Stations in the central and northern regions of Pakistan enhances our accessibility and strengthens our market position. HTL's widespread footprint reinforces our commitment to accessibility, convenience, and efficiency, solidifying our standing as a trusted player capable of meeting the diverse needs of our clientele.

HUMAN **RESOURCE**

Through a series of strategic initiatives encompassing expansions, diversifications, technological upgrades, comprehensive training programs, and the cultivation of a culture of transparency, HTL has diligently enhanced the skill set of its human resources. This concerted effort plays a pivotal role in affording the company a distinct competitive advantage in the market.

STATE OF THE ART BLENDING **PLANT FACILITY**

HTL, by virtue of its subsidiary company, boasts ownership of cutting-edge blending facilities that stand as a testament to our commitment to excellence. These state-of-the-art facilities are equipped with the latest technologies and industry-leading infrastructure, positioning us at the forefront of our field. Our adept utilization of these facilities allows us to meet the ever-evolving demands of the market with precision and efficiency, while also affording us a competitive edge over industry peers.

DIVERSIFICATION

HTL has strategically diversified its operations, introducing HTL Fuel Stations to gain a competitive advantage. This expansion into the fuel industry enables us to broaden our portfolio, providing customers with energy solutions while upholding our commitment to excellence, ultimately strengthening our competitive position.

Furthermore, we have successfully ventured into the polymer segment through our wholly-owned subsidiary, further enhancing our competitive advantage. This strategic move exemplifies our dedication to exploring and capitalizing on growth opportunities while maintaining the high standards of quality and innovation that set us apart. These diversification initiatives not only underscore HTL's agility and adaptability but also solidify our competitive advantage, positioning us for sustained success and resilience in an ever-evolving market.

VALUE CREATED BY THE BUSINESS USING THESE **RESOURCES AND CAPABILITIES**

Leveraging the extensive array of resources and capabilities at its disposal, HTL adeptly generates value for its stakeholders through the following means:

STAKE HOLDERS	VALUE
Shareholders	Since its listing on the PSX, HTL has distributed approximately Rupees 2.049 billion in dividends to its esteemed shareholders.
Employees	HTL is dedicated to providing a secure and inclusive work environment that fosters professional growth and exposes our workforce to novel challenges, facilitating their development and advancement.
Customers	Provision of high quality products.
Communities	Invested in education, healthcare and environment.
Suppliers and service providers	Building long term partnerships
Government	Contribution to national exchequer and generating economic value for the society.

FACTORS AFFECTING COMPANY'S STRATEGY AND **RESOURCE ALLOCATION PLANS**

TECHNOLOGICAL **CHANGES**

As a foremost corporate entity in the nation, HTL is dedicated to harnessing the ongoing technological advancements sweeping the landscape. Whether these advancements pertain to the adoption of cutting-edge technologies in production related to wholly owned subsidiary company or the automation of critical business processes and data analytics, we remain at the forefront of innovation.

HTL has embarked on a series of strategic initiatives aimed at digitalizing various facets of our operations. This deliberate effort seeks to enhance efficiencies and eliminate redundancies. HTL not only ensures the integration of the latest technologies and tools into our expansion projects but also actively implements and replicates these advancements within our existing facilities. These significant investments in technology bolster our ability to realize substantial gains in terms of operational efficiencies and cost reduction, reaffirming our commitment to delivering value and staying at the vanguard of our industry.

SOCIETAL **ISSUES**

HTL is firmly committed to its corporate social responsibility and actively addresses societal concerns, particularly in the realms of education and healthcare, which are integral components of our strategic agenda.

Our commitment extends not only to our employees but also to the broader community. Within the sphere of employee welfare, the Company has established comprehensive health, safety, and environmental policies and procedures to ensure the well-being and protection of our workforce.

Simultaneously, we extend our dedication to society at large by supporting education sector through Sabra Hamida Trust. Moreover, we undertake various health-related initiatives aimed at promoting the well-being of the wider community. This multifaceted approach to corporate social responsibility underscores our commitment to creating a positive impact beyond our organizational boundaries.

ENVIRONMENTAL **CHALLENGES**

HTL recognizes the myriad environmental challenges confronting our world today, many of which are exacerbating with time. These challenges pose multifaceted threats to our planet, impacting individuals globally. Therefore, it is increasingly imperative to not only raise awareness about these issues but also to take concrete steps to mitigate their adverse effects.

Environmental challenges, including climate change, deteriorating air quality, deforestation, and water scarcity, are integral elements within HTL's strategic framework.

In alignment with our unwavering commitment to environmental stewardship, the Company has successfully implemented a solar power project at its wholly-owned subsidiary company. Furthermore, we are actively engaged in a substantial tree plantation initiative, demonstrating our dedication to environmental conservation and sustainable practices. These initiatives underscore HTL's commitment to reducing its environmental impact and contributing positively to our planet.

KEY PERFORMANCE **INDICATORS (KPIS)**

We assess the advancement towards the attainment of the Company's strategic objectives through the utilization of Key Performance Indicators (KPIs). Our management team conducts routine analyses of these indicators to provide a more comprehensive evaluation of the Company's performance in relation to pre-established benchmarks.

STRATEGIC OBJECTIVES	AREA OF IMPACT	PERFORMANCE MONITORING INDICATOR	MEASURE	FUTURE RELEVANCE
Revenue growth	Financial capital	Market share Volume growth	Increase in total revenue by increase in volume.	The KPIs will continue to remain relevant in the future.
Brand image	Financial capital / Intellectual Capital	Brand equity	Brand affinity brand recognition.	
Modernization of IT infrastructure and Advancement of automation	Financial capital / Intellectual Capital	Upgradation of infrastructure, Operating system and ERP. Digitalization and automation of processes	Reduction in costs due to improved efficiencies.	
Shareholders' Equity	Financial capital	ROE, EPS, Asset Turnover and free cash flow	Increase in shareholders equity due to increase in profitability, diversified expansion, and brand image	
Business Diversification	Financial capital	More equal distribution of resources among separate business units of the company.	Different business units contributing to the revenue stream to reduce reliance on a single source.	

SIGNIFICANT PLANS AND DECISIONS SUCH AS CORPORATE RESTRUCTURING, **BUSINESS EXPANSION AND DISCONTINUATION OF OPERATIONS**

The Board confirms that the Company does not intend to initiate any plans of corporate restructuring and discontinuance of any operations. The Company does not have any immediate plans for further expansion or discontinuation of any operations, other than those already mentioned in the Directors' Report.

STRATEGY TO MANAGE **REPAYMENT OF DEBTS**

The Company has consistently demonstrated its unwavering ability to meet its debt obligations in a timely and responsible manner. This achievement is attributed to our robust business model, operational efficiencies, prudent financial management practices, and the diversification of income sources. These factors collectively safeguard us against liquidity challenges, ensuring the seamless fulfillment of our financial commitments.

At HTL, our steadfast commitment to upholding our financial obligations goes hand in hand with maintaining a resolute and stable financial position. Our debt repayment strategy is deeply rooted in responsible financial management principles, reflecting our unwavering dedication to preserving the long-term sustainability of our business.

Furthermore, the Company maintains ample reserves to cushion unforeseen circumstances and economic downturns. Our liquidity management strategy incorporates meticulous cash flow projections and the prudent maintenance of liquid assets to effectively address cash flow requirements, while concurrently adhering to our debt financing plans. Consequently, we operate with a robust capacity to generate cash flows, eliminating any risk of defaulting on any financial obligation. This underscores our financial resilience and unwavering commitment to financial prudence.

FUTURE **OUTLOOK**

FORWARD LOOKING **STATEMENT**

The forward-looking statement and the future outlook are covered in the Directors Report under the headings of "Pakistan's Economic Review" and "Future Outlook".

PROJECTIONS ABOUT KNOWN TRENDS **AND UNCERTAINTIES**

The enduring commodity super cycle, which commenced in the aftermath of the global pandemic, persists unabated. This phenomenon has been further compounded by the ongoing Russia-Ukraine conflict, resulting in sustained volatility in commodity prices, with a notable impact on the cost of sales, particularly in the petroleum products and lubricants sector.

Domestically, the confluence of rising interest rates and elevated inflation levels has exerted considerable pressure on purchasing power, which, in turn, is expected to have short-term repercussions on demand. Furthermore, the depreciation of the Pakistani Rupee, coupled with inflationary pressures, is poised to place additional strain on the Company's profit margins.

HTL's resilient standing remains a robust pillar of support as it continues to pursue its vision of enhancing operational efficiencies, making strategic investments, and augmenting shareholder value. Through judicious investments in local expansion endeavors, the company remains steadfast in its commitment to seize opportunities and deliver enduring value to its shareholders."

EXPLANATION AS TO HOW THE PERFORMANCE OF THE ENTITY MEETS **THE FORWARD-LOOKING STATEMENT IN THE PREVIOUS YEAR**

Matter reported in forward looking statement	Actual performance
Polymer Segment Operations	During the fiscal year, the Company achieved a significant milestone by successfully commencing operations in the polymer segment through its wholly-owned subsidiary.
OGRA approval regarding commencement of operations in Khyber Pakhtunkhwa Province	During the year, the Company received formal authorizations from the Oil and Gas Regulatory Authority (OGRA) to commence operations at its state-of-the-art storage facility situated in Nowshera, Khyber Pakhtunkhwa Province. In addition to this significant development, OGRA also granted the Company approval to initiate the sale and marketing of petroleum products through a network of thirty-five HTL Fuel Stations. Currently, the Company has twenty-nine dealer operated HTL Fuel Stations in Punjab, Province. And subsequent to reporting date, the Company started nine dealer operated HTL Fuel Stations in Khyber Pakhtunkhwa Province.

STATUS OF **CAPITAL PROJECTS**

The Company steadily expanding its petroleum segment operations. During the year, the Company received formal authorizations from the Oil and Gas Regulatory Authority (OGRA) to commence operations at its state-of-the-art storage facility situated in Nowshera, Khyber Pakhtunkhwa Province. In addition to this significant development, OGRA also granted the Company approval to initiate the sale and marketing of petroleum products through a network of thirty-five HTL Fuel Stations. These regulatory approvals underscore our commitment to stringent compliance and strategic expansion within the petroleum sector. Presently, the HTL manages a network of twenty-nine dealer-operated HTL Fuel Stations within the Punjab Province. Furthermore, subsequent to the reporting date, the Company has initiated operations at an additional nine dealer-operated HTL Fuel Stations situated in the Khyber Pakhtunkhwa Province, demonstrating our strategic commitment to expanding our market presence and offerings.

The Company successfully launched operations in the polymer segment through its wholly-owned subsidiary, Hi-Tech Blending (Private) Limited. This strategic move reflects our commitment to diversify and adapt to changing circumstances. It also highlights our proactive approach to identifying growth prospects and our steadfast dedication to strengthening our portfolio and market position.

SOURCES OF INFORMATION AND ASSUMPTIONS **USED FOR PROJECTIONS / FORECASTS**

Future projections and forecasts are diligently crafted, underpinned by a comprehensive set of assumptions, which encompass a thorough examination of macroeconomic conditions, historical patterns, and potential forthcoming developments. External data, including macroeconomic indicators and market dynamics, are sourced from reputable publications and authoritative sources such as the State Bank of Pakistan and the Government of Pakistan Finance Division Economic Advisor's Wing.

Internally, a collaborative approach involving multiple departments within the Company is employed to gather pertinent internal information. The management, through a rigorous corporate planning exercise, extrapolates future revenues and identifies trends, while taking into consideration market dynamics, supply-demand dynamics, seasonal variations, and global oil price fluctuations. To formulate these future projections, the management applies their discernment and expertise.

It is noteworthy that the Board exercises rigorous scrutiny of budgets and forecasts, particularly when contemplating new expansion and diversification projects. Their meticulous analysis and strategic evaluation inform decisions regarding the Company's future trajectory.


HTL
SK ZIC
MOTOR OIL


35KL
K.2
15KL
10KL
5 KL

CORPORATE **GOVERNANCE**

Our leadership's paramount objective is to uphold unwavering transparency and accountability across all our endeavors. Under the guidance of our experienced management team, we are resolutely committed to overcoming industry challenges and aspire to attain the coveted position of market leadership.

PROFILES OF THE **DIRECTORS**

MR. SHAUKAT **HASSAN**

Chairman Board of Directors and Non-Executive Director

Mr. Shaukat Hassan holds Master's degree in Economics from Punjab University Lahore. His successful career spans over four decades, defined by profound financial and entrepreneurial expertise. Mr. Shaukat Hassan personifies both enthusiasm and intelligence leading a pivotal role as the Chairman of the Board of Directors in the organization.

Mr. Shaukat Hassan is one of the core partners since the business inception, in 1976. His outstanding track record of business competence and accomplishments have solidified his reputation in the industry. His fervent understanding of financial dynamics played a pivotal role in establishing robust, sustainable, and transparent financial systems within Hi-Tech Group.

Beyond his financial proficiency, Mr. Shaukat Hassan is deeply passionate about human resources, employee training and development, and talent retention. Mr. Shaukat is actively involved in joint business collaborations with organizations having multinational presence. His skill set extends to international business development and the successful sale of industrial equipment to leading Exploration and Production (E&P) companies worldwide.

Likewise, Mr. Shaukat Hassan is a dedicated advocate of Corporate Social Responsibility (CSR) and projects in regards to Sabra, Hamida Trust (SHT) with a keen focus towards alleviating challenges faced by the financially underprivileged segments of society, primarily through education. His vibrant business persona is evident by his active membership in various profit & non-profit organization including LCCI, EDAS, Pakistan France Business Alliance (PFBA) in Pakistan. He brings dynamism and proactivity to his role as President at Alliance Francaise De Lahore (AFL) foundation.

Mr. Shaukat Hassan's accomplishments are numerous and noteworthy. He serves as the principal Director of MAS Associates (Pvt.) Ltd, Director at WASL Investment Finance Ltd. Director at Gulf Rubber Works (Pvt.) Ltd. He is the CEO of MAS Infosoft (Pvt.) Ltd. He is Chairman / Trustee of HTL EPF Trust, MAS Associates EPF Trust and Sabra Hamida Trust.

MR. HASSAN **TAHIR**

Chief Executive Officer and Executive Director

Mr. Hassan Tahir holds an MBA degree in banking / finance from Lahore School of Economics (LSE) and is the CEO of HTL. Mr. Hassan is a working professional since 2001 and believes that a satisfied customer brings in not just more business but also increases the goodwill of the Company.

His drive for excellent interpersonal skills and highest customer satisfaction led him to set up IT operations with back office processing (BOP) and IT infrastructure for major clients in UK / Europe.

With his motivational experience and hard work he helped the Company in launching mid-tier lubricant range in Pakistani Market in partnership with world's two major oil companies. Mr. Hassan went on to launch another semi-synthetic range in Pakistan and was an even bigger success. Rewarding achievements and motivating employees, that is how he turned HTL into a strong family.

Mr. Hassan Tahir is the Director of Hi- Tech Blending (Pvt.) Ltd., Hi-Tech Energy (Pvt.) Ltd., MAS Infosoft (Pvt.) Ltd., Haut Buys (Pvt.) Ltd. and Haut Notch (Pvt) Ltd. He is also a Partner of MAS Services and Trustee of HTL EPF Trust, HTBL EPF Trust, MAS Associates EPF Trust, MAS Services EPF Trust and Sabra Hamida Trust.

MR. MUHAMMAD **ALI HASSAN**

Executive Director

Mr. Muhammad Ali Hassan, as the Executive Director at HTL, brings a wealth of expertise and a strong educational foundation to his role. He earned his Bachelor's degree in Marketing and Human Resources from Sydney University, Australia, establishing a solid academic background.

Within HTL, Mr. Muhammad Ali Hassan plays a pivotal role by overseeing a wide range of critical functions, including Sales, Finance, Supply Chain, Human Resources, and Administrative Functions. His leadership is characterized by his dedication to leveraging his knowledge and continuous learning to establish and disseminate best practices throughout the organization.

One of Mr. Ali's notable achievements lies in his ability to forge exceptional business partnerships and strategic alliances with clients, which is a testament to his exceptional leadership qualities in the corporate world. He is widely regarded as a true leader who places a strong emphasis on achieving measurable results and nurturing a culture of proficiency within the organization.

In addition to his prominent role at HTL, Mr. Muhammad Ali Hassan holds the esteemed position of Chief Executive Officer and Director at Hi-Tech Blending (Pvt.) Ltd. (HTBL), where he exercises comprehensive oversight over the company's operations. His purview extends to HTBL's recently inaugurated polymer segment, reinforcing his capacity to lead and guide this multifaceted organization.

In his role as Chief Executive Officer, He is entrusted with the highest level of executive authority, where he is responsible for the overall management and strategic direction of HTBL. This pivotal position requires him to exercise strategic vision, operational acumen, and leadership prowess to ensure the company's continued growth and success.

Under his guidance, HTBL has embarked on a journey to explore and expand into the dynamic realm of polymer manufacturing. His adept leadership and strategic foresight are instrumental in steering the company through this transformative phase, with an emphasis on innovation and market responsiveness.

His dual leadership roles at HTL and HTBL highlight his exceptional capacity to manage and drive the growth of multiple entities within the corporate landscape. His dedication to achieving measurable results, fostering a culture of excellence, and his remarkable ability to navigate diverse business environments make him a true asset to both organizations.

His influence extends significantly across a spectrum of organizations. He holds directorship positions in Hi-Tech Energy (Pvt.) Ltd. and MAS Infosoft (Pvt.) Ltd. Additionally, he serves as a partner in both MAS Services and ANALI.

Furthermore, he is actively engaged in philanthropic and organizational pursuits as a Trustee for various trusts, including HTL EPF Trust, HTBL EPF Trust, MAS Services EPF Trust, and Sabra Hamida Trust. His commitment to these diverse roles underscores his dedication to both charitable causes and the effective governance of these entities.

MR. TAHIR **AZAM**

Non Executive Director

Mr. Tahir Azam holds a master's degree in economics from Punjab University, Lahore and is working as a Non-Executive Director for the Company. He has over 4 decade of experience in research, management and consultancy of setting up successful businesses. Mr. Tahir has also led various US AID funded entrepreneurship programs and training programs across Pakistan.

He is one of the founding member of the Company who led the sales and marketing of HTL during the first 10 years of business. Establishing distribution networks and creating sale teams was his milestone achievements on which HTL stands today.

Being an entrepreneur and managing director of associated business companies, Mr. Tahir Azam has inculcated his excellent standard for sales department into producing exceptional results. He has proved with his entrepreneurial abilities that business opportunities are not given rather they are created.

Mr. Tahir Azam is the CEO/Director of MAS Associates (Pvt.) Ltd., Director of MAS Infosoft (Pvt.) Ltd. Haut Buys (Pvt.) Ltd. and Haut Notch (Pvt) Ltd. He is also acting as a Trustee of HTL EPF Trust, MAS Associates EPF Trust and Sabra Hamida Trust.

MR. FARAZ **AKHTAR ZAIDI**

Non Executive Director

Mr. Zaidi has over 20 years of experience in both investment banking and investment management globally. Mr. Zaidi started his career with Credit Suisse (New York) in 2002 where he provided restructuring advice and raised financing for companies undergoing financial distress. He then joined Polygon Investment Partners (in New York and subsequently London) where helped build the $9 billion hedge fund's credit business in the United States and Europe. His last stint before returning to Pakistan was with Standard Chartered Principal Finance (Dubai) where he focused on alternative investments in the Middle East and Pakistan. His investing experience includes public and private market transactions in both developed and emerging markets with a particular focus on special situation and distressed investments.

Mr. Zaidi has a Masters in Business Administration from the Darden School of Business, University of Virginia and a B.A. from Rhodes College.

Mr. Zaidi is also serving as the CEO and Director of WASL Investment Finance Ltd., a Non-Bank Finance Company and as a Director at Food Check (Pvt.) Ltd.

MS. MAVIRA **TAHIR**

Non Executive Director

Ms. Mavira Tahir, a self-motivated and dynamic professional brings on board more than 12 years of diverse professional exposure. She has attained a degree in Health Administration from Canada and has successfully completed several research projects throughout her academic and professional tenure in Canada. Project management, budget development & monitoring, fiscal operations, trainings are her key areas of execution with precision and cost controls.

As a thorough professional, Ms. Tahir believes in time management, creativity and team building as pillar of individual as well as team success. She is a passion driven professional and emphasizes more in team development and mentoring as key attributes for a leader to inspire people and remain successful. Her philosophy "there is no substitute for hard work" has led her to succeed in various leadership and project management roles in Canada.

MR. SANGHYUK **SEO**

(NOMINEE SK ENMOVE CO., LTD.
FORMERLY SK LUBRICANTS CO., LTD.)

Non Executive Director

Mr. Sanghyuk Seo has over 20 years of experience in base oil and lubricants industry and is currently the team leader of global lubricants business and e-Fluids Development in SK Enmove Co., Ltd. (formerly SK Lubricants Co., Ltd.). Starting his career as a ZIC Marketing Manager for Russia and CIS countries, experienced various lubricant businesses such as a global OEM, marine lubricants, and new market developments.

In 2010, he moved to United States and worked for SK base oil marketing for 5 years, then returned to Korea and played role of leader in various teams such as base oil business strategy, JV Co. management, business development, HBO marketing, lubricants global marketing and B2B lubricants.

Mr. Sanghyuk Seo holds a Bachelor of humanities and business administration from Kyungpook National University.

MR. SHAFIQ UR **REHMAN**

Non Executive Independent Director

Mr. Shafiq ur Rehman has over 35 years of experience in Industry, Banking, Education and Energy sectors at Management/Board level and in Advisory/consulting. He is a Chartered Accountant since 1991 and a fellow member of Institute of Chartered Accountants of Pakistan. He is also qualified as Corporate Secretary since 1986 from the Institute of Corporate Secretaries of Pakistan. He completed Bachelors in Commerce (Honors) in 1979 from the University of Peshawar.

He is listed on the (i) penal of Certified Directors with the PICG, (ii) approved penal of Experts for Provisional Manager and Official Liquidator with SECP and (iii) approved panel of Insolvency Experts under the Corporate Rehabilitation Regulations 2019 with SECP.

He is also certified Independent Director from ICAP and also former member of Punjab Vocational Training Council. Other positions and directorships held by him include (i) Independent Director at Nagina Cotton Mills Ltd., (ii) Independent Director at WASL Investment Finance Ltd. (Associated company of HTL), (iii) CEO of Chenab Energy (Pvt.) Ltd. (hydroelectric project) and (iv) Managing Partner of JSSR Consulting Pakistan (Financial, Corporate, Capital Market and Management Consultants).

DR. SAFDAR **ALI BUTT**

Non Executive Independent Director

Dr. Safdar Ali Butt is a financial expert, an experienced corporate official, an academician and an entrepreneur. He holds a master's degree from Karachi University and a doctorate in financial management from Canada. He is a member of several professional bodies in Accounting, Finance and Management. He has also completed Directors' Education program of Pakistan Institute of Corporate Governance.

Dr. Butt worked in senior financial positions with multinational companies overseas like Johnson & Johnson and Caltex Oil Corporation. He has worked as Director Finance / CFO with Army Welfare Trust, and served on the boards of directors of Askari Bank, Askari Leasing, Askari General Insurance, Askari Cement and several other companies functioning under AWT's ambit. He also served as a director of Bank of Azad Jammu & Kashmir for nine years as a nominee of AJK government.

He is currently the CEO of Pak Agro Packaging Ltd., a company engaged in the manufacture of agricultural support products which was the first company listed on the GEM Board of PSX. Dr. Butt is also an independent director of Unity Foods Ltd, a listed company engaged in FMCGs, and a trustee of Ujala Education Foundation. Dr. Butt spent 24 years in academics with institutions of higher learning in Pakistan and abroad. He retired as Professor Emeritus of Finance & Corporate Governance from Capital University of Science & Technology, Islamabad in January 2018. He has authored 38 books on various business related subjects of which 8 were published from UK, 19 from Kenya and 9 from Pakistan. His latest book is A Handbook for Company Directors in Pakistan. In addition, he has published over a hundred articles and research papers on finance, corporate governance and management related issues.

MR. SYED **ASAD HUSSAIN**

Non Executive Independent Director

Entrepreneur, Philanthropist and Investor.

Co-Founder and CEO at Retail Direct Group, Incorporating Five Tech, Retail Direct, Shop Retail Direct, Laptop Outlet, UK E-Shop's Asus, Oppo and Fredo's LDN.

Born and educated in the United Kingdom, Asad has over 25 years' experience within the Global IT Sector, working with Brands such as Intel, Microsoft, Oppo, Lenovo, Asus and specializing in E-Commerce, Supply Chain and IT Managed Services. Group Employ over 150 staff, have offices in United Kingdom, Bulgaria, and Pakistan, with forecasted fiscal turnover for year ending 2023 in excess of £60 Million.

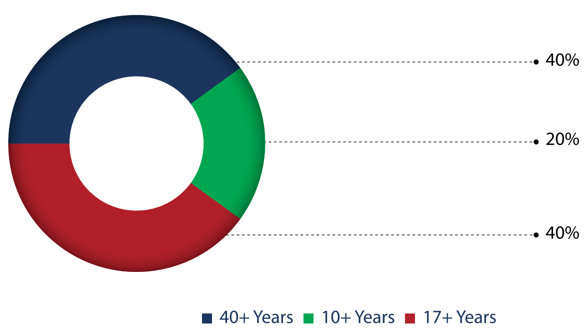
Previous held positions Senior Vice President for The UK Pakistan Chamber of Commerce, SVP with JumpStart Pakistan, Lift Pakistan, an Entrepreneurial Organization whose ultimate vision is to create a national robust sustainable eco system of enterprise. Previous held position of

Founder and Trustee of Firdous Academy, a free school for special needs children, providing them with education and vocational activities, located in Dina, Punjab.

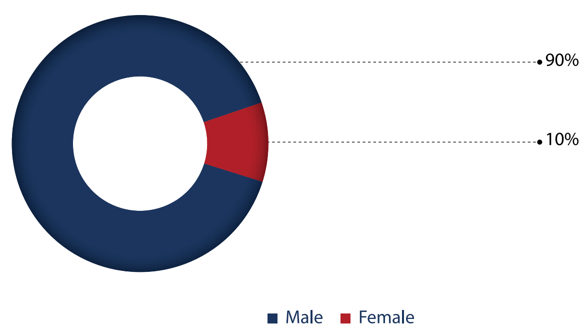
BOARD'S **PROFILE**

AREAS OF **EXPERTISE**

BOARD ANALYSIS
EXPERIENCE



BOARD ANALYSIS
GENDER



ROLE OF **THE CHAIRMAN**

Chairman of the HTL's Board is responsible for providing effective leadership to the Board particularly during Board and shareholders meetings. The Chairman conducts the Board meeting and has the responsibility to lead the Board and ensure its effective functioning and continuous development. He creates the conditions and environment conducive for overall effectiveness of the Board and encourages the contribution of executive, nonexecutive, and independent directors in carrying out the Board's business in line with applicable laws, rules and regulations.

ROLE OF **THE CEO**

The CEO of the Company is responsible for the management of the Company, in accordance with all statutory obligations and subject to the oversight and directions of the Board. He is responsible for management of the Company's core businesses and affairs by ensuring that the executive team implements the policies and strategies approved by the Board. He keeps the Board updated on significant and sensitive issues that might affect the Company. He ensures that operational plans and control systems are in place and regularly monitors actual performance against plans and takes necessary measures.

IMPLEMENTATION OF GOVERNANCE PRACTICES EXCEEDING **THE LEGAL REQUIREMENTS**

HTL aspires to the highest standards of corporate governance and seeks to consistently enhance and improve corporate governance performance, emphasizing transparency and embedding a sustainable culture of long-term value creation.

HTL has a well-defined whistle blowing policy to ensure that it conducts business lawfully, ethically, and with integrity. The prime objective 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. Proper code of conduct articulates the values the organization wishes to foster in leaders and employees and, in doing so, defines desired behavior. Proper benchmarking is carried out at regular intervals to identify and eliminate any redundant practices.

FORMAL ORIENTATION **AT INDUCTION**

At the time of joining the Board, newly co-opted directors were provided with an orientation pack comprising of Companies Act, 2017, Securities Act, 2015, Rulebook of Pakistan Stock Exchange Ltd., Listed Companies (Code of Corporate Governance) Regulations, 2019, HTL's Policy for Directors Remuneration and Memorandum and Articles of Association through an email from the Chairman of the Board.

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 2023.

BOARD'S **PERFORMANCE EVALUATION**

For FY 2022, an external annual evaluation of the Board's performance was conducted.

PRESENCE OF THE CHAIRMAN **OF THE AUDIT COMMITTEE AT AGM**

Our respected Chairman of the audit committee, Dr. Safdar Ali Butt, was present at the 14th Annual General Meeting (AGM) to answer the questions of the shareholders on audit committee's activities and matters within the scope of the audit committee's responsibilities.

STATEMENT ON **MANAGEMENT RESPONSIBILITY**

HTL's management is responsible for the preparation and presentation of the financial statements in accordance with the accounting and reporting standerds as applicable in Pakistan.

CHAIRMAN'S **REVIEW**

Dear Stakeholders,

Thank you for your unwavering support and growing confidence in the ability of Hi Tech Lubricants Group (Hi-Tech Lubricants Limited and its wholly owned subsidiary, Hi-Tech Blending (Private) Limited) to deliver on its promise of creating value.

During the fiscal year 2023, Pakistan confronted an unprecedented array of formidable economic challenges stemming from a convergence of multifaceted factors. These challenges encompassed devastating floods, political uncertainty, and pervasive disruptions within the global demand-supply dynamics. These complexities were compounded by a commodity super-cycle triggered by the Russia-Ukraine conflict, culminating in inflationary pressures both domestically and globally. Pakistan's own inflationary predicament was exacerbated by the unparalleled floods that swept across the country, inflicting severe damage upon the agricultural and livestock sectors. In this context, the nation witnessed inflation rates surging to historic highs, with the headline Consumer Price Index (CPI) national inflation averaging 29.4% in June 2023, marking a notable increase compared to the 21.3% recorded during the corresponding period in the preceding fiscal year. Responding resolutely to these formidable economic conditions, the Monetary Policy Committee (MPC) of the State Bank of Pakistan (SBP) took proactive measures by incrementally raising the Policy Rate, culminating in a cumulative hike of 825 basis points. By June 2023, the Policy Rate reached an unprecedented 22.00%, marking the highest policy rate in the nation's history. Additionally, the devaluation of the national currency, exerted additional pressure on import costs, further contributing to the prevailing inflationary environment.

The Government of Pakistan displaying keen awareness of the macroeconomic imbalances at hand, made the challenging decision to rationalize imports and institute restrictive measures to stabilize the national economy. Consequently, Pakistan's GDP growth was notably constrained, realizing a modest growth rate of 0.3% during the year.

Unfortunately, on a consolidated basis, your Group incurred a net loss of Rupees 247 million, resulting in a loss per share of Rupees 1.77. This unfavorable outcome can primarily be attributed to a substantial 12% decrease in revenue, stemming from the prolonged sluggishness observed in the automobile sector over the past fiscal year. This adverse trend also attributed to several external factors, including persistent inflationary pressures, a decrease in purchasing power among consumers, and the broader economic downturn experienced in Pakistan. It is imperative to emphasize that the unprecedented increase in the policy rate had a profound impact on our finance costs, leading to an increase of Rupees 434 million in comparison to the corresponding year. Management is actively working to navigate these intricate challenges and enhance the Group's financial resilience moving forward.

Amidst a year marked by an array of formidable challenges, HTL exhibited resilience and determination as it successfully inaugurated its polymer segment operations through Hi-Tech Blending (Private) Limited- wholly owned subsidiary company. The Company embarked on this strategic endeavor, demonstrating a commitment to diversification and adaptability in the face of adversity. This achievement underscores HTL's proactive approach to identifying growth opportunities and its unwavering dedication to enhancing its portfolio and market presence.

During the year, the Company received formal authorizations from the Oil and Gas Regulatory Authority (OGRA) to commence operations at its state-of-the-art storage facility situated in Nowshera, Khyber Pakhtunkhwa Province. In addition to this significant development, OGRA also granted the Company approval to initiate the sale and marketing of petroleum products through a network of thirty-five HTL Fuel Stations. These regulatory approvals underscore our commitment to stringent compliance and strategic expansion within the petroleum sector. Currently, the Company has twenty-nine dealer operated HTL Fuel Stations in Punjab, Province. And subsequent to reporting date, the Company started nine dealer operated HTL Fuel Stations in Khyber Pakhtunkhwa Province.

BOARD'S OVERALL **PERFORMANCE**

The Company complies with all the requirements set out in the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 with respect to the composition, procedures and meetings of the Board of Directors (the Board) and its committees. Pursuant to requirement of the Listed Companies (Code of Corporate Governance) Regulations, 2019, mechanism has been put in place for annual evaluation of the performance of the Board. The main objective of this exercise is to evaluate the performance of the Board and its Committees in order to oversee management and to play an effective role as a coordinated team for the success of the Company. Strategic goals for the management have been earmarked for the coming year and the Board's effectiveness is measured in the context of achievement of such objectives. Accordingly, annual evaluation of the Board for the year 2023 has been completed internally and I am pleased to report that the overall performance benchmarked on the basis of criteria set for the year 2023, remained satisfactory. Such assessment was based on standards set by the Board in line with best corporate governance practices.

The Board is fully involved in the budgeting and strategic planning processes and has set-up well defined corporate governance processes and ethical values which are vital for enhancing corporate accountability. All Directors, including Independent Directors, fully participate and contribute to the decision-making process of the Board.

RISK **MANAGEMENT**

Risk management is the responsibility of the Board, supported by the Board's Risk Management Committee. The risk management committee is responsible for assisting the Board in its oversight of risk, including the ongoing monitoring, management and mitigation of principal and emerging risks, and advising the Board and higher management on the Company's overall risk appetite, tolerance and strategy. The Board receives regular updates on risk management and material changes to risk through various operational and financial reports, including risk assessment, performance, internal audit and external audit reports. Management is responsible for implementing and maintaining controls. The Board has undertaken a robust risk assessment to identify and handle these risks.

END **NOTE**

FY2023, a challenging year has ended. The government succeeded in ensuring the sustainability of the external and fiscal sectors through various tough decisions and stabilization measures. In FY2024, the Government is gearing towards achieving higher growth of 3.5% through various measures like the Kissan package, industrial support, export promotion, encouragement of the IT sector, and resource mobilization, etc. To achieve higher and sustainable economic growth, it will require prudent and effective economic decisions, political and economic stability, and the continuation of friendly economic policies along with enough foreign exchange financing. The recent IMF approval of the Stand- By Arrangement and other bilateral and multilateral inflows will pave the way to further improve the macroeconomic environment and the confidence of economic agents.

Lastly, I take this opportunity to thank our valued customers for the trust they continue to place in us, the management team and employees for its sincere efforts, the Board of Directors for their guidance and all stakeholders for their continuous support.

SHAUKAT HASSAN
Chairman

SALIENT FEATURES **OF TOR'S OF BOARD COMMITTEES**

SALIENT FEATURES **OF TOR'S**

AUDIT **COMMITTEE OF THE BOARD**

- Reviewing the effectiveness of internal controls
- Identifying, assessing and reporting of various risks to the Board
- Monitoring the integrity of financial information
- Reviewing Internal and external audit reports, and where necessary recommending appropriate action
- Overseeing compliance with applicable laws relating to Company's operations
- Ensuring conformity of management decisions with the Company objectives
- Examining related party transactions to ensure their probity.
- Assessing accounting estimates, going concern assumption, changes in accounting policies and compliance with accounting standards
- Making recommendation on external auditors' appointment based on independence, integrity and satisfactory rating with ICAP.

HUMAN RESOURCES & REMUNERATION **COMMITTEE OF THE BOARD**

- Leading the process for board appointments, identifying and assessing candidates who are qualified for election of directors;
- Recommend to the board for consideration and approval a policy framework for determining remuneration of directors (both executive and non-executive directors) and members of senior management;
- Undertaking annually a formal process of evaluation of performance of the board as a whole and its committees either directly or by engaging external independent consultant;
- Recommending human resource management policies to the board;
- Recommending to the board the selection, evaluation, development, compensation (including retirement benefits) and succession planning of the Chief Executive Officer, Chief Financial Officer, Company Secretary and Head of Internal Audit;
- Ensuring appropriate mechanisms are in place regarding succession planning for the board members and all senior managers including CEO, CFO, Company Secretary, Internal Auditor, executive management;
- Reviewing corporate goals & objectives relevant to the human resources of the company.
- Overseeing the selection of any benchmark group used in determining compensation or any element of compensation and reviewing the same;
- Overseeing the identification and management of risks associated with the corporation's compensation policies and practices;
- Reviewing and making recommendations to the Board for approval relating to the development of new or revised salary structures and incentive plans;
- Forming sub-committees or selecting an independent HR consultant(s) to advise the committee, when appropriate;
- Formulating and reviewing, on a regular basis, the management and staff training plans, and reporting to the board on potential risks or gaps in resources;
- Annually reviewing the employee engagement initiatives;
- Annually reviewing the organizational structure, Health & Safety Procedures, Code of Conduct & Ethics, management succession plan and all other related documents, and apprising the Board there-on.
- To design an Internal Whistle-blowing Policy for approval by the Board of Directors; to draw up procedures related thereto and to oversee the effective implementation of such procedures. The Board shall decide as to who shall be designated for initial receipt of all internal whistle-blowing intimations.

INVESTMENT **COMMITTEE OF THE BOARD**

- Setting investment and risk mitigating policies and guidelines.
- Making decisions regarding investment and divestment in line with the objective of the policy and ensuring consistency with the policy documents and conditions.
- Record and sign its decisions along with rationale and objective for buying or selling each security and highlighting the limits including price, quantity etc. for each investment.
- Maintaining minutes and proper record of Committee meetings and investment/divestment decisions.
- Ensure that investment decisions are implemented with due care, diligence and in an ethical manner.
- Reviewing the performance of the investments on a regular and timely basis.
- Reviewing the financial risk that includes currency risk, other price risk of financial instruments, interest rate risk, credit risk and liquidity risk on a regular and timely basis.

RISK MANAGEMENT **COMMITTEE OF THE BOARD**

- Monitoring and review of all material controls (financial, operational, compliance);
- Risk mitigation measures are robust and integrity of financial information is ensured;
- Appropriate extent of disclosure of company's risk framework and internal control system in Directors' report.
- Recommend the risk profile and risk appetite for the Company for approval by the Board;
- Recommend the Governance and Risk Management Policy for approval by the Board;
- Recommend to the Board and oversee the process developed by management to identify principal risks, evaluate their potential impact, and implement appropriate systems to manage such risks;
- Make recommendations to the Board as to the exposure limits and risk-taking authority to be delegated by the Board, to the CEO and executive management;
- Receive reports from management concerning the risk implications of new and emerging risks, organizational change and major initiatives, in order to monitor them;
- With respect to specific categories of risk, review, from time to time, principles, policies, limits, standards, guidelines, management committee mandates and other significant procedures established by management;
- Review issues raised by the CEO, Executive Director, Chief Financial

Officer, External Auditors, Company Secretary or Internal Auditors that impact the risk management framework or the Group's risk management;

- Review and make recommendations to the Board on draft statutory statements covering governance and risk management issues in accordance with the requirements of regulators; and
- Direct any special investigations deemed necessary, and engage and consult independent experts where considered necessary or desirable to carry out its duties and rely on the advice of such experts.

CORPORATE SOCIAL RESPONSIBILITY **COMMITTEE OF THE BOARD**

- Building sustainable, evolving, dynamic models of social & economic infrastructure through Corporate Social Responsibility (CSR) Programs independently as well as in partnership with government & non-government bodies including other stakeholders at national, regional, district, village or block level.
- Providing services and solutions to address social issues with highest social priority for the poor, marginalized and under privileged in line with the business philosophy of providing affordable medicines for most prevalent disease.
- Planning and executing the programs that would benefit the communities in and around its work-sites e.g. plant locations in order to enhance the quality of life of the community in general and the poor in particular.
- Building, nurturing and reinforcing identity of the Company as a socially and ethically responsible corporate entity through its CSR initiatives for benefit of diverse stakeholders in the society.
- Carrying out activities that would create increased happiness and empowerment of the stakeholders.
- Acting as a catalyst through direct intervention and social investment to address the immediate needs of the poor as well as long term development concern.
- Responding to natural disasters, calamities at global as well as national level in the areas of operations to provide relief, reconstruction and rehabilitation support as and when required.
- Setting up sustainable CSR Programs for the long term welfare of the nation.
- Ensuring that all the relevant provisions of Code of Corporate Governance as well as CCGR are complied with in so far as they relate to CSR and disclosure of CSR activities.
- To advise the Board on all CSR related issues and to prepare a draft of Annual CSR Report for consideration/approval by the Board and inclusion in Company's Annual Report.
- SRC will formulate, review, revise and update HTL's CSR Policy, which will be approved by the Board of the Company. CSRC will suggest strategies and focus areas of intervention and operation to the Board as per requirement.
- CSR Committee initiates internal process to develop an Annual Action Plan in consultation with the implementing bodies to develop CSR plan and modify the same after Board review and approval.

NOMINATION **COMMITTEE OF THE BOARD**

The nomination committee shall be responsible for:

- Considering and making recommendations to the Board in respect of the Board's committees and the chairmanship of the Board's committees; and
- Keeping the structure, size and composition of the Board under regular review and for making recommendations to the Board with regard to any changes necessary.

COMPANY **POLICIES**

CORPORATE SOCIAL **RESPONSIBILITY**

HTL's sustainability and CSR policy shows the commitment of the company towards the well-being of the society. The company's sustainability and CSR policy is in line with SECP's CSR Voluntary Guidelines 2013 and Companies Act 2017. The main purpose of this policy is to give a direction to the company at all levels that how can it contributes in the betterment of the society in which it operates. This policy of the company revolves around the three main areas of the social interest that includes Education, Environment and Healthcare. Overall company's strategies are made by considering all these important factors. HTL is bestowed by various awards in recognition of its extra ordinary efforts towards improving the lives of the people. HTL has adopted the standards introduced by United Nation Global Compact (UNGC) and also got certified from it. On effective compliance of the guidelines, HTL is awarded a second prize from UNGC.

SOCIAL AND ENVIRONMENTAL **RESPONSIBILITY**

The main objective of this policy is to ensure that HTL's business operations and activities will not have adverse effects on the society as well as the environment in which it operates. Having a social and environmental policy in hand makes the HTL responsible to comply with all legislations and other requirements that is associated with its business operations and activities. HTL is committed to sponsor social welfare programs and to work for greener Pakistan initiative to avoid environmental pollution

TRANSACTIONS WITH **RELATED PARTY**

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.

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.

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.

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, Company secretory is responsible for all the matters regarding security clearance of foreign director. Company Secretory files all the required forms, declarations, certified undertaking and other particulars to the SECP for clearance from the relevant Govt. Agencies.

INFORMATION TECHNOLOGY (IT) **GOVERNANCE**

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

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.

DIVERSITY

To ensure the diversity at HTL's Board, a female, Ms. Mavira Tahir, has been appointed as non-executive director. Diversity at Hi-Tech Lubricants Limited is about commitment to equality and the treatment of all individuals with respect. HTL is dedicated to growing a rich culture, diverse workforce and a work environment in which every employee is treated fairly, respected and has the opportunity to contribute to business success, while being given the opportunities to realize their full potential as individuals. HTL further ensures that employment and employee development decisions are purely objective and encourages every individual to feel important part of the organization. Our purpose is to ensure a diverse workplace where all the people are encouraged to perform at a significant level irrespective of the following characteristics:

- age
- disability
- gender
- marital status
- maternity and other medical conditions
- race (includes color,cast, nationality and ethnic origins)
- religion and or belief
- physical appearance

COMMUNICATION

The Board of Directors of HTL has defined and implemented Communication Policy while considering the fact that Clear, Correct, Complete, Concrete, Concise, Considered and Courteous communication (7-Cs of Communication) are essential for positive, and effective internal communication and for a productive and satisfying work environment, which is also one of the extremely critical elements of creating a successful and highly engaged organization.

This Communication Policy of HTL also contains

1. Role of Board of Directors;
2. Policy Scope, Intentions and Objectives
3. Principles of Communication and Communication Systems
4. Procedures and Methods of Communication
5. Roles and Responsibilities of Executive and Senior Managements

DISCLOSURE

The Board of Directors of HTL has defined and implemented Disclosure Policy while considering the fact that public access to information is a key component of effective engagement with all of its stakeholders in the fulfilment of its mandate. The Board believes that its obligation to promptly make disclosure of any Material / Share Price Sensitive Information to the corporate regulatory bodies, stakeholders, shareholders, and the general public should be fulfilled expeditiously and on timely basis.

This Disclosure Policy of HTL also contains

1. Role of Board of Directors;
2. Role of CEO/ ED/ CS
3. Policy Purposes and Objectives
4. Policy Scope and Basis Principles of Disclosures
5. Standards and Methods of Disclosures
6. Framework for Disclosures and Handling of Material Information
7. Quiet and Close Periods
8. Financial Forecasts and Future Predictions
9. Responses to Third Party Financial Forecasts and Market Rumors
10. Avoidance of un-authorized representations on behalf of HTL
11. Confidentiality of Insider Information
12. Responsible Individual Behaviour
13. Compliance to applicable laws and regulations

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

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.

HUMAN **RESOURCE**

HIRING

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 completed evaluation of their application.

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.

LEARNING & **DEVELOPMENT**

The aim of the Learning and Development policy is to provide the framework for comprehensive training and development opportunities for all employees within the Company. The purpose of this policy is to ensure following;

- High standards of work performance
- Greater understanding and appreciation of factors affecting work performance
- Sharing ideas and dissemination of good practice
- Effective management and implementation of change
- Building strong and effective teams
- Increased motivation and job satisfaction for individuals
- Professional development

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.

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.

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.

INFORMATION TECHNOLOGY GOVERNANCE **AND CYBER SECURITY**

STATEMENT ON THE EVALUATION AND ENFORCEMENT **OF LEGAL AND REGULATORY IMPLICATIONS OF CYBER RISKS**

As part of its evaluation of all risks facing the business, the Board has also evaluated the cyber risks and enforcement of legal and regulatory implications in case of any breaches. The Company has taken sufficient measures to ensure its network security and has implemented stringent controls to protect its data privacy, the Board has not rated the cyber risks at a high level.

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

IT GOVERNANCE AND CYBER **SECURITY PROGRAMS**

The Company has developed detailed information security policies, procedures and control framework which are benchmarked with high-level global standard for information security.

CYBERSECURITY AND BOARD'S **RISK OVERSIGHT**

Board oversees investment and risk regarding IT and cybersecurity through Investment Committee (IC) and Risk Management Committee (RMC) respectively. The budgets and capex for Network upgradation and strengthening cyber security are approved by the Board, after detailed presentation by the management. The objective of Information Security is to ensure continuity of business of the Company and minimize business damage by preventing and limiting the impact of security incidents

COMPANY'S CONTROLS ABOUT EARLY **WARNING SYSTEM**

BCompany has implemented adequate controls and procedures about early warning systems. In this regard, Incident Management policies and procedures are in place.

POLICY RELATED TO INDEPENDENT SECURITY ASSESSMENT **OF TECHNOLOGY ENVIRONMENT**

As a policy, in addition to the in-house audits and reviews, regular third party assessments and reviews of technology environment and networks are carried out to ensure that adequate controls are in place to address the cyber security risks and to evaluate the overall Company readiness regarding security incidents. Furthermore, vulnerability assessments are carried out on regular basis.

CONTINGENCY AND DISASTER **RECOVERY PLAN**

The Company has an updated Disaster Recovery plan in place for the continuity of Company's business and operations in case of any extra ordinary circumstances. The comprehensive plan is designed to ensure the protection of overall company's operations and assets along with regular archival and system-backups. The Disaster Recovery Plan is regularly tested to ensure the readiness of the IT systems in case of any disaster.

The key highlights and actions of HTL's Recovery Plan are as follows:

1. The Management has put in place-adequate systems of IT Security, real-time data backup, identification of primary and secondary sites and identification of critical persons for disaster recovery. The development of the plan has been done keeping in view the on-going business needs and the environment it is operating in.

2- A company-wide and detailed Process Documentation Activity has been done whereby all the processes are mapped and serve as an SOP / Work Instructions for all practices.

3- Employees are imparted multi-skill training which helps in the continuity of business activities.

4- To ensure protection of employees and assets, fire alarm systems are installed in the premises of all the offices. Moreover, adequate systems are in place for extinguishing fire.

5- The Company ensures backup of all the assets whether physical or virtual; the physical assets are backed by insurance, whereas back-up of virtual assets and data is created on a routine basis.

6- The Company's systems are subjected to regular audits by the in-house internal audit function and third party service providers. It is also regularly ensured that Data Recovery processes are operating effectively.

ADVANCEMENT IN DIGITAL TRANSFORMATION TO IMPROVE **TRANSPARENCY AND GOVERNANCE**

In the past few decades, a fourth industrial revolution has emerged, known as Industry 4.0. Industry 4.0 takes the emphasis on digital technology from recent decades to a whole new level with the help of interconnectivity through the Internet of Things (IoT), access to real-time data, and the introduction of cyber-physical systems. It connects physical with digital, and allows for better collaboration and access across departments, partners, vendors, product, and people. Industry 4.0 empowers business owners to better control and understands every aspect of their operation, and allows them to leverage instant data to boost productivity, improve processes, and drive growth.There are hundreds of concepts and terms (ERP,IoT,RPA,Block chain,AI,Big data, Cloud Computing etc) that relate to Industry 4.0, but we have to decide in which domain we want to invest in Industry 4.0 solutions as per our business requirement. In Our case we have implemented ORACLE.

EDUCATION AND TRAINING TO MITIGATE **CYBER SECURITY RISKS**

IT team regularly inform and organize training for the Company's end users to follow best standard practises to avoid any cybersecurity threats and risks. IT team regularly conduct information security awareness session. The purpose of security awareness is to focus attention on security, creating sensitivity to the threats and vulnerabilities of Computer systems and recognition of the need to protect data, information and systems. Security awareness training helps to minimize risk, thus preventing the loss of Personal Identification Information (PII), Internet Protocols (IP), and money or brand reputation. An effective awareness training program addresses the cybersecurity mistakes that employees may make when using email, the web and in the physical world such as tailgating or improper document disposal.

DISCLOSURE ON COMPANY'S USE OF **ENTERPRISE RESOURCE PLANNING (ERP) SOFTWARE**

DESIGN AND INTEGRATION OF CORE BUSINESS PROCESSES IN A SINGLE SYSTEM

Oracle stands as the preeminent ERP (Enterprise Resource Planning) software solution globally, offering a comprehensive suite of integrated business modules designed to capture and manage day-to-day operational transactions. At HTL, Oracle serves as the cornerstone for both transactional data storage and financial reporting. This encompassing framework comprises multiple modules, encompassing Sales, Finance, and Inventory Management, among others, which function seamlessly in harmony with one another, thus ensuring data integrity and fortified process controls. The inherent strength of Oracle ERP lies in its close-knit integration and centralized database architecture, obviating the need for redundant data entry. This seamless synergy enables the frictionless flow of information between various Oracle components, thus fostering operational efficiency. For HTL, the Oracle ERP system plays a pivotal role by providing the automation, integration, and intelligent capabilities essential for the smooth orchestration of all daily business operations. Furthermore, HTL relies heavily on Oracle ERP as the primary repository for organizational data, consolidating it into a singular, unassailable source of truth that permeates throughout the entirety of the business operations.

MANAGEMENT'S SUPPORT IN CONTINUOUS UPDATION OF ERP

The management team assumes a pivotal role in orchestrating the organization's technological advancement and ensuring its ongoing currency with the latest technological developments and updates. Its primary responsibility lies in the inception and implementation of novel initiatives within the organization, aimed at optimizing operational processes, enhancing efficiency, and fortifying controls to foster effective business management.

ORACLE USER TRAININGS

Our Information Technology department organizes a diverse range of training programs throughout the calendar year, tailored to meet the unique needs and objectives of various organizational departments.

MANAGEMENT OF CONTROL RISK FACTORS ON ERP PROJECTS

Prior to the initiation of the ERP project, a comprehensive and diligent study is conducted, encompassing all facets of the implementation process. This meticulous preparation involves the creation of a detailed 'to-be' document, which comprehensively outlines the anticipated changes resulting from the project, while also addressing the associated risks. The 'to-be' document serves as a holistic blueprint, encapsulating the entire process map, which garners unanimous support and commitment from all business functions. This inclusive approach ensures a unified vision of the impending transformation.

In the pursuit of excellence, the processes undergo rigorous testing and scrutiny, with meticulous attention to detail, prior to finalization. This rigorous examination is designed to ensure that all requirements are met and that the requisite controls are in place, thus ensuring the achievement of effective and efficient business outcomes.

SYSTEM SECURITY AND ACCESS CONTROLS

The company enforces stringent system security measures, including multi-factor authentication and regular security audits, to safeguard sensitive data and protect against unauthorized access.

Access controls are meticulously maintained, with role-based permissions and continuous monitoring, to ensure that only authorized personnel can access critical systems and information.

CHAIRMAN'S SIGNIFICANT COMMITMENTS **AND ANY CHANGES THERETO**

Mr. Shaukat is serving Hi-Tech Lubricants Limited as the Chairman of the Board. He does not have any significant commitment other than being the Chairman of the Board.

EXTERNAL SEARCH CONSULTANCY FOR **APPOINTMENT OF ANY DIRECTOR**

External Search Consultancy for Appointment of any Director. No external search consultancy was used for appointment of any director on the Board.

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

The Board's Audit Committee (BAC) of Hi-Tech Lubricants Limited ("the Company") is delighted to present its report for the year ended 30 June 2023.

The BAC is governed by the mandate given to it vide Listed Companies (Code of Corporate Governance) Regulations, 2019 and by the Terms of Reference set by its Board of Directors. The BAC's larger responsibility is towards the Company's stakeholders in ensuring that their respective interests are faithfully served and their right to information about the Company's conduct of business is meaningfully protected. BAC plays this vital role by providing a helping hand to the Board in oversight of internal controls, and meeting disclosure, compliance and governance matters.

TERMS OF **REFERENCE**

The BAC assists the Board to effectively carry out its supervisory & oversight responsibilities on financial reporting and compliance, internal controls and risks, internal and external audit functions of the Company. The terms of reference (TORs) of the BAC are defined and regularly reviewed by the Board as and when recommended by BAC or necessitated by change in relevant laws or standards. During the year under Review, the BAC ensured compliance with its terms of reference, the salient features of which are stated below:

- Reviewed effectiveness of internal controls.
- Reviewed integrity of financial information.
- Reviewed internal and external audit reports, and where necessary recommended appropriate action.
- Oversaw compliance with applicable laws relating to Company's operations and disclosure requirements.
- Assured conformity of management decisions with the Company objectives.
- Reviewed related party transactions to ensure their probity.
- Assessed accounting estimates, going concern assumption, changes in accounting policies and compliance with accounting standards.
- Made recommendation on external auditors' appointment based on independence, integrity and satisfactory rating with ICAP.

COMPOSITION AND **ATTENDANCE:**

The BAC is comprised of five members i.e. two independent directors and three non-executive directors. All the members are financially literate, and possess significant acumen related to finance, economics and business management.

During financial year 2022-23, the BAC held five meetings, including one mandatory meeting in every quarter of the financial year with meaningful participation of all the members.

Name	Directorship Type	Status in BAC	No. of meetings attended in the financial year ended 30.6.23
Dr Safdar Ali Butt	Independent Director	Chairman / Member	5
Mr Shafiq Ur Rehman	Independent Director	Member	5
Mr. Shaukat Hassan	Non-Executive Director	Member	5
Mr Tahir Azam	Non-Executive Director	Member	4
Mr Faraz Akhtar Zaidi	Non-Executive Director	Member	5

SUMMARY OF KEY **ACTIVITIES:**

The BAC reports as follows on its key activities performed during the financial year ended 30 June 2023:

REVIEW OF BUDGET, FINANCIAL AND OPERATING **PERFORMANCE:**

1. The Company adhered, without any material departure, to both the mandatory and voluntary provisions of the Listed Companies (Code of Corporate Governance) Regulation, 2019, Companies Act 2017 and Company's own Code of Conduct and Values throughout the year. The Chief Financial Officer of the Group along with Company Secretary & Chief Compliance Officer of the group confirmed to the BAC that statutory and regulatory obligations and requirements of best practices of governance have been met.
2. Understanding and Compliance with Company's Code of Business Practice and Ethics has been affirmed by the members of the Board, the Management and employees of the Company individually.
3. The BAC reviewed and discussed annual budgets and plans of the Company for the year and, where appropriate, made recommendations to the Board for consideration and approval of the same.
4. The BAC reviewed the compliance with code of conduct and company policies by the Board, the management and employees of the Company and found it satisfactory.
5. Coordination between the External and Internal Auditors was facilitated to enhance effectiveness of internal controls, ensure operational efficiency and contribution to the Company's objectives.
6. The BAC reviewed the arrangement for staff and management to report to BAC about actual or potential improprieties in financial and other matters. However, no material incidents regarding operations of the entity or otherwise were reported to the BAC during the year.

FINANCIAL **REPORTING:**

1. All the consolidated and unconsolidated quarterly, half yearly and annual financial statements of the Company were critically reviewed by the BAC, and their approval was recommended to the Board with observations / comments and / or suggestions, where deemed necessary.

2. The financial statements complied with requirements of the Companies Act, 2017, Listed Companies (Code of Corporate Governance) Regulations, 2019 and applicable International Financial Reporting Standards as notified by the SECP.
3. The Chief Executive Officer, Executive Director and the Chief Financial Officer had jointly endorsed the financial statements of the Company, acknowledging their responsibilities connected thereto.
4. 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.
5. BAC satisfied itself and advised the Board about its opinion that all accounting estimates were based on reasonable and prudent judgement. Proper and adequate accounting records have been maintained by the Company in accordance with the Companies Act, 2017, and the external reporting is consistent with management processes and adequate for shareholder needs.
6. The BAC has reviewed the Annual Report and concluded that it is fairly structured to provide all necessary information i.e. financial and non-financial performance, risks and opportunities and outcomes attributable to Company's activities in sufficient detail yet in a lucid, balanced and understandable manner for all of its stakeholders, including shareholders. Because of meeting the aforesaid objectives, the Company was able to secure the second position for 'Living the Global Compact Best Practices Sustainability Award 2021', in the category of National Companies and also achieved fourth position in the category of 'Oil and Gas Sector' for its Annual Report for the year ended June 30, 2021 in the Best Corporate & Sustainability Report Awards 2021 jointly conducted by Institute of Chartered Accountants of Pakistan and Institute of Cost and Management Accountants of Pakistan.

ANNUAL **REPORT 2023**

1. The Company has issued a comprehensive Annual Report 2023, which besides presentation of the financial statements and the Directors' Reports of the Company, also discloses information and explanation relating to the Capitals, much in excess of the regulatory requirements to offer an in depth understanding about the management style, governance, the policies adopted by the Company, overview of its value creating business model, discloses matters related to long term sustainability and presents fairly the integrated performance during the year, and future prospects to various stakeholders of the Company.
2. The information has been disclosed in the form of ratios, trends, graphs, analysis, explanatory notes and statements etc., and the Audit Committee confirms that the Annual Report 2023 has been prepared on the basis and guidelines of International Integrated Reporting Framework and various other reporting criteria.

RELATED PARTY **TRANSACTIONS:**

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

COMPLIANCE WITH THE CODE OF CORPORATE **GOVERNANCE:**

1. The Company has issued a Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulation, 2019 which had also been reviewed and certified by the external auditors of the Company.
2. 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.
3. The BAC separately met the external and internal auditors independently at least once in the year.
4. The Chairman BAC remained present in last Annual General Meeting to answer the questions pertaining to the BAC's activities during the year and other important matters which fall within the scope of the BAC's mandate.
5. Minutes of the BAC meetings are timely circulated to the Board of Directors.
6. The BAC took into account any feedback from the Board of Directors and incorporated it in its processes for improvement.

RISK MANAGEMENT AND ROLE OF INTERNAL **AUDIT:**

1. The Board has effectively implemented the internal control framework through an in-house Internal Audit function, which is independent of the External Audit function. The Company's system of internal controls is sound in design and has been continually evaluated by BAC and the Board for effectiveness and adequacy.
2. The Listed Companies (Code of Corporate Governance) Regulations, 2019 defines the mandate of internal audit function as well as the responsibilities of Head of Internal Audit. BAC has ensured the compliance thereto.
3. The Board has set up effective internal financial controls across all functions. The independent Internal Audit function of the Company regularly monitors the implementation of financial controls, whereas the BAC reviews the effectiveness of the internal control framework.
4. Internal Audit function plays a vital role in improving the overall control environment. It also acts as an advisor to other functions for streamlining processes and ensuring implementation of the Company's policies.
5. The Internal Audit function has carried out independent audits in accordance with audit plan, approved by the BAC. The BAC has reviewed material internal audit findings, making appropriate recommendations to the relevant operational managers, or bringing the matters to the Board's/ other Committees of the Board for attention, where required.
6. In addition, Internal Audit also undertakes special tasks as and when directed by the BAC.
7. 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.
8. Internal audit reporting systems include recommendations to improve internal controls together with agreed management action plans to resolve the issues raised. Internal audit follows up the implementation of recommendations and reports progress to the BAC.
9. The BAC, on the basis of the internal audit reports, reviewed the adequacy of controls and compliance shortcomings in the audited areas and discussed/ recommended corrective actions in the light of management responses.
10. 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 Audits' compliance reports.
11. The annual internal audit cycle comprises of risk assessment, audit planning, audit execution, audit reporting, management action plan and monitoring.

12. The BAC has ensured that Internal Audit function has adequate resources and is appropriately placed within the Company. Head of Internal Audit has direct access to the Chairman of the BAC and independently discusses with the BAC the findings made by his department.
13. The BAC Members cooperate and coordinate with other Board Committees like Human Resources & Remuneration Committee, Risk Management Committee, CSR Committee, etc. to ensure satisfactory attainment of Company's overall objectives.

APPOINTMENT OF STATUTORY **AUDITORS:**

1. As a part of company's own policy and the requirement of the Law, the External Auditors M/s Riaz Ahmad & Co. Chartered Accountants, were provided direct access to the Internal Auditors for necessary coordination. Their findings, suggestions and recommendations were freely discussed with and by the BAC.
2. The BAC has reviewed and discussed the audit process, all the Key Audit Matters and other audit observations identified during the external audit including compliance with applicable regulations and draft Management Letter with the External Auditors. Final Management Letter is required to be submitted within 45 days of the date of the Audit Report on financial statements under the Code of Corporate Governance and shall accordingly be discussed in the next BAC meeting.
3. The External Auditors have been allowed direct access to the BAC and the effectiveness, independence and objectivity of the Auditors has thereby been ensured. 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.
4. 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 2023-24.

TAX **CONSULTANTS:**

The Company has obtained taxation related services from M/s. AF Ferguson and Company, Chartered Accountants as it is among the most reputed firms in provision of said services and has sufficient professional competence to ensure quality of tax advice and compliance of independence.

PERFORMANCE EVALUATION OF THE **BAC:**

The BAC believes that it has carried out its responsibilities to the full, in accordance with terms of reference approved by the Board. Performance of the BAC is annually reviewed by the Board of Directors and the Board acknowledges the BAC's role in an efficient review of the conduct of Company's financial affairs in general, its financial statements and its internal audit function in accordance with its mandate.

DR. SAFDAR ALI BUTT

Chairman, Board's Audit Committee

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

The HRRC of Hi-Tech Lubricants Limited (HTL or The Company") is delighted to present its report for the year ended 30th June 2023. The HRRC is governed by the mandate given to it vide Listed Companies (Code of Corporate Governance) Regulations 2019, and by its Board of Directors. The Committee is responsible for making recommendations on Human Resources Management Policy to the Board, and for keeping the Board informed on the performance of all human resources-related operations through regular monitoring of performance, compensation, training, development, and succession planning of the entire workforce.

COMPOSITION **OF HRRC**

The membership of HRRC comprises four board members, nominated by the Board, after carefully examining their competence and skill levels in light of the salient objectives of the Committee to ensure compliance with provisions of relevant laws and good corporate governance practices. All the members are seasoned professionals with a high level of expertise and experience in the field of corporate management in general, and human resource management in particular.

Sr. No.	Name	Directorship Type	Status in HRCC
1	Dr. Safdar Ali Butt	Independent Director	Chairman
2	Mr. Shaukat Hassan	Non-Executive Director	Member
3	Mr. Tahir Azam	Non-Executive Director	Member
4	Ms. Mavira Tahir	Non-Executive Director	Member

The Head of HR Function is a non-voting member and secretary to the HRRC.

SIGNIFICANT DELIBERATIONS **OF HRRC**

During the year, HRRC achieved the following:

a. Adherence to all the human resources procedures, processes, and frameworks prescribed and suggested by CCG/SECP and the company's internal policies and protocols.

b. Continual evaluation of the company's overall organizational setup and job classifications.

c. Organized diverse training initiatives and workshops catering to staff at different levels.

POLICY DEVELOPMENT

During the fiscal year under review, the company established, created, and evaluated the Employee Performance Review Policy. This policy was implemented after receiving approval from the Board.

KEY HIGHLIGHTS OF HRM DIVISION'S ACTIVITIES

This report provides an overview of the activities and accomplishments of the Human Resources Division that were initiated and completed between July 2022 and June 2023, under the guidance of the HRRC. The report focuses on the strategic initiatives, employee engagement endeavors, talent management strategies, corporate social responsibility initiatives, and the overall performance of the HR Division during this period.

a. Training & Development:

In the year under review, a total of 34 training programs were carried out, involving 502 employees and totaling 4,590 training credit hours:

i. Brand Yourself
ii. Selling Magic
iii. Effective Purchase Management
iv. Enhancing Leadership Skills
v. Consultative Selling Skills
vi. Angular Dot Net Core
vii. Analyzing and Visualizing Data with Power BI Tools
viii. Effective, Letters, Reports and Presentations
ix. ISO 9001:2015 Quality Management System Lead Auditor Course
x. Oracle E-Business Suite - HRMS Functional Training
xi. Enterprise Risk Management Workshop
xii. Oracle Fusion Financial
xiii. Leadership & Management Skills
xiv. AWS Solution Architect
xv. Performance Management
xvi. Lean Management to Improve Productivity
xvii. Personal Development & Team Management
xviii. Internal Auditing for Integrated Management System (IMS)
xix. HACCP Level 3 Training Course
xx. FSSC 22000 Food Safety System Certification
xxi. ISO 9001:2015 QMS
xxii. Leadership Skills for Supervisors
xxiii. Cyber Security & Securing your Digital Life
xxiv. Project & Construction Management
xxv. Dashboard Analysis of Power BI
xxvi. IATF 16949:2016 AQMS Lead Auditor Course
xxvii. In-House Training Session on IATF-16949:2016 AQMS
xxviii. ISO 9001:2015 Quality Management System Lead Auditor Course
xxix. TPM (Total Productive Maintenance)
xxx. SPC (Statistical Process Control)
xxxi. HALAL Management System Standard Lead Auditor Course
xxxii. SPC & TPM (Statistical Process Control & Total Productive Maintenance)
xxxiii. Awareness Session on Halal, Haram, Najas & Personal Hygiene.
xxxiv. Machine Safety & Safe Work Practices.

b. Management Trainee & Internship Programs

The Management Trainee & Internship Program offered by Hi-Tech Group plays a significant role in the growth and development of recent graduates. It provides them with valuable real-world experience by exposing them to various departments within the Hi-Tech Group. Alongside providing the fresh graduate's exposure to real industrial practices, a key objective of the Management Trainee & Internship Program is to identify a pool of talented individuals for potential future hiring into permanent positions within the organization. In the past year, a total of 5 management trainees, out of 33 internees, were recruited across different departments of the company.

c. Career Fairs

Hi-Tech Lubricants Limited actively took part in career fairs organized by leading universities across the country. These career fairs serve as platforms for students and employers to interact, build professional connections, and explore potential job and internship opportunities. The company also utilized this opportunity to promote its services, establish its brand presence within the community, and gain insights into the competition and its activities.

Hi-Tech Lubricants participated in career fairs organized by the following educational institutions:

- UMT
- LSE
- LUMS
- FCCU
- UET
- FAST
- COMSATS
- Quaid E Azam University
- GCT
- SZABIST
- FAST

d. Key Performance Indicators

i.	Head Count	467
ii.	Employee Turnover (at all levels)	2%
iii.	Training Programs Conducted	34
iv.	Number of persons trained	502
v.	No. of Employee satisfaction level surveys conducted:	2
vi.	Employees' Satisfaction Rate attained	over 83%

SUPPORT TO THE BOARD

The HRRC provided its due support in Board Performance Exercise to the Board of the Company in the form of recommendations and reports to the Board on pertinent issues. In addition, HRRC has made major interventions in the field of its competence and gained a satisfactory review from the board. The composition of members and key members assigned to it, make this committee a significant component of the board's overall performance. All activities are planned through a structured calendar of events and major policy initiatives. HRRC is focused on taking forward its contemporary practices to equip employees with the knowledge and training required for their professional growth while ensuring a safe working environment throughout the group. The future plans include comprehensive compensation and benefits reviews while ensuring adequate learning and growth opportunities for employees in all cadres. Such Initiatives have been incorporated in HR's annual strategy document which is closely linked with the overall business strategy of HTL for sustainable growth and profitability.

MEETINGS OF HRRC

The HRRC formally met thrice during the financial year; all the members attended all meetings. In addition to the formal presentations made at the HRRC meetings, the HR Department provides a monthly activity report to all the members of HRRC to keep them informed on all ongoing HR related issues in the group. This report is shared with all relevant heads of departments as well as the Board of Directors.

DR. SAFDAR ALI BUTT
Chairman, HRRC

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, 2023**

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: 09
   b) Female: 01
2. The composition of the Board is as follows:
   a) Independent Director's:
      i. Dr. Safdar Ali Butt
      ii. Syed Asad Abbas Hussain
      iii. Mr. Shafiq-ur-Rehman
   b) Non-executive Directors:
      i. Mr. Shaukat Hassan
      ii. Mr. Tahir Azam
      iii. Mr. Faraz Akhtar Zaidi
      iv. Ms. Mavira Tahir (Female Director)
      v. Mr. Sanghyuk Seo (Nominee SK Enmove Co., Ltd. formerly SK Lubricants Co., Ltd.)
   c) Executive Directors:
      i. Mr. Hassan Tahir (Chief Executive Officer)
      ii. 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 has 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
Dr. Safdar Ali Butt
Syed Asad Abbas Hussain
Mr. Shaukat Hassan
Mr. Tahir Azam
Mr. Faraz Akhtar Zaidi
Ms. Mavira Tahir
Mr. Hassan Tahir (Chief Executive Officer)
Mr. Muhammad Ali Hassan
Mr. Shafiq-ur-Rehman
Mr. Sanghyuk Seo (Nominee SK Enmove Co., Ltd. formerly SK Lubricants Co., Ltd.)

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
Dr. Safdar Ali Butt	Chairman
Mr. Shafiq-ur-Rehman	Member
Mr. Shaukat Hassan	Member
Mr. Tahir Azam	Member
Mr. Faraz Akhtar Zaidi	Member

b) HR and Remuneration Committee

Names	Designation held
Dr. Safdar Ali Butt	Chairman
Mr. Shaukat Hassan	Member
Mr. Tahir Azam	Member
Ms. Mavira Tahir	Member

c) Nomination Committee

Names	Designation held
Dr. Safdar Ali Butt	Chairman
Mr. Shaukat Hassan	Member
Mr. Tahir Azam	Member
Ms. Mavira Tahir	Member

d) Risk Management 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
Five meetings were held during the financial year ended 30 June 2023.

b) HR and Remuneration Committee
Three meetings of HR and Remuneration Committee were held during the financial year ended 30 June 2023.

c) Nomination Committee
No meeting of Nomination Committee was held during the financial year ended 30 June 2023.

d) Risk Management Committee
No meeting of Risk Management Committee was held during the financial year ended 30 June 2023.

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	**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 non-mandatory provision of the Regulations for arranging Directors' Training Program for its female staff during the year ending on 30 June 2024.	19(3)
2	**Directors' Training** Companies are encouraged to arrange training for at least one head of department every year under the Directors' Training Program from July 2022.	The Company has planned to arrange Directors' Training Program certification for head of department in next few years.	19(3)
3	**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)

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

HASSAN TAHIR
Chief Executive Officer

September 22, 2023
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 2023 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 2023.

RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore
Date: 25 September 2023
UDIN: CR202310132W57MH0Lmd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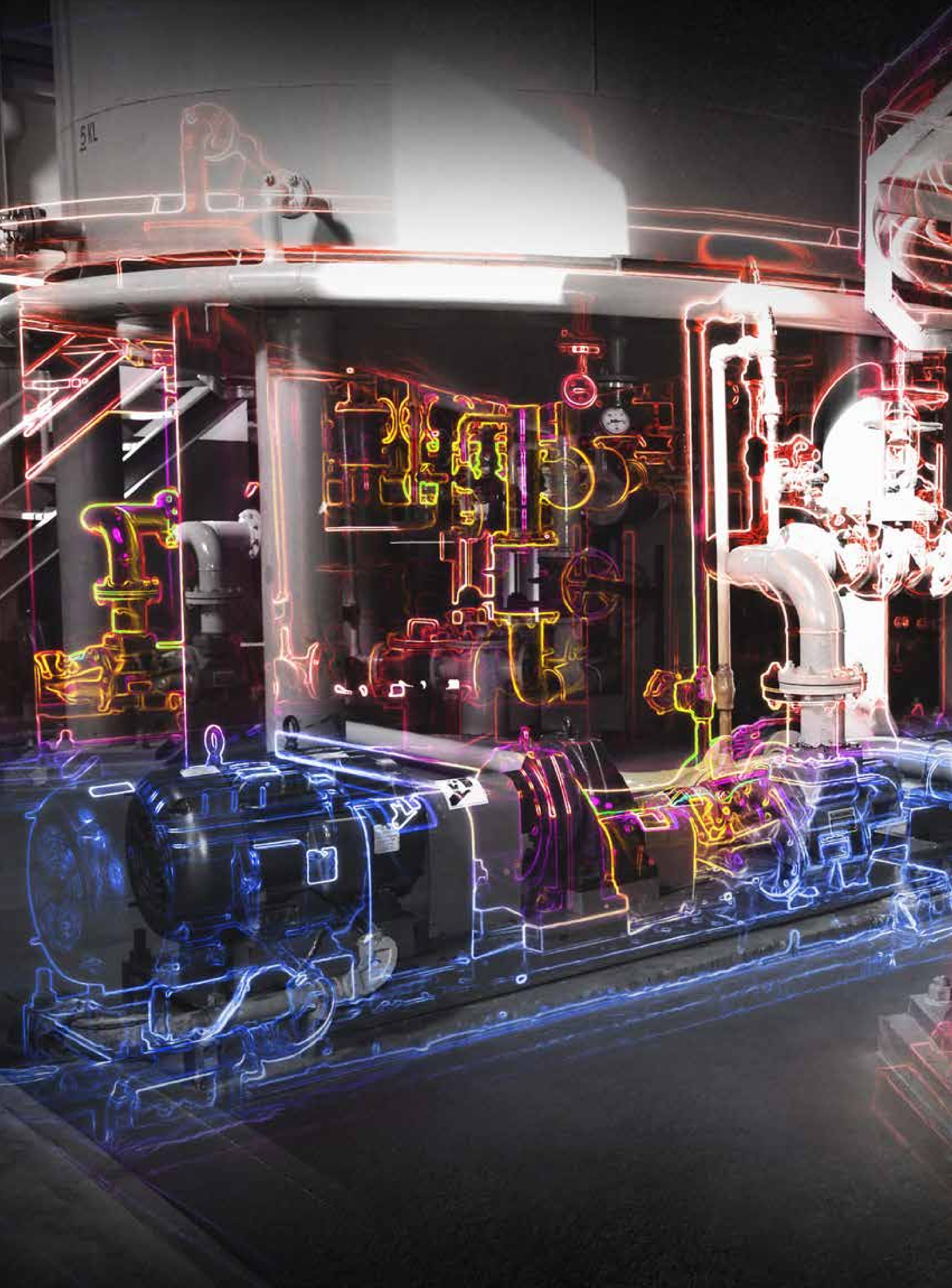
HTL STATION
ZIC MOTOR OIL
IT'S WHAT
IN SIDE THAT COUN
ZIC
THE BEST JUST GOT BETTER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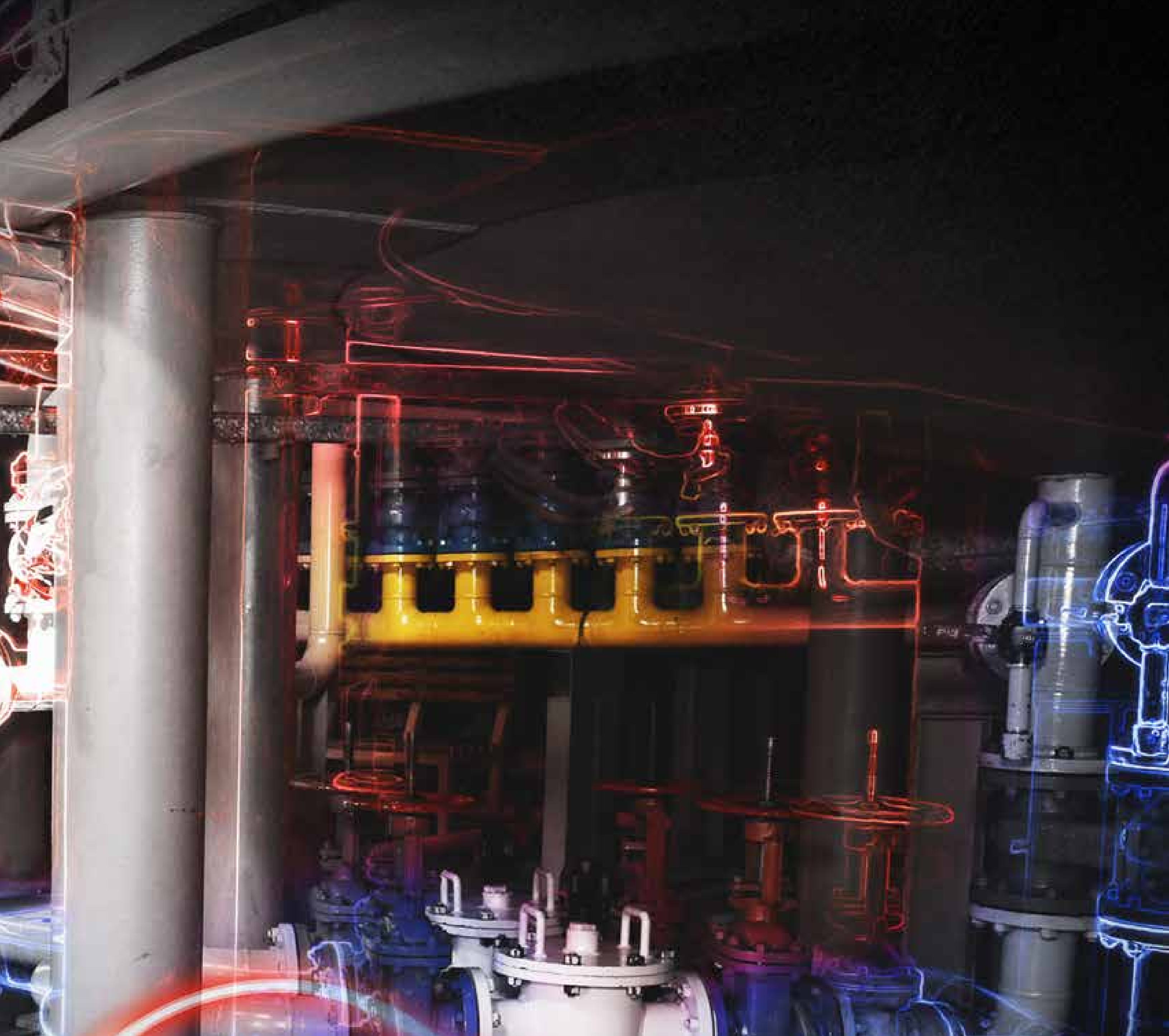


HTL AND ITS CHALLENGING ENVIRONMENT

Challenges represent the avenue to advancement. Our commitment lies in undertaking calculated risks to generate boundless opportunities for the betterment of our stakeholders.

SWOT **ANALYSIS**

STRENGTHS

- Handler model for timely supply of lubricants to nation-wide distribution network
- Strong nation-wide distribution network and marketing database
- Economies of scale through blending plant facility available at Hi-Tech Blending (Private) Limited – wholly owned subsidiary (HTBL)
- Local blending of various lubricant products through HTBL
- Started polymer segment operations through HTBL (diversification)
- Increased brand equity and direct access to end consumers with the launch of HTL Fuel Stations
- Direct access to end consumers through HTL Express Centers
- Premium quality products
- Top management's consistent vision of growth
- Strong brand recognition and recall
- Healthy and growing customer base

WEAKNESSES

- Low industrial sales
- Over reliance on promotional schemes

OPPORTUNITIES

- Expansion of marketing and sale of petroleum products and lubricants through HTL Fuel Stations in Punjab Province and Khyber Pakhtunkhwa Province
- Expansion into retail market through franchise model i.e. HTL Express Centers
- Grasping potential foreign markets by exporting the products to those countries
- Increase local production through HTBL to reduce foreign exchange risks

THREATS

- Imposition of new / enhanced taxes, duties and other levies
- International crude oil price fluctuation and other regulatory compliance matters
- Stiff competition in the lubricant market and increasing new entrants
- Threats associated with the prevention of intellectual capital
- Foreign exchange risk and non-availability of exchange cover for POL products

STRENGTHS AND **WEAKNESSES REPORT**

STRENGTHS

HANDLER **MODEL**

HTL has established an efficient handler model network, enabling the timely distribution of lubricants to its extensive network of distributors throughout Pakistan. This strategic initiative has resulted in a significant reduction in the Company's supply chain costs. Moreover, HTL now leverages the advantages of bulk sales, alleviating concerns related to product deliveries to its widespread distributor network across the nation.

STRONG NATION-WIDE DISTRIBUTION **NETWORK AND MARKET DATABASE**

HTL boasts a robust network comprising over one hundred and fifty distributors, strategically positioned in key urban centers across Pakistan, extending even to Gilgit Baltistan and Azad Jammu and Kashmir.

As part of our operational protocol, we mandate all our distributors to diligently update their secondary sales data into our integrated and customized database. This practice ensures that the Company remains well-informed about the prevailing market presence of our products. Additionally, we have deployed our dedicated sales force personnel in each distributor's area. This dual presence not only fortifies our market presence but also serves as a valuable resource for compiling a comprehensive marketing database, facilitating informed decision-making processes.

ECONOMIES OF SCALE THROUGH **BLENDING PLANT FACILITY**

The Company, through its wholly-owned subsidiary, operates a state-of-the-art blending plant facility that stands as a unique and integrated establishment capable of producing lubricants that consistently meet International Quality Standards. In addition to this, the facility boasts a comprehensive bottle processing unit and automated filling lines.

As part of our strategic initiatives, we have embarked on a path of localized production for various lubricant products. This shift towards localized production is anticipated to yield multiple benefits. Firstly, it is expected to significantly reduce our inventory costs while allowing us to leverage the economies of scale. Moreover, this move towards backward integration will ensure the timely delivery of our products, bolstering our commitment to impeccable customer service.

DIVERSIFICATION THROUGH POLYMER **SEGMENT OPERATIONS**

HTL has achieved a significant milestone by commencing its polymer segment operations through its wholly owned subsidiary, HTBL. This strategic move has not only added another revenue stream to the company's portfolio but has also marked a diversification effort aimed at fostering growth and expanding its business horizons.

DIRECT ACCESS TO END CONSUMERS THROUGH **HTL EXPRESS CENTERS**

The Company operates state-of-the-art vehicle maintenance centers in different cities of Pakistan, through a franchise model. These centers are branded as 'HTL Express Centers' and serve as comprehensive one-stop solutions for all maintenance needs.

By establishing and managing HTL Express Centers, the Company has not only gained direct access to end consumers but has also strategically positioned itself in a more competitive stance within the market. This strategic move allows us to offer a wide range of maintenance services and build stronger relationships with our valued customers.

PREMIUM QUALITY **PRODUCTS**

The Company strategically positions itself by offering high-end synthetic products in a price-conscious market, with a vision to not only attract but also retain customers through uncompromising quality. The presence of imported lubricants in the market, supported by an extensive distribution network and a reputation for reliability among end-users, has provided the Company with a competitive advantage, solidifying its leading position in the market.

INCREASED BRAND EQUITY AND DIRECT ACCESS TO END CONSUMERS WITH THE LAUNCH OF **HTL FUEL STATIONS**

Over the past twenty-six years, the Company has consistently served a diverse customer base within the lubricants market. Its strategic foray into the marketing and sale of petroleum products through HTL Fuel Stations has not only bolstered the Company's brand equity but also afforded a direct avenue to engage with end consumers of lubricants. This initiative is poised to improve the efficiency of the Company's promotional and distribution efforts while also facilitating an expansion of its customer base.

TOP MANAGEMENT'S CONSISTENT **VISION OF GROWTH**

One of our foremost strengths lies in the adeptness of our experienced top management team. Their capacity to envision, formulate, and transform growth strategies into tangible financial and non-financial objectives is unparalleled.

STRONG BRAND RECOGNITION **AND RECALL**

Our consistent, innovative, and meticulously targeted marketing strategies, spanning over a twenty-six-year period, have played a pivotal role in establishing us as a premium brand within the lubricant market. Among the key contributing factors to our remarkable growth trajectory is our unwavering commitment to product quality and our strategic partnership with SK Lubricants, a renowned global player with ownership of the world's largest petrochemical complex. SK Group, to which SK Lubricants belongs, holds the prestigious position of being the 3rd largest conglomerate in South Korea and ranks 70th on the esteemed "Forbes" list of global companies.

HEALTHY AND GROWING **CUSTOMER BASE**

Our strategy revolves around not only retaining our existing customer base but also forging trust with new customers. We achieve this by nurturing strong and lasting relationships with our valued retailers, wholesalers, distributors and handlers. Our dedicated sales force team, equipped with extensive training, plays a pivotal role in this endeavor. In addition, we strategically invest in targeted marketing initiatives to expand our customer base, ensuring sustained growth and market presence.

WEAKNESSES

We always try to improve our performance and for achieving this objective the Company believes that the following weaknesses require due attention:

LOW INDUSTRIAL **SALES**

To address the challenge of low sales to industrial customers, we have devised a comprehensive strategy aimed at mitigating this weakness. Our

approach involves providing favorable credit terms and offering competitive pricing structures. This strategic initiative is geared towards enhancing our appeal to industrial clients, fostering stronger relationships, and ultimately boosting sales in this segment.

OVER RELIANCE ON **PROMOTIONAL SCHEMES**

In response to the competitive landscape, industry standards, and the need to maintain a significant market share, there exists a persistent requirement to introduce trade schemes to stimulate additional sales. The Company has undertaken comprehensive market surveys and rigorous analysis to explore opportunities for reducing the dependency on and cost of these promotional schemes. Our aim is to optimize the effectiveness and efficiency of these initiatives while maintaining our market position.

PESTEL **ANALYSIS**

FACTORS	DESCREPTION	RESPONSE TO THE ASSOCIATED FACTORS
POLITICAL	It entails an in-depth assessment of the political environment, including the stability of the national government, bureaucratic complexities associated with regulatory approvals, the prevailing corruption index, and the potential for regulatory and tax policy adjustments.	The Company maintains a vigilant approach to tracking and staying abreast of policy and regulatory alterations, thereby facilitating informed and timely decision-making. HTL upholds a steadfast commitment to full compliance with tax obligations, adhering rigorously to a zero percent tolerance for tax evasion. In cases where tax and regulatory issues arise, the Company is resolute in its resolve to address these matters through legal avenues, upholding its commitment to both ethical and legal standards. This proactive stance represents the Company's response to the dynamic landscape of political factors.
ECONOMIC	The economic analysis within the Pestel framework encompasses several crucial factors, including heightened inflationary pressures, elevated interest rates, and depreciation of the national currency, the rupee.	The persistent challenges of higher inflation, elevated interest rates, and rupee depreciation continued to exert substantial pressure on the overall economic landscape. In response, the Company strategically focused on enhancing margins through the pursuit of operational efficiencies and diversification of its product portfolio to achieve economies of scale and optimize production capacity. Furthermore, to mitigate the impact of rupee depreciation, the Company initiated an expansion of its local blending capabilities through HTBL, its wholly-owned subsidiary.
SOCIAL	Focus on Corporate social responsibility	At HTL, Corporate Social Responsibility (CSR) is meticulously planned and structured, encompassing a diverse range of programs strategically aligned with the core objective of enhancing the well-being of individuals through direct engagement with local communities. Our commitment to making a tangible impact on society and actively contributing to addressing global challenges is integral to our business ethos. HTL's CSR initiatives primarily revolve around three key pillars of sustainable development: education, healthcare, and environmental stewardship. For detailed information on the Company's social endeavors, please refer to the dedicated CSR section within this report.
TECHNOLOGICAL	Increasing IT efficiency, automation, technological change and the amount of technological awareness.	The Company has consistently placed a premium on staying at the forefront of technological advancements. Our commitment to embracing the latest innovations is evident in the successful deployment of Oracle systems across all segments of our operations. Additionally, the advanced tools such as Business Intelligence, Distributor Management, Handler Management, and Distributor Claim Management Systems underscores our dedication to leveraging technology for operational excellence. We firmly believe that the adoption of cutting-edge technologies has the potential to optimize productivity while simultaneously reducing operational costs. This strategic approach aligns with the ever-evolving landscape of the technological factor.
ENVIRONMENTAL	Climate change, environmental offsets, attitudes toward "green" or ecological products, laws regulating environment and air pollution.	Climate change has exerted a considerable impact on emerging economies like Pakistan. The recurring occurrences of floods and atypical rainfall patterns have led to river inundation, resulting in crop destruction—an essential component of our nation's economy. While we operate within the automotive sector, where profitability is closely tied to mileage and, consequently, frequent oil changes and sales, we remain acutely aware of the environmental challenges we face. Our commitment to social and environmental responsibility is evident through our initiatives, ranging from extensive tree plantation drives to the promotion of fully synthetic, eco-friendly motor oil variants. These products are designed to enhance fuel efficiency, reduce carbon emissions, lower vehicle maintenance costs, and ultimately save consumers money, all while demonstrating our dedication to environmental stewardship. Our ethos extends beyond environmental concerns; we are equally committed to fostering social well-being and creating opportunities, particularly for the younger generation. Our mission is to provide a healthier environment and better prospects for both our society and the environment—a commitment that aligns seamlessly with the environmental factor's imperatives.
LEGAL	Various laws and regulations applicable on the Company, i.e. statutory, corporate, legal, secretarial, taxation, import, health and safety laws and regulations.	HTL is unwavering in its commitment to upholding the highest standards of legal and regulatory compliance. We recognize the complexities of navigating the legal landscape, and to ensure that we adhere to all applicable laws and regulations, we maintain a team of seasoned legal experts. Additionally, we engage the services of a dedicated legal advisor and tax consultant. These strategic measures underscore our dedication to fulfilling our legal and regulatory obligations in a meticulous and professional manner.

SEASONAL **VARIATION**

The dynamics of Pakistan's economy are closely intertwined with its agriculture sector, which holds a pivotal position. This sector, contributing significantly to the GDP at 24 percent, also serves as the primary employer for 50 percent of the nation's workforce. Consequently, consumer spending patterns are intricately linked to the agricultural harvest seasons and the corresponding crop availability in the market. As a result, the Company experiences a noticeable upsurge in sales during these peak harvesting periods, reflecting the seasonal variations that influence consumer behavior and economic activity.

RISK AND **OPPORTUNITIES**

KEY RISKS AND OPPORTUNITIES **AFFECTING CAPITALS**

Following are the key risks and opportunities effecting the availability, quality and affordability of capitals:

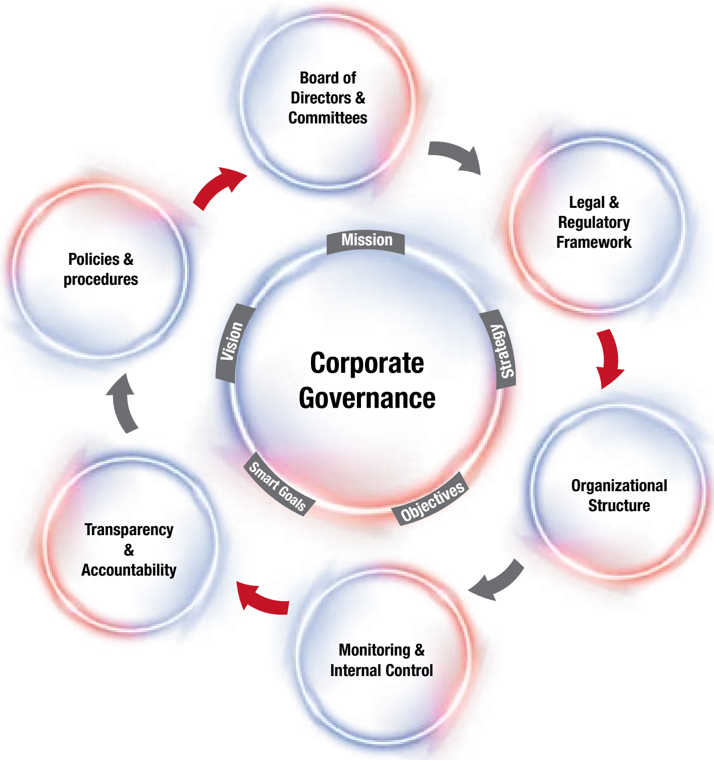
FORM OF CAPITAL	KEY RISK	KEY OPPURTUNITIES	TIME HORIZON
Financial Capital	Increased interest rates Higher inflation	Advance from customers Internal source funds Better management of working capital	Short to medium term
Human Capital	Loss of qualified and competent staff	Succession planning Rewarding high performing employees	Medium to long term
Manufactured Capital	Damage of oil storage facilities	Back-up insurance	Short term
Information Technology Capital	Obsolescence of technology	Investments in technology upgrades and capacity expansions	Medium to long term
Social and relationship capital	Adverse publicity and bad reputation	Building relationships along the value chain	Medium to long term

RISK MANAGEMENT FRAMEWORK **& METHODOLOGY**

HTL's comprehensive risk management framework is strategically designed to diligently assess and proactively mitigate potential risks. Its primary objective is to minimize any adverse impact on the company's operations while steadfastly supporting the realization of HTL's long-term objectives and business strategies. Regular risk assessments are a fundamental component of this framework, providing invaluable insights into the company's key risks. These insights, in turn, facilitate the assignment of ownership for specific risk mitigation actions, ensuring that requisite steps are taken to address and manage these risks effectively.

HTL recognizes that uncertainties and risks, when left unmanaged, can impede the attainment of corporate goals and objectives. Consequently, our risk management approach is proactive, allowing us to not only mitigate risks but also capitalize on emerging opportunities. These material issues and principal risks are intricately integrated into our business planning processes, with continuous monitoring overseen by our esteemed Board of Directors.

Our risk governance structure delineates the roles and responsibilities at various levels of our risk management program, ensuring a coherent and systematic approach to identifying, assessing, and mitigating risks, thereby safeguarding the organization's interests and fostering sustainable growth.



BOARD AND **COMMITTEES**

The Board oversees the risk management process primarily through its committees:

1.THE AUDIT **COMMITTEE**

The Audit Committee diligently upholds the principles of transparency and accountability within the organization. Its primary purview encompasses the meticulous oversight of financial matters, regulatory compliance, and associated risks. To fulfill its responsibilities effectively, the Committee convenes quarterly or on an as-needed basis to address pertinent issues and concerns. This regular engagement underscores the Committee's commitment to upholding the highest standards of corporate governance and risk management.

2.THE HUMAN RESOURCE AND **REMUNERATION COMMITTEE**

The Human Resource and Remuneration Committee maintains a dedicated focus on managing risks within its purview. This encompasses a thorough evaluation of compensation programs, ensuring that they are designed to mitigate rather than amplify corporate risk. Additionally, the Committee places a strong emphasis on succession planning, with the strategic objective of securing a continuous pool of highly skilled human resources across all critical facets of the Company's operations. This diligent approach underscores the Committee's commitment to promoting sound governance and safeguarding the Company's interests.

3.THE RISK MANAGEMENT **COMMITTEE**

The Risk Management Committee assumes responsibility for vigilant oversight of critical control mechanisms, encompassing financial, operational, and compliance aspects. Its core mandate is to rigorously assess and fortify risk mitigation measures, thereby upholding the veracity of financial data and the effectiveness of operational safeguards. This dedicated approach underscores the Committee's commitment to upholding the highest standards of risk management and preserving the integrity of financial information.

4.THE INVESTMENT **COMMITTEE**

The Investment Committee holds a pivotal role in shaping the overarching investment policies, strategies, and risk management procedures. It meticulously guides the decision-making process regarding investments and divestments, ensuring strict alignment with the Company's objectives and investment policy. This Committee's purview is to uphold the integrity and prudence of the Company's investment endeavors, adhering to a meticulously defined framework of policies and strategies.

INTERNAL AUDIT **FUNCTION**

The Internal Audit Function operates in accordance with the Board-approved plan, conducting independent and objective evaluations. It reports directly to the Audit Committee, delivering assessments of the effectiveness of governance, risk management, and control processes. This structure ensures a rigorous and impartial examination of these critical aspects within the organization.

CONTROL **ACTIVITIES**

Control activities encompass a comprehensive spectrum of preventive, detective, and corrective measures. The senior management diligently evaluates prevailing risks and implements well-considered controls to effectively mitigate and respond to these risks. This strategic approach ensures a robust and proactive stance in managing risk factors across the organization.

POLICIES AND **PROCEDURES**

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

CONTINUOUS **IMPROVEMENT**

The Company's risk management system is in a state of continuous improvement, acknowledging that its level and scope will evolve in tandem with the development and expansion of the Company's operations. This risk management system is dynamic, constantly adapting to the changing landscape. All supporting documentation undergoes regular review and updates to ensure alignment with the Company's evolving circumstances. This commitment to ongoing enhancement ensures that the risk management system remains effective and responsive to emerging challenges.

PRINCIPAL RISKS FACING **THE BUSINESS**

Following are the major risks, which may affect our business operations and mitigating strategies for controlling these risks. Sources of risks, assessment of likelihood and magnitude of their impact are also mentioned against each risk.

Specific Risks and Sources	Risk Ranking / Likelihood	Specific Risks Mitigating Strategies
STRATEGIC RISK		
Electrification of Vehicles	Low	• The Company's management keeps a close watch on the development of electric vehicles globally – specifically their cost of purchase and operate, and the development of required infrastructure associated with their use.
COMMERCIAL / MARKET RISK		
Stiff competition in the lubricant market and increasing new entrants pose threats to the Company's market share, profitability and commercial viability. Such market situation results in a likelihood of reduced prices or increased distribution cost hence squeeze the margins.	Moderate	• To overcome the pricing and cost issues, the Company has invested in a blending plant (HTBL-100% owned entity) to reduces its cost base. The plant is operational and its contribution to total volumes forecast is increasing day by day. • Furthermore, the Company continues aggressive marketing and building customer and retailer loyalty to stay competitive in the long term.
REGULATORY RISKS		
The Company is subject to changes in taxation and duty structures. In addition, its OMC business is a regulated business where regulations, margins can be changed by the Regulator	Moderate	• The Company maintains close relations with consultants and advisors to understand and plan for changes in taxation and duties by adjusting its pricing. • On the regulatory side, the Company is in contact with regulators and other OMCs to ensure its voice is heard in the appropriate forums.
INFORMATION TECHNOLOGY RISK		
Information technology risks include information system breakdown, delayed or no recovery of it systems, obsolescence of technology and inadequate information classification standards that may lead to data security and data privacy issues.	Low	• Presence of pre and post vendor evaluation system ensures the availability of quality IT systems. Furthermore, off-site backup facility acts as a safeguard in case of any breakdown in IT systems. • The Company has developed BCP and DRP to ensure the availability of IT systems all the time. • The Company has designed and implemented a comprehensive policy to ensure data security and appropriate classification of organizational data (with preference to sensitive data).
REDUCTION IN MOBILITY		
Generally speaking any development that leads to a reduction / shutdown in mobility in the country results in a reduction in volume for our Company. Generally, these shutdowns when they did happen were localized and sometimes associated with political instability, strikes and law and order issues. Causes a lot of risks for the organizations operating in Pakistan. Due to the instable situations, Pakistan is surrounded by frequent strikes that create a difficult law and order situation.	Moderate generally	• General shut downs are relatively easy to manage as HTL adjusts its purchases upward/downwards based on realized demand

Specific Risks and Sources	Risk Ranking / Likelihood	Specific Risks Mitigating Strategies
FINANCIAL AND MACRO RISK		
FOREIGN EXCHANGE RISK AND NON-AVAILABILITY OF EXCHANGE COVER		
The Company is exposed to foreign exchange risk on account of product imports. Frequent variations in US$ and non-availability of forward cover for POL products pose difficulty in managing standard costs.	High	• As per the regulations of the State Bank of Pakistan, forward exchange cover is not available for POL products. • Executive management, financials and supply chain departments work in close coordination, keeping in view the trends of relative strengths of currencies and develop strategy for working capital management.
CREDIT RISK		
Risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligation. Credit exposure to financially sound credit customers' and investments in high rated securities is a challenge to each and every Company.	Low	• The Company does not extend its credit to distributors and dealers. Only financially sound industrial customers are entertained with the credit facility and such exposure is immaterial to the total revenues of the Company.
LIQUIDITY RISK		
Risk of encountering difficulties in meeting the obligations associated with its financial liabilities as they fall due. Ensuring the availability of sufficient funds for working capital, meeting capital expenditure requirement, distribution of wealth to all the stakeholders and to act as a responsible legal entity is the foremost importance.	Low	• Our treasury section manages the funds proactively and ensures the availability of financial resources as required. We manage working capital, operations and expansions through a mix of equity, long term and short term financing. To bridge the gap of uncertain requirements, credit lines are being committed with reputable banks having good credit ratings. • The Company has been allotted a credit rating of A and A-2 (positive outlook) for the long and short term financing respectively. This depicts our ability to meet our obligations timely, and denotes a stable liquidity position.
RUPEE DEVALUATION RISK		
Increasing cost of doing business due to depreciation of Pakistan rupee coupled with inflation.	High	• This risk is uncontrollable. Company manages rupee depreciation risk by adjusting prices. • The Company also ensures its orders are managed such that foreign exchange risk is minimized at any given point in time. • To reduce this impact, local blended products are also produced by HTBL- wholly owned subsidiary company.

SOURCES OF **RISKS:**

Identified risk sources are evaluated by the Company's Risk Management Committee frequently to ensure adequate measures are taken to protect the Company in a timely manner. Some major sources of business risks are described below:

- In broad terms, any circumstances that curtail or disrupt mobility within the country can result in decreased volumes for our Company. Typically, these disruptions, when they occur, are localized and often linked to political instability, labor strikes, and law enforcement challenges, posing significant risks for organizations operating in Pakistan. Given the occasional volatile conditions, Pakistan frequently experiences work stoppages that exacerbate law and order concerns.

- Alterations in government policies, encompassing the introduction of new taxes, levies, penalties, and regulations, represent another challenge. This scenario can potentially impact the Company's capacity to realize its long-term strategic goals.

- The macroeconomic conditions within a country pose significant risks to large-scale organizations. Elevated inventory costs, surges in inflation and interest rates, coupled with volatile exchange rates, introduce sudden fluctuations in demand, rendering borrowing more expensive and deterring investments. These factors also diminish employment prospects within the country. The Company's financial performance may be susceptible to the unpredictable and unstable economic conditions prevailing in the country.

- The marketplace in which an organization offers its products and services presents numerous challenges. Factors such as the emergence of new competitors, intense competition, price wars, demand and supply fluctuations, shifting customer preferences, and narrow profit margins contribute significantly to market risks for organizations. HTL's market has become increasingly competitive with the presence of both established and new players in the lubricants industry, such as FUCHS, Puma, and GP.
- There are certain business risks associated with natural events and forces. These risks are typically beyond the control of most organizations, but they can be anticipated and mitigated to minimize their impact.

OPPORTUNITIES AND **SOURCES**

- **PETROLEUM SEGMENT OPERATIONS**

  Our expansion in HTL Fuel Stations has given us a bigger muscle to circumvent our brand image and your company now has a higher appeal in terms of value recognition in Pakistan. During the year, the Company received formal authorizations from the Oil and Gas Regulatory Authority (OGRA) to commence operations at its state-of-the-art storage facility situated in Nowshera, Khyber Pakhtunkhwa Province. In addition to this significant development, OGRA also granted the Company approval to initiate the sale and marketing of petroleum products through a network of thirty-five HTL Fuel Stations. These regulatory approvals underscore our commitment to stringent compliance and strategic expansion within the petroleum sector. Presently, the HTL manages a network of twenty-nine dealer-operated HTL Fuel Stationswithin the Punjab Province. Furthermore, subsequent to the reporting date, the Company has initiated operations at an additional nine dealer-operated HTL Fuel Stations situated in the Khyber Pakhtunkhwa Province, demonstrating our strategic commitment to expanding our market presence and offerings.

- **HTL EXPRESS CENTERS:**

  HTL's forward integration strategy, marked by its expansion into retail service centers through a franchise model, facilitates the direct sale of its products to end customers, offering them the added advantage of loyalty programs. This one-stop shop approach significantly enhances HTL's market reach while providing a diverse array of products to meet the needs of its valued customers.

- **POLYMER SEGMENT OPERATIONS**

  Through HTBL, the Company has successfully started its polymer segment operations during the year. Within this segment, the Company is engaged in the production of plastic products for external customers. This strategic diversification not only broadens our revenue streams but also serves as a means to navigate potential risks inherent in the oil marketing and lubricant industry.

- **EXPORT SALES**

  In view of tapping foreign markets, the Company has entered into a Non-Exclusive Distribution Agreement with M/S Osman Ghani Limited (an Afghanistan based company) for export of locally blended ZIC Brand products.

INITIATIVES TAKEN BY MANAGEMENT TO PROMOTE **AND ENABLE INNOVATION**

The management takes pride in creating a culture that nurtures innovation and entrepreneurial thinking, establish innovation platforms and enhance employee engagement initiatives.

During the year, the management took following initiatives:

- Kept the IT function proactive from an innovation perspective, providing ideas to the business.
- Successful installation of ORACLE system at Hi-Tech Blending (Private) Limited – wholly owned subsidiary company.

DETERMINING LEVEL OF RISK TOLERANCE AND **ESTABLISHING RISK MANAGEMENT POLICIES**

Risk management is the responsibility of the Board, supported by the Board's Risk Management Committee. The risk management committee is responsible for assisting the Board in its oversight of risk, including the ongoing monitoring, management and mitigation of principal and emerging risks, and advising the Board and higher management on the Company's overall risk appetite, tolerance and strategy. The Board receives regular updates on risk management and material changes to risk through various operational and financial reports, including risk assessment, performance, internal audit and external audit reports. Management is responsible for implementing and maintaining controls. The Board has undertaken a robust risk assessment to identify and handle these risks.

ROBUST ASSESSMENT OF **PRINCIPAL RISKS**

The Board of Directors have carried out a detailed assessment of risks facing the Company originating from various sources. For quick snapshot of various types of risks, please refer risk and opportunities sections of our report. The Board has undertaken a robust risk assessment to identify principal risks and the mitigating strategies adopted to counter such risks.

DIRECTORS' REPORT

DIRECTORS' REPORT **TO THE SHAREHOLDERS**

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

The Directors of Hi-Tech Lubricants Limited ("HTL" or the "Company") are pleased to present the Annual Report along with standalone and consolidated audited financial statements for the year ended June 30, 2023.

PAKISTAN'S **ECONOMIC REVIEW**

During the fiscal year 2023, Pakistan encountered an unprecedented array of economic challenges arising from devastating floods, political uncertainty and global demand-supply disruptions. The situation was further compounded by a commodity super-cycle triggered by the Russia-Ukraine conflict, leading to inflationary pressures globally as well as domestically. Pakistan's inflation was further worsened by the unprecedented floods that occurred during the year, severely impacting agriculture and livestock. The inflation rates in Pakistan have reached an all-time high, with the headline Consumer Price Index (CPI) national inflation averaging 29.4% in June 2023, compared to 21.3% during the corresponding period in the previous financial year. In response to these economic conditions, the Monetary Policy Committee (MPC) of the State Bank of Pakistan (SBP) has raised its Policy Rate (benchmark rate) by a cumulative 825 basis points, bringing the benchmark rate to 22.00% in June 2023 – the highest policy rate in the country's history. The Government of Pakistan (GoP), in the wake of macroeconomic imbalances, was compelled to make the difficult decision of rationalizing imports and implementing restrictive measures to stabilize the national economy. Consequently, Pakistan's GDP growth was restricted to a modest 0.3% during this period due to the prevailing economic challenges. The Executive Board of the International Monetary Fund (IMF) approved a 9-month Stand-By Arrangement (SBA) for Pakistan in July 2023, amounting to $3 billion providing support amid low foreign exchange reserves. This program aims to serve as a policy anchor to tackle domestic and external economic and trade imbalances, as well as provide a framework for financial support from multilateral and bilateral partners. While we believe that these broad-based remedial measures and reforms implemented by the Government, alongside the resumption of the IMF program, will pave the way for the country's economic revival, it would be important to focus on long term reforms to ensure sustained recovery.

FINANCIAL PERFORMANCE ON A **CONSOLIDATED BASIS**

In the consolidated financial performance of your Group (Hi-Tech Lubricants Limited and Hi-Tech Blending (Private) Limited its wholly owned subsidiary), it is imperative to note the challenges that impacted our results in the fiscal year 2023. Our net revenue witnessed a significant decrease of 12.03%, primarily attributable to the decline in the sales of our lubricant segment, directly correlated with the automobile sector which experienced a sharp decline of 51%. This adverse trend also attributed to several external factors, including persistent inflationary pressures, a decrease in purchasing power among consumers, and the broader economic downturn experienced in Pakistan. On the other hand, cost of sales has been increased by combination of factors including significant rupee devaluation against dollar and other price hikes and the Group faced challenges in passing on these increased costs to customers which further exacerbated the decline in our profitability. Resultantly, our gross profit margin contracted by 35.05%. On the bottom finance cost has been surged by 150.69% due to heightened policy rate set by State Bank of Pakistan. The compounding effect of the aforesaid challenges coupled with the economic pressures, unfortunately resulted in a financial loss for the company during the year.

Amidst these challenges, the Group successfully started its polymer segment during the year. The addition of the polymer segment not only strengthens our portfolio but also positions us to capitalize on emerging market opportunities. Detailed consolidated financial performance of your Group is presented below:

Particulars	Consolidated Year ended 30 June		Variance (+/-)
	2023	2022	
	PKR IN MILLION		% age
Gross Revenue	17,617	20,962	(15.096%)
Net Revenue	15,610	17,744	(12.03%)
Gross Profit	2,427	3,737	(35.05%)
% of Revenue	15.54%	21.06%	(26.21%)
Operating Profit	399	1,506	(73.51%)
Finance Cost	722	288	150.69%
(Loss) / Profit before tax	(322)	1,218	(126.44%)
(Loss)/ Profit after tax	(247)	617	(140.03%)
(Loss) / Earnings Per Share	(1.77)	4.44	(140.00%)

OPERATIONAL **PERFORMANCE**

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

HTBL is a wholly owned subsidiary of your Company. It continued its impressive growth in revenues and profitability. HTBL continuously added new products to its portfolio and has also expanded its blending facilities.

POLYMER **SEGMENT**

During the year, HTL through its wholly owned subsidiary embarked on an exciting journey of diversification by venturing into the polymer segment and started production on behalf of external customers. This strategic expansion not only strengthens our product portfolio but also demonstrates our ability to provide value-added solutions to our clients and partners. As we continue to grow in this sector, we are committed to delivering high-quality polymer products while exploring new avenues for collaboration and growth in the industry.

HTL **EXPRESS CENTERS**

HTL Express with a goal of changing the dynamics of vehicle maintenance through superior services, trained professionals and best technology continued to expand its reach. With eight HTL Express franchised centers in place, the Company is focused on increasing the customer base in the vehicle preventive maintenance. Further, the Company is increasing the number of these outlets through HTL dealer operated fuel stations. So far the mix of franchise model and fuel station model is reached the total of 38 centers to date.

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

The Company currently has 29 HTL Fuel Stations in Punjab whereas 20 fuel stations are in process. Subsequent to reporting date, the Company has expanded its operations by starting 9 new fuel stations in the Khyber Pakhtunkhwa Province. This strategic move represents a substantial step forward in our growth trajectory and underscores our commitment to providing essential services to a broader customer base. This will not only enhance our market presence but also contribute to the economic development of the region. We look forward to serving our customers in Khyber Pakhtunkhwa and creating value for all stakeholders through this expansion.

MANAGEMENT OF **LIQUID RESOURCES**

CASH **MANAGEMENT**

Cash management and liquidity control are our key focus areas that are incorporated into all strategic decision making processes of the Company from purchasing, the design of marketing schemes and capital expenditures. A budgeting and planning department works under the direct supervision of CFO of the Company directly reportable to CEO. This section works for annual strategic planning, budgeting and forecasting that enables Company to efficiently achieve its vision and safeguard against future strategic and liquidity risks. The Company has an effective Cash Management System in place whereby cash inflows and outflows are projected on monthly, quarterly and half-yearly basis and monitored rigorously along with monthly and quarterly rolling forecast budgeting. Working capital requirements are properly planned and managed through efficient management of trade receivables, payables and inventory levels and financing arrangements.

CAPITAL **EXPENDITURE**

Capital expenditure is managed carefully through a proper evaluation of profitability and risks associated with each investment. In conformity with Company's prescribed Capital Expenditure and Risk Management policies, regular project reviews are undertaken by internal audit department and audit committee for delivery on time and at budgeted cost. Large capital expenditures are further backed by long-term contracts to minimize cash flow problems for the business. Capital expenditure during the year ended June 30, 2023 was PKR 495 million compared to PKR 983 million in the corresponding period. The Board is satisfied that there are no short or long-term financial constraints that may hamper Company's investments in long term projects as the Company continues to enjoy access to competitive credit due to its strong statement of financial position as at June 2023. The company faces no liquidity risks in light of its well-planned cash management strategies leading to adequate availability of unutilized funded and non-funded financial facilities.

CONTRIBUTION TO **NATIONAL EXCHEQUER**

Your Group is a noteworthy contributor to the national economy and has contributed PKR 2 billion during the year 2023 to the national exchequer on account of sales and income taxes.

APPROPRIATION OF **PROFITS**

In view of the financial results of the Company for the year 2023, the Board of directors has not proposed any entitlement for the year ended June 30, 2023.

IPO **FUNDS**

Note 52 to the unconsolidated financial statements of the Company for the year ended June 30, 2023 provides detailed information on the utilization of IPO proceeds.

Particulars	Rupees
Un-utilized IPO proceeds as at 01 July 2022	440,709,519
Add: Profit on term deposit receipt	18,853,185
Add: Profit on bank deposits	964,945
Add: Dividend on investment in mutual funds	35,367,650
Add: Gain on disposal of investment in mutual fund	338,180
Add: Unrealised gain on investment in mutual funds	377,899
Less: Payments made relating to OMC Project	(92,343,369)
Less: Withholding tax on profit	(2,972,720)
Less: Withholding tax on dividend from mutual funds	(5,305,148)
Less: Withholding tax on disposal of mutual funds	(84,545)
Less: Bank charges	(7,240)
Un-utilized IPO proceeds as at 30 June 2022	395,898,356

The board and management are of the view that this capital must generate adequate risk adjusted returns in the best interests of the shareholders.

FUTURE **OUTLOOK**

Considering the current economic situation, HTL is consolidating its market operations and demand management with increased local blending and filling at our plant by shifting 90% of our imported product portfolio to the plant. This is contributing to valuable forex savings for the country and will save HTL from exchange losses. The government is currently considering revising margins upwards for the OMC sector by providing inflation impact on CPI index. As of its implementation in September 2023, we expect improvement in profitability of OMC segment in the coming fiscal year. At the same time, we are striving hard for satisfactory increase in the number of functional service stations. With the addition of the polymer segment and the expansion of our fuel station network, we are optimistic about the prospects for the upcoming year. As we continue to focus on innovation, customer service, and operational excellence, we are confident that the upcoming year holds the promise of better financial outcomes and greater value creation for our shareholders and stakeholders alike.

MATERIAL CHANGES AND **COMMITMENTS**

• There have been no material changes since June 30, 2023 and none of the group companies have entered into any commitment, which would affect financial position of any group company at the date except those included in the unconsolidated and consolidated financial statements of the Company for the year ended June 30, 2023.
• There has been no modification in the Auditor's Report in relation to any group company at any stage.
• There has been no default in payment of any debt by any of the group companies during the year.
These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

i. International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
ii. Provisions of and directives issued under the Companies Act, 2017.
iii. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.
iv. There has been no material departure from the Best Practices of Corporate Governance, as detailed in the Listing Regulations and Listed Companies (Code of Corporate Governance) Regulations, 2019.
v. The key operating and financial data from the formation of company (i.e. for the last 6 years) is given elsewhere in this annual report.
vi. The Auditors have expressed unqualified opinions on the financials statements of each of the group companies.

COMPLIANCE WITH THE **CODE OF CORPORATE GOVERNANCE**

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

AUDITORS

The present auditors M/s Riaz Ahmad & Co., Chartered Accountants, retire and offer themselves for re-appointment. They have confirmed achieving satisfactory rating by the Institute of Chartered Accountants of Pakistan (ICAP) and compliance with the Guidelines on the Code of Ethics of the International Federation of Accountants (IFAC) as adopted by ICAP. As suggested by the Audit Committee, the Board of Directors has recommended their reappointment as Auditors of the Company for the year ending June 30, 2024, at a fee to be mutually agreed.

PATTERN OF **SHAREHOLDING**

A statement of the pattern of shareholding of certain class of shareholders as at June 30, 2023, whose disclosure is required under the reporting framework, is included in the annexed shareholders' information.

BOARD **COMMITTEES**

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

ADEQUACY OF **INTERNAL CONTROLS**

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

RISK **MANAGEMENT**

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

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

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

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

- ### CREDIT **RISK**

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

- ### LIQUIDITY **RISK**

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

- ### FOREIGN EXCHANGE **RISK**

Foreign currency risk arises mainly where receivables and payables exist due to transaction in foreign currencies. The Company is mainly exposed to short term USD/PKR parity on its import of finished lubricants, raw materials and plant and machinery in the Company and in its wholly owned subsidiary. As POL products are restricted from obtaining any forward cover as per guidelines of State Bank of Pakistan, the Company has to bear these and manage the impact of fluctuations in rupee versus dollar value on an ongoing basis. However, as more of our volumes shift to our blending unit we are able to mitigate this risk to certain extent, by curtailing as our lead times and effectively managing the need for buffer inventories.

Moreover, Board and the Risk Management Committee also carry out a robust and regular assessment of the principal risks facing the Company, including those that would threaten the business model, future performance, solvency or liquidity on a regular basis.

RISK **GOVERNANCE**

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

POLICIES AND **PROCEDURES**

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

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

HTL assumes a pivotal role in promoting sustainability and corporate social responsibility across critical sectors in Pakistan, with a particular focus on education, healthcare, and the environment. Our unwavering commitment to these sectors is deeply rooted in our belief that sustainable progress is intrinsically linked to the well-being of society. We actively align our efforts with the Sustainable Development Goals (SDGs) for 2030, recognizing them as a guiding framework for global progress. At HTL, we are dedicated to driving meaningful change, contributing to a more sustainable, equitable, and prosperous Pakistan in harmony with the SDGs.

In the realm of education, HTL's Board of Directors has taken a pioneering step by establishing the Sabra Hamida Trust. This trust is driven by a primary mission: to make a significant impact on education by empowering communities through the provision of high-quality teaching, with the ultimate vision of transforming ordinary lives into exemplar ones. Committed to its cause, the trust operates in full compliance with relevant regulations and has obtained all the requisite accreditations, including recognition under section 2(36) of the Income Tax Ordinance, 2001. Additionally, the Sabra Hamida Trust proudly holds accreditation from the esteemed Pakistan Centre for Philanthropy (PCP), further underscoring its dedication to excellence and its unwavering commitment to enhancing the educational landscape in Pakistan.

HTL, via the Sabra Hamida Trust, has taken proactive steps to provide essential support to the flood-affected regions of Baluchistan, Sindh, and Punjab provinces in Pakistan. In collaboration with the Alkhidmat Foundation, we have embarked on initiatives aimed at alleviating the suffering and hardships faced by communities affected by these natural disasters. Our commitment to corporate social responsibility extends beyond borders, and we are dedicated to making a positive difference in the lives of those affected by these challenging circumstances.

HTL Group has demonstrated its commitment to philanthropy and social responsibility by contributing a significant sum of Rupees 22.74 million towards various charitable endeavors. It reflects our ongoing dedication to giving back to society and making a meaningful difference in the communities we serve, aligning our corporate values with our commitment to creating a better, more sustainable world. Detailed, along with comprehensive information about the specific activities undertaken, can be found in the dedicated Sustainability and Corporate Social Responsibility section of this year's annual report.

ENVIRONMENT, **HEALTH & SAFETY**

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

CONTRACTS WITH **RELATED PARTIES**

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

THRESHOLD FOR **CONSIDERATION AS EXECUTIVES**

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

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

- Mr. Shaukat Hassan (Chairman BOD & Non-Executive Director);
- Mr. Hassan Tahir (CEO & Executive Director);
- Mr. Muhammad Ali Hassan (Executive Director)
- M r. Tahir Azam (Non-Executive Director);
- Mr. Faraz Akhtar Zaidi (Non-Executive Director);
- Ms. Mavira Tahir (Non-Executive Director);
- Dr. Safdar Ali Butt (Non-Executive Independent Director);
- Syed Asad Abbas Hussain (Non-Executive Independent Director)
- Mr. Shafiq ur Rehman (Non-Executive Independent Director)
- Mr. Sanghyuk Seo (Current Nominee SK Enmove Co., Ltd. formerly SK Lubricants Co.,Ltd.) (Non-Executive Director)

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

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

- Male: 09
- Female: 01

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

a) Independent Directors: 03
b) Other Non-executive Director: 05 (including 1 female director)
c) Executive Directors: 02

COMMITTEES OF **THE BOARD**

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

Names of members of Board's Audit Committee
Dr. Safdar Ali Butt (Chairman of Board's Audit Committee)
Mr. Shaukat Hassan (Member of Board's Audit Committee)
Mr. Tahir Azam (Member of Board's Audit Committee)
Mr. Faraz Akhtar Zaidi (Member of Board's Audit Committee)
Mr. Shafiq ur Rehman (Member of Board's Audit Committee)

Names of members of Board's Human Resources and Remuneration Committee
Dr. Safdar Ali Butt (Chairman of Board's HR&R Committee)
Mr. Shaukat Hassan (Member of Board's HR&R Committee)
Mr. Tahir Azam (Member of Board's HR&R Committee)
Ms. Mavira Tahir (Member of Board's HR&R Committee)

Names of members of Board's Nomination Committee
Dr. Safdar Ali Butt (Chairman of Board's Nomination Committee)
Mr. Shaukat Hassan (Member of Board's Nomination Committee)
Mr. Tahir Azam (Member of Board's Nomination Committee)
Ms. Mavira Tahir (Member of Board's Nomination Committee)

Names of members of Board's Risk Management Committee
Mr. Faraz Akhtar Zaidi (Chairman of Board's RM Committee)
Ms. Mavira Tahir (Member of Board's RM Committee)
Mr. Shafiq ur Rehman (Member of Board's RM Committee)

Names of members of Board's Corporate Social Responsibility Committee
Mr. Shaukat Hassan (Chairman of Board's CSR Committee)
Mr. Tahir Azam (Member of Board's CSR Committee)
Ms. Mavira Tahir (Member of Board's CSR Committee)
Mr. Hassan Tahir (Member of Board's CSR Committee)
Mr. Ali Hassan (Member of Board's CSR Committee)
Mrs. Sana Sabir (Director of HTBL and Member of Board's CSR Committee)

• Names of members of Board's Investment Committee
Mr. Shaukat Hassan (Chairman of Board's Investment Committee)
Mr. Tahir Azam (Member of Board's Investment Committee)
Mr. Faraz Akhtar Zaidi (Member of Board's Investment Committee)
Mr. Hassan Tahir (Member of Board's Investment Committee)
Mr. Ali Hassan (Member of Board's Investment Committee)
Mr. Muhammad Imran (CFO and Member of Board's Investment Committee)
Mr. Shahzad Sohail (GM Supply Chain & Member of Board's Investment Committee)

DIRECTORS **TRAININGS**

The Company has complied well above the legal requirements in respect of Directors' Trainings and all the ten current directors have obtained Directors Training Certificates.

EVALUATION OF **PERFORMANCES**

The evaluations of performances of the Board, its Members, Committees, the Chairman and CEO for the year ended June 30, 2023 have been conducted internally by Board's Human Resource & Remuneration Committee in coordination with Human Resource Department of the Company.

DIRECTORS' REMUNERATION **POLICY**

An extract of Directors Remuneration Policy is appended below as required under Listed Companies (Code of Corporate Governance) Regulations, 2019. Human Resources and Remuneration Committee of the Board (HRRC) has been authorized by the Board to design and oversee the implementation of the Company's Directors' Remuneration Policy. Latest revision of formal Directors Remuneration Policy was approved by the Board on 22 April 2022. Its salient features are enumerated below:

The objectives of the policy are two-fold:

a. to attract, motivate and retain directors of the highest caliber with broad commercial experience, and
b. to comply with all the provisions of all relevant laws, rules and regulations applicable to directors' remunerations.

The Policy has been drawn considering the following:

a. Company's strategic aims and goals.
b. Company's corporate social responsibility.
c. Company's core principle of business integrity.
d. The market conditions for desired talent;
e. A need for maintaining a work atmosphere that is conducive to efficiency, maturity of thought, motivation to progress and attainment of corporate goals; and

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

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

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

a. The particular qualifications, relevant experience and stature of the director.
b. The prevailing market value of his/her particular talent.
c. The nature of association of the director with the company, i.e. type of directorship held.
d. Remuneration of Independent Directors is restricted to Directors / Meetings Fees only.

Summary of Remuneration for Different Classes of Directors

REVIEW BY THE BOARD OF **DISASTER RECOVERY & BUSINESS CONTINUITY**

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 OF DISASTER **RECOVERY & BUSINESS CONTINUITY PLANNING**

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

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

BUSINESS CONTINUITY **PLANNING (BCP)**

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

DISASTER **RECOVERY (DR)**

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

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

The Board is cognizant of its responsibilities to all minority shareholders. Both board members and the management team hold conversations with large institutional holders of the stock and brokerage houses to understand areas of focus for shareholders or any concerns. The goal of the Board of Directors is to attract a high caliber of shareholders who are well informed about the Company's prospects and its strategy. Members of the Board have physically as well as virtually interacted with shareholders in Annual General Meeting held on October 28, 2022 to understand the views of shareholders of the Company and will do so again at this year's AGM which is planned to be conducted both physically and online. The Company further plans to hold at least One CBS on the basis of Annual Audited Financial Statements of the Company for the year ended June 30, 2023 within one month of the holding of upcoming AGM as permitted by PSX.

COMPANY'S STAFF **AND CUSTOMERS**

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

WEBSITE OF **THE COMPANY**

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

MR. HASSAN TAHIR
(Chief Executive Officer)
Lahore, September 22, 2023

MR. SHAUKAT HASSAN
(Chairman)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SUPER X7

STAKEHOLDERS' ENGAGEMENT

STAKEHOLDERS FIRST: BUILDING BRIDGES, CREATING VALUE

It reflects our unwavering commitment to prioritize our stakeholders' interests, fostering meaningful connections, and delivering sustainable value through collaborative engagement.

STAKEHOLDERS RELATIONSHIP **AND ENGAGEMENT**

STAKEHOLDERS V POLICY

At HTL, our Stakeholder Engagement Policy serves as the cornerstone of our commitment to building and nurturing robust relationships with our diverse stakeholders. We recognize that our stakeholders encompassing:

play integral roles in our business ecosystem. Our policy underscores our unwavering dedication to principles of transparency, accountability, and responsible corporate governance.

Through meticulous assessments, we have identified our stakeholders based on their relevance and influence on our operations. We are committed to fostering open and transparent communication, actively seeking stakeholder input, and promptly addressing inquiries and concerns. Leveraging a multifaceted approach to engagement, including meetings, surveys, digital platforms, and our corporate website, we endeavor to gather valuable insights and foster an environment of collaborative dialogue. Stakeholder feedback drives our continuous improvement efforts, enabling us to enhance our business practices, products, and services while upholding ethical and sustainable standards. Our commitment extends to legal compliance, and we conduct assessments to gauge the effectiveness of our engagement initiatives.

By adhering to these principles, we aim to cultivate enduring, mutually beneficial relationships with our stakeholders, driving shared value and contributing to the long-term success and sustainability of our organization.

STAKEHOLDER **IDENTIFICATION**

Our process of stakeholder identification is a rigorous and ongoing endeavor. It involves a thorough analysis of the relevance and impact of various stakeholder groups on our operations. Our engagement initiatives are focused on those stakeholders who have a genuine interest and influence on our business. This process ensures that our interactions and communication efforts are strategic, meaningful, and aligned with our commitment to responsible corporate citizenship and ethical business practices.

STAKEHOLDERS' ENGAGEMENT PROCESS AND **THE FREQUENCY OF SUCH ENAGEMENTS 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

1. SHAREHOLDERS

A major reason why we exist is because our shareholders continue to place trust in our ability to increase the value of their investment. They are the owners of the Company. The Company protects their interest by providing return on their investment in the shape of dividend and by making decisions in line with increasing their wealth.

- #### IDENTIFICATION

We identify shareholders, both institutional and individual, holding shares in our company.

- #### FREQUENCY OF SUCH ENGAGEMENTS

Nature of engagement	Frequency
Annual general meeting	Annually
Reporting	Quarterly, half yearly and annually
Corporate briefing session	Annually
Website	Continuous
Any other material information	Promptly through PSX

- #### IMPACT ON PERFORMANCE AND VALUE OF THE COMPANY

Positive relationships with shareholders can lead to increased confidence on the Company, improved stock performance, and reduced volatility.

- #### MANAGEMENT OF RELATIONSHIP WITH SHAREHOLDERS

The Company manages these relationships and ensures timely and accurate communication.

2. CUSTOMERS

At HTL, we place a high value on engaging with our customers to build strong relationships, gather feedback, and provide excellent service. Our customer engagement process is designed to ensure consistent and meaningful interactions throughout the year. Here's an overview of our customer engagement process and the frequency of engagements:

- #### IDENTIFICATION

We maintain a comprehensive database of our customers, including both current and past clients. This database allows us to identify and categorize customers based on factors such as purchase history, industry, and engagement level.

- #### FREQUENCY OF SUCH ENGAGEMENTS

Employees and society both are very important stakeholder for HTL. Their engagements are stated under Human Resource Highlights and Sustainability and Corporate Social Responsibility sections of the Report.

Nature of engagement	Frequency
Feedback Mechanisms	Customer Satisfaction Surveys: We carries various surveys to gather feedback on our products, services, and customer support.
Functions and Events	Throughout the year, we host a variety of events tailored for our valued handlers' distributors and retailers. These events serve as platforms for networking, product updates, and fostering stronger business relationships.

Customer Support	Ongoing Support: Our customer support team is available year-round to assist customers with any issues or questions they may have.
Regular Communication	Our customer communication strategy relies on the use of two specialized software systems: The Distribution Management System (DMS) and the Handler Management System (HMS). These systems serve as essential tools for our distributors and handlers, allowing them to input orders, sales data, and other critical information. Through the seamless integration of DMS and HMS, we ensure efficient and accurate communication, ultimately strengthening our relationships with customers and partners. Our dedicated sales staff maintains regular communication with retailers, ensuring efficient order processing and addressing their needs.

• IMPACT ON PERFORMANCE AND VALUE OF THE COMPANY

Effective customer engagement has a profound impact on our company's performance and value:

ACHIEVEMENT	EXPLANATION
Customer Loyalty	Building strong relationships with customers' fosters loyalty, reducing customer churn and increasing customer lifetime value.
Product Improvement	Customer feedback drives product enhancements and improvements, ensuring that our offerings meet their evolving needs.
Referrals and Recommendations	Satisfied customers are more likely to refer new business to us and recommend our products or services to others.
Brand Reputation	Positive customer experiences contribute to a strong brand reputation, attracting new customers and partners.

• MANAGEMENT OF RELATIONSHIP WITH CUSTOMERS

Our Sales teams oversee customers' relationship.

3) SUPPLIERS

At HTL, we value our suppliers as essential stakeholders in our business operations.

• IDENTIFICATION

We identify our key suppliers based on their significance to our supply chain and their role in ensuring the quality and reliability of our products.

• FREQUENCY OF SUCH ENGAGEMENTS

Nature of engagement	Frequency
Regular Meetings	Regular meetings or calls are held with key suppliers to discuss performance, upcoming projects, and any potential challenges or opportunities.
Ethical and Sustainability Updates	We provide annual updates on our ethical and sustainability initiatives, ensuring our suppliers are aware of our commitments and expectations in these areas.
Issue Resolution	Any issues that arise are addressed promptly and transparently, with open lines of communication between our teams to ensure swift resolution.

• IMPACT ON PERFORMANCE AND VALUE OF THE COMPANY

The relationships with our suppliers significantly affect our company's performance and value in several ways as detailed below:

ACHIEVEMENT	EXPLANATION
Operational Efficiency	Strong supplier relationships contribute to smooth supply chain operations, thereby improving overall operational efficiency.
Product Quality	Collaborative relationships with suppliers lead to better product quality and reliability, enhancing customer satisfaction and brand reputation.
Cost Management	Effective supplier partnerships can result in cost savings through negotiated pricing and efficient inventory management.
Innovation	Open communication with supplier's fosters innovation and new product development, helping us stay competitive and responsive to market demands.
Risk Mitigation	Trusted supplier relationships can help identify and mitigate supply chain risks, ensuring a consistent flow of materials and avoiding disruptions.

• MANAGEMENT OF RELATIONSHIP WITH SUPPLIERS

Our approach to managing supplier relationships includes:

ACHIEVEMENT	EXPLANATION
Clear Expectations	We establish clear expectations for quality, delivery, and ethical standards with our suppliers from the outset.
Communication	We maintain open and regular communication channels to discuss issues, updates, and performance feedback.
Performance Evaluation	Suppliers are regularly evaluated against key performance indicators, and feedback is provided to drive improvement.
Issue Resolution	When issues arise, we employ a structured approach to resolve them swiftly, fostering trust and minimizing disruption.
Continuous Improvement	We continuously seek opportunities to improve supplier relationships, whether through better communication, new technology adoption, or enhanced training.

4. BANKS

- ### IDENTIFICATION

We work closely with our finance department to identify and maintain relationships with banks.

- ### FREQUENCY OF SUCH ENGAGEMENTS

Nature of engagement	Frequency
Direct relationship	Regular
Meetings	As needed
Financial reporting	Periodic
Website	Continuously available

- ### IMPACT ON PERFORMANCE AND VALUE OF THE COMPANY

Positive relationships with banks lead to favorable financing terms and access to capital when needed.

- ### MANAGEMENT OF RELATIONSHIP WITH BANKS

Our Chief Financial Officer and Finance team manage these relationships and ensure compliance.

5. MEDIA

Media is very important stakeholder for building HTL brand presence and to engage other stakeholders. Its nature of engagements and their frequency are stated below:

- ### IDENTIFICATION

We monitor and engage with relevant media outlets.

- ### FREQUENCY OF SUCH ENGAGEMENTS

Nature of engagement	Frequency
Advertisements	Periodic in accordance with marketing strategy
Press release	Periodic as required by law

- ### IMPACT ON THE PERFORMANCE AND VALUE OF THE COMPANY

Effective media relationships help shape public perception and positively impact brand reputation.

- ### MANAGEMENT OF RELATIONSHIP WITH MEDIA

Our Communications and marketing department handle media interactions and messaging.

6. EMPOLYEES AND SOCIETY

Employees and society both are very important stakeholder for HTL. Their engagements are stated under Human Resource Highlights and Sustainability and Corporate Social Responsibility sections of the Report.

7. REGULATORS

- ### IDENTIFICATION

We maintain ongoing communication with regulatory bodies.

- ### FREQUENCY OF SUCH ENGAGEMENTS

Nature of engagement	Frequency
Reporting	All the statutory returns, Annual & Quarterly Accounts of the Company are filed through SECP e Services within prescribed time limitations, and to SECP-ISD through email at financial.statements@secp.gov.pk.
Financials and other Material & Price Sensitive Information	Financials and other Material & Price Sensitive Information are also circulated to PSX through PUCARS immediately, and to SECP-ISD as and when need arises.

- ### IMPACT ON THE PERFORMANCE AND VALUE OF THE COMPANY

Positive relationships with regulators lead to smoother compliance processes, fewer regulatory hurdles, and reduced risks.

- ### MANAGEMENT OF RELATIONSHIP WITH REGULATORS

Relationship with SECP and PSX are managed through strict compliance to all applicable corporate laws/rules/regulations/notifications, notably the Companies Act, 2017, Securities Act, 2015, Listed Companies (Code of Corporate Governance) Regulations, 2019, PSX Rulebook.

8. ANALYSTS

- ### IDENTIFICATION:

We maintain a list of key analysts.

- ### FREQUENCY OF SUCH ENGAGEMENTS

Annual corporate briefing session organized by the Company.

- ### IMPACT ON THE PERFORMANCE AND VALUE OF THE COMPANY

Strong relationships with analysts lead to favorable coverage, increased investor interest, and a better understanding of our business.

- ### MANAGEMENT OF RELATIONSHIP WITH ANALYSTS

Our Chief Financial Officer handles analyst engagements.

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

The Company 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 their active participation in the Annual General Meeting (AGM), we have implemented the following steps:

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 PUCAR.
- 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.

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

In adherence to our commitment to transparency and strong shareholder relations, HTL maintains a dedicated and regularly updated investor section on its corporate website, accessible at https://www.hitechlubricants.com/investor. This section offers a wealth of comprehensive information that is valuable and informative for both current and potential investors. Included within this section are extensive details encompassing corporate information, annual reports, financial highlights, quarterly and half-yearly reports, and other essential information pertinent to investor interests. The website undergoes frequent updates to ensure that all investors and stakeholders have access to open, accurate, and current information. In full compliance with pertinent laws and regulations, HTL ensures that all relevant details are readily accessible on its official website.

CORPORATE BRIEFING **SESSION (CBS)**

HTL maintains a robust relationship with the investor community through annual corporate and analyst briefings. These sessions facilitate direct interaction between HTL's management and investors, providing a platform to share insights on financial performance, business outlook, the competitive landscape, and the Company's operational perspective. HTL enjoys strong ties with institutional investors and analysts.

Additionally, in compliance with Pakistan Stock Exchange regulations, HTL conducted its formal Corporate Briefing Session for the year ended June 30, 2022, on November 25, 2022, via video link using the Zoom application. This session was open to all shareholders and analysts.

During the session, our management delivered a comprehensive presentation covering operational and financial performance, the competitive business environment, challenges, and our future outlook. The presentation was followed by an engaging question and answer session that effectively addressed the audience's queries.

HTL remains committed to hosting Corporate Briefing Sessions and intends to organize at least one session for the year ending June 30, 2023, within one month following the Annual General Meeting, as permitted by the Pakistan Stock Exchange.

ISSUES RAISED IN THE LAST **ANNUAL GENERAL MEETING**

During the Fourteenth (14th) Annual General Meeting (AGM) convened on October 28, 2022, shareholders sought clarifications related to the Company's financial performance and published financial statements. It is worth noting that these queries were effectively addressed and resolved to the satisfaction of the shareholders. Beyond these routine inquiries, no substantial issues were raised during the meeting.

REDRESSAL OF **INVESTOR COMPLAINTS**

Throughout the fiscal year, no formal complaint was lodged by any of the Company's shareholder, reflecting our commitment to transparent and effective shareholder relations.

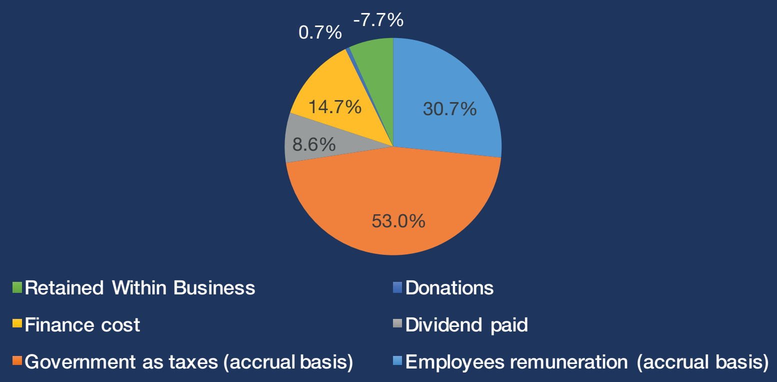
VIDEO **PRESENTATION**

The Chief Executive Officer's video presentation has been uploaded and is now accessible on the Company's official website, which can be visited at www.hitechlubricants.com.

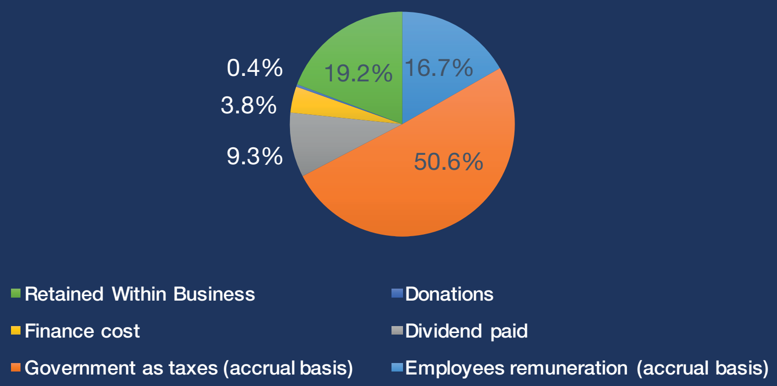
STATEMENT OF **VALUE ADDITION AND ITS DISTRIBUTION**

Particulars	**2023**		**2022**	
	Rs.	**%**	**Rs.**	**%**
Revenue	17,184,202,017		20,205,991,268	
Cost of sales	13,944,983,410		15,019,145,240	
Wealth Generated	3,239,218,607	100%	5,186,846,028	100%
Distribution				
Employees remuneration (accrual basis)	994,661,206	30.7%	866,531,726	16.7%
Government as taxes (accrual basis)	1,718,215,808	53.0%	2,626,108,074	50.6%
Dividend paid	278,409,600	8.6%	482,576,498	9.3%
Finance cost	474,616,854	14.7%	195,516,047	3.8%
Donations	22,037,093	0.7%	18,454,422	0.4%
Retained Within Business	(248,721,954)	-7.7%	997,659,261	19.2%

DISTRIBUTION OF WEALTH GENERATED -2023



DISTRIBUTION OF WEALTH GENERATED - 2022



PATTERN OF **SHAREHOLDING**
AS OF **JUNE 30, 2023**

THE COMPANY ACT, 2017 **Form 34**

THE COMPANIES (GENERAL PROVISIONS AND FORMS) REGULATIONS, 2018

[Section 227(2)(f)]

PATERN OF SHAREHOLDING

PART-I

1.1 Name of the Company	HI-TECH LUBRICANTS LIMITED
2.1 Pattern of holding of the shares held by the shareholders as at	JUNE 30, 2023

PART-II

2.2 Number of Shareholders	Shareholding Slabs				Total Shares Held
460	Shareholding From	1	to	100	14,883
765	Shareholding From	101	to	500	285,340
1,658	Shareholding From	501	to	1,000	1,186,041
2,148	Shareholding From	1,001	to	5,000	5,104,118
455	Shareholding From	5,001	to	10,000	3,405,358
179	Shareholding From	10,001	to	15,000	2,249,725
103	Shareholding From	15,001	to	20,000	1,851,479
88	Shareholding From	20,001	to	25,000	2,037,400
36	Shareholding From	25,001	to	30,000	1,026,638
15	Shareholding From	30,001	to	35,000	502,419
18	Shareholding From	35,001	to	40,000	681,323
13	Shareholding From	40,001	to	45,000	557,340
27	Shareholding From	45,001	to	50,000	1,322,900
8	Shareholding From	50,001	to	55,000	426,108
8	Shareholding From	55,001	to	60,000	472,400
6	Shareholding From	60,001	to	65,000	385,900
4	Shareholding From	65,001	to	70,000	273,800
4	Shareholding From	70,001	to	75,000	289,800
5	Shareholding From	75,001	to	80,000	386,700
5	Shareholding From	80,001	to	85,000	418,220
2	Shareholding From	85,001	to	90,000	179,000
8	Shareholding From	95,001	to	100,000	778,900
1	Shareholding From	100,001	to	105,000	102,000
1	Shareholding From	105,001	to	110,000	110,000
2	Shareholding From	110,001	to	115,000	226,500
3	Shareholding From	115,001	to	120,000	353,300
1	Shareholding From	120,001	to	125,000	122,000
1	Shareholding From	125,001	to	130,000	130,000
1	Shareholding From	130,001	to	135,000	132,500
1	Shareholding From	135,001	to	140,000	140,000
2	Shareholding From	140,001	to	145,000	283,500
3	Shareholding From	145,001	to	150,000	448,800
2	Shareholding From	150,001	to	155,000	304,500
1	Shareholding From	160,001	to	165,000	164,000
2	Shareholding From	170,001	to	175,000	345,300
1	Shareholding From	190,001	to	195,000	192,000
2	Shareholding From	195,001	to	200,000	395,500
1	Shareholding From	205,001	to	210,000	206,496
1	Shareholding From	210,001	to	215,000	211,000
1	Shareholding From	235,001	to	240,000	240,000
1	Shareholding From	255,001	to	260,000	255,600
2	Shareholding From	270,001	to	275,000	545,500
1	Shareholding From	285,001	to	290,000	289,000
1	Shareholding From	300,001	to	305,000	303,360
2	Shareholding From	335,001	to	340,000	678,600
2	Shareholding From	355,001	to	360,000	720,000

2.2 Number of Shareholders	Shareholding Slabs				Total Shares Held
1	Shareholding From	445,001	to	450,000	448,800
1	Shareholding From	825,001	to	830,000	829,000
1	Shareholding From	955,001	to	960,000	960,000
1	Shareholding From	990,001	to	995,000	993,330
1	Shareholding From	1,125,001	to	1,130,000	1,128,045
1	Shareholding From	1,315,001	to	1,320,000	1,316,623
2	Shareholding From	1,500,001	to	1,505,000	3,000,120
2	Shareholding From	2,435,001	to	2,440,000	4,875,194
3	Shareholding From	6,000,001	to	6,005,000	18,000,540
2	Shareholding From	9,000,001	to	9,005,000	18,000,720
1	Shareholding From	27,955,001	to	27,960,000	27,958,500
1	Shareholding From	30,955,001	to	30,960,000	30,958,680
6,068					**139,204,800**

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer and their spouse(s) (include shareholders holding 10% or more) and minor children	98,195,774	70.54
2.3.2 Associated Companies, undertakings and related parties	8,216,315	5.90
2.3.3 NIT & ICP	0	0
2.3.4 Banks Development Financial Institutions, Non Banking Financial Financial Institutions.	0	0
2.3.5 Insurance Companies	0	0
2.3.6 Modarabas and Mutual Funds	1,339,163	0.96
2.3.7 Share holders holding 10% (public)	0	0
2.3.8 General Public		
a. Local	26,999,912	19.40
b. Foreign	893,076	0.64
2.3.9 Others (to be specified) (Instutitional Shareholders/Firms/Companies/Brokers etc.)	3,560,560	2.56
Totals	**139,204,800**	**100.00**

NOTICE OF **15TH ANNUAL GENERAL MEETING**

Notice is hereby given that 15th Annual General Meeting of shareholders of Hi-Tech Lubricants Ltd. (the "Company") will be held on Friday October 27, 2023 at 11:00 Hours at the Auditorium of Lahore Chamber of Commerce and Industry (LCCl) ,11-Shahrah-e-Aiwan-e-Tijarat, Lahore and via video link / Zoom application to transact following businesses:

ORDINARY **BUSINESS**

1. To confirm minutes of 14th Annual General Meeting held on 28.10.2022, as submitted to PSX.

2. To receive, consider and adopt Annual Audited Financial Statements of the Company for the year ended June 30, 2023 together with Auditor's and Board of Directors' reports thereon.

3. To appoint Auditors of the Company for next financial year 2023-24 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 June 30, 2023 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 June 30, 2024.

(a) "**Resolved that** following transactions as carried out by the Company with related party Sabra Hamida Trust (SHT) during financial year ended June 30, 2023 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 up to the amount of PKR 30 Million during financial year ending June 30, 2024."

(c) "**Further resolved that** all transactions of the Company with SHT during financial year ending June 30, 2024, including as approved by Board of Directors under above authorization, shall be deemed to have been approved by shareholders, and same shall also be placed before shareholders in next annual general meeting for their formal ratification / approval."

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 June 30, 2023 and (b) & (c) to authorize Board of Directors to approve all related party transactions carried out and to be carried out HTBL during financial year ending June 30, 2024;

(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 June 30, 2023 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 oil and lubricants	103,023,346
	Purchase of oil and lubricants	4,305,440,690
	Short term loan given	1,093,656,544
	Short term loan repaid	608,156,544
	Interest received on short term loan	44,386,254
	Lease Rentals	3,000,000
	Sale of packing material and parts	18,117,068
	Dividend received	260,000,120

(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, 2024."

(c) "**Further resolved that** all the transactions of the Company with HTBL during financial year ending June 30, 2024, including as approved by Board of Directors under above authorization, shall be deemed to have been approved by shareholders, and same shall also be placed before shareholders in next annual general meeting for their formal ratification / approval."

6. To consider and approve the sale of freehold land of the Company measuring 1 Kanal and 5 Marlas situated at 22 - A, Zafar Ali Road, Lahore by passing following resolution(s) as ordinary resolution(s) with or without any modification, addition or deletion in terms of Section 183(3)(a) of the Companies Act, 2017:

(a) **"Resolved that** approval of the members of Hi-Tech Lubricants Limited (the "**Company**") be and is hereby accorded in terms of Section 183(3)(a) of the Companies Act, 2017 to the disposal and sale of Company's freehold land measuring 1 Kanal and 5 Marlas situated at 22 - A, Zafar Ali Road, Lahore (the "**Asset**")".

(b) **"Further resolved that** as part and parcel of the foregoing consent, the Board of Directors be and is hereby authorized and empowered to sell / dispose of the Asset and delegate any or all of its powers in this regard to the Chief Executive Officer (CEO) or any other person on such terms and conditions as they deem fit, to act on behalf of the Company in carrying out and performing all acts, matters, things and deeds to implement and/or give effect to the Asset sale/disposal and utilization of the proceeds thereof, which shall include, but not be limited to:-"

(i) conducting negotiations, tendering and obtaining quotations etc. with interested parties in such manner and on such terms and conditions as are in the best interests of the Company and its members and which secure the best available market price for the Asset;

(ii) selling the Asset to any individual, firm/partnership, bank or private/public limited company or organization or to any other person and, for that purpose, negotiating with financial institutions for vacating lien/charges against Asset if any, entering into an agreement to sell, executing a sale deed or any other agreement with the buyer(s) or any other person, receiving the sale consideration, executing, preparing and signing any sale deed, conveyance deed and/or transfer documents in favor of the buyer(s) or another person to effect the Asset sale in favor of the buyer(s) or any other person by representing the same before all parties & authorities concerned and admitting execution thereof;

(iii) representing before the Sub-Registrar or any other competent authority and getting any sale deed or other documents registered and collecting the consideration amount in respect of the sale of Asset; and

(iv) generally performing and executing, in respect of the Asset, all lawful deeds, agreements, acts and things as they may think fit and proper in order to implement and complete the sale/disposal of Asset.

(c) "**Further resolved that** the Company be and is hereby authorized to take all actions incidental or ancillary thereto with regard to the Asset sale."

(d) "**Further resolved that** the Board be and is hereby empowered to agree upon modification in these resolutions that may be directed/required by the SECP without the need for passing any fresh resolution by the members of Company."

(e) "**Further resolved that** certified copies of this resolution may be communicated to the concerned parties, organizations or authorities, wherever required, and shall remain in force until notice in writing to the contrary be given."

7. To consider, and if thought fit, to pass following resolution, with or without modifications, as ordinary resolution regarding transmission of annual reports of the Company to all the shareholders of the Company through QR Enabled Code and Weblink under SECP permissions.

(a) "**Resolved that** transmission / circulation of annual Balance Sheet and Profit and Loss Accounts, Auditor's Report, Director's Report and Chairman's Review etc. (Annual Audited Accounts / Annual Report of Hi-Tech Lubricants Limited (the Company), along with any and all other prescribed / notified / and required reports / information / notes etc., to all the shareholders of the Company through QR Enabled Code and Weblink be and is hereby approved and discontinuation of the mode of transmission / circulation of any or all aforesaid information / documents to the shareholders of the Company through CD/DVD/USB be and is hereby approved."

(b) "**Further resolved that** Chief Executive, Executive Director(s) and the Company Secretary of the Company be and are hereby authorized and empowered singly and severally to complete and ratify all legal, regulatory, prescribed and notified formalities and requirements for the purpose of giving effect to above resolution in letter and spirit; and to do or cause to be done any and all acts, deeds, matters and things as may be necessary, incidental, ancillary and expedient for above mentioned purposes and intents."

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

BY ORDER OF THE BOARD

Lahore,
October 05, 2023

FRAZ AMJAD KHAWAJA
COMPANY SECRETARY

NOTES

1. **Book Closure:** The share transfer books of the company will remain closed from 21-10-2023 to 27-10-2023 (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 20-10-2023 will be considered in time to be eligible for the purpose of attending and voting at 15th 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:** In view of Directives / Instructions / Guidelines of SECP and other Government Dept. / Institutions as issued from time to time, listed companies are required to arrange for online along with physical participation in general meetings. Accordingly 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 26-10-2023. Emails after this date/time may remain unresponded.

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 26-10-2023.

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 identity 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 June 30 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 printing of QR Enabled Code and Weblink on the printed 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 Special Businesses: In accordance with the Companies (Postal Ballot) Regulations, 2018, as amended, entitled shareholders of the Company are being allowed to exercise their right to Vote through Electronic Voting and Voting by Post on Special Businesses of the notice of AGM, in the manner and subject to the conditions contained in the aforesaid regulations:

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 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 October 23, 2023 and close at 17:00 hours on October 26, 2023. 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 October 26, 2023. The signature on the ballot paper must match with signature on CNIC.

10. 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 U/S 134(3) **OF THE COMPANIES ACT, 2017**

This Statement sets out Material Facts pertaining to the Special Businesses to be transacted at 15th AGM of Hi-Tech Lubricants Limited which is to be held on

Friday October 27, 2023 at 11:00 Hours at the Auditorium of Lahore Chamber of Commerce and Industry (LCCI) ,11-Shahrah-e-Aiwan-e-Tijarat, Lahore and via video link / Zoom application.

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 period from July 01, 2022 to June 30, 2023 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 October 28, 2022 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 2022-2023. 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	Amount (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 28-10-2022 regarding authorization to the Company's Board of Directors to approve all transactions of the Company with SHT during the financial year 2022-23.

The transactions of the Company with SHT have been approved by the Board in the quarterly/annual financial statements during the fiscal year 2022-23 under the authority given by the shareholders in AGM held on October 28, 2022 to the Board of Directors of the Company, however, the Board decided to place above related party transaction concluded during the fiscal year 2022-23 before the shareholders in AGM for ratification and approval due to the interests/concerns of five out of ten directors named as (i) Mr. Hassan Tahir, (ii) Mr. Muhammad Ali Hassan, (iii) Mr. Tahir Azam, (iv) Mr. Shaukat Hassan, and (v) Ms. Mavira Tahir 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 June 30, 2024

The company is and shall be conducting transactions of Donations under CSR Policy of the Company with SHT during the financial year ending June 30, 2024, 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 2023-24 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 June 30, 2024, 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. The related party transactions are and to be conducted during the financial year ending June 30, 2024, shall then be placed before the shareholders in the next AGM for their formal approval/ ratification.

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 period July 01, 2022 to June 30, 2023 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 October 28, 2022 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 2022-2023. 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. HTBL has no significant external / unrelated customers and is dependent upon the Company. HTBL's results and operations are closely knit with the Company's sales. Hence, HTBL cannot be, in any way, disassociated from the Company as far as decisions / management are concerned.
Other commercial reasons for entering into RPTs 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.

Nature and amount of Transactions along with applicable Pricing Policy are detailed below;

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 oil and lubricants	103,023,346	As per approved contract between the Company & HTBL, related party policy and approval of shareholders in AGM dated 28.10.2022. regarding authorization to the Company's Board of Directors to approve all transactions of the Company with HTBL during the financial year 2022-23.
	Purchase of oil and lubricants	4,305,440,690	As per approved contract between the Company & HTBL, related party policy and approval of shareholders in AGM dated 28.10.2022. regarding authorization to the Company's Board of Directors to approve all transactions of the Company with HTBL during the financial year 2022-23.
	Short term loan given	1,093,656,544	As per approved contract between the Company & HTBL, related party policy and approval of shareholders in AGM dated 28.10.2022. regarding authorization to the Company's Board of Directors to approve all transactions of the Company with HTBL during the financial year 2022-23.
	Short term loan repaid	608,156,544	As per approved contracts between the Company & HTBL, related party policy and approval of shareholders in AGM dated 28.10.2022 regarding authorization to the Company's Board of Directors to approve all transactions of the Company with HTBL during the financial year 2022-23 regarding authorization to the Company's Board of Directors to approve all transactions of the Company with HTBL during the financial year 2022-23.
	Interest received on short term loan	44,386,254	As per approved contracts between the Company & HTBL, related party policy and approval of shareholders in AGM dated 28.10.2022 regarding authorization to the Company's Board of Directors to approve all transactions of the Company with HTBL during the financial year 2022-23 regarding authorization to the Company's Board of Directors to approve all transactions of the Company with HTBL during the financial year 2022-23.
	Lease Rentals	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 28-10-2022 regarding authorization to the Company's Board of Directors to approve all transactions of the Company with HTBL during the financial year 2022-23.
	Sale of packing material and parts	18,117,068	As per Comparable uncontrolled price method and approval of shareholders in AGM dated 28.10.2022 regarding authorization to the Company's Board of Directors to approve all transactions of the Company with HTBL during the financial year 2022-23.
	Dividend received	260,000,120	As per approval of Board of Directors of HTBL in its meeting held on December 26, 2022 and approval of shareholders in AGM dated 28.10.2022 regarding authorization to the Company's Board of Directors to approve all transactions of the Company with HTBL during the financial year 2022-23.

The transactions of the Company with HTBL have been approved by the Board in the quarterly/annual financial statements during the fiscal year 2022-23 under the authority given by the shareholder in AGM held on October 28, 2022 to the Board of Directors of the Company, however, the Board decided to place above related party transaction concluded during the fiscal year 2022-23 before the shareholders in AGM for ratification and approval due to the interests/concerns of five out of ten directors named as (i) Mr. Hassan Tahir, (ii) Mr. Muhammad Ali Hassan, (iii) Mr. Tahir Azam, (iv) Mr. Shaukat Hassan, and (v) Ms. Mavira Tahir 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 June 30, 2024

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 June 30, 2024 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 five out of ten Directors due to their common directorship and/or relationship with Directors of HTBL, the related parties' transactions of the fiscal year 2022-23 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 June 30, 2024, 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. The related party transactions are and to be conducted during the financial year ending June 30, 2024, shall then be placed before the shareholders in the next AGM for their formal approval/ ratification.

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.

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.

3. Agenda Item No. 6 of Notice of AGM:

Disposal and sale of Company's Asset (freehold land)

The Board of Directors has approved the sale/disposal of freehold land of the Company measuring 1 Kanal and 5 Marlas situated at 22 - A, Zafar Ali Road, Lahore subject to approval of members of Company in Annual General Meeting. The information required under SRO 423(I)/2018 dated 03 April 2018 is as follows:

Description of Asset	Cost as at 30-06-2023	Book Value as at 30-06-2023 (with surplus on revaluation)	Revalued Amount / Fair Value / Current Market Value	Date of acquisition
		Rupees		
Freehold land				
Location – 22 - A, Zafar Ali Road, Lahore (Commercial Land) 1 Kanal and 5 Marlas	61,833,100	135,000,000	135,000,000	03 June 2016

The above Asset of the Company has been revalued by M/s Anderson Consulting (Pvt.) Ltd. on 30 June 2023.

The proposed manner of disposal

A reputed transaction advisor shall be engaged by the Company for managing the disposal of freehold land of the Company measuring 1 Kanal and 5 Marlas situated at 22 - A, Zafar Ali Road, Lahore (the Asset).

Purpose of the disposal of the Asset

Reduced dependence upon bank borrowings for business growth especially OMC Project of the Company and to reduce finance cost of the Company as interest rates in the Country at the moment are at highest level. Capital gain on offer by way of disposal of this freehold land is lucrative.

Utilization of the proceeds received from the transaction

For business growth especially OMC Project of the Company.

Effect on operational capacity of the Company, if any

Sales of the Company are expected to increase as a result of injection of funds from sale of the Asset in business operations especially OMC project of the Company.

Quantitative and qualitative benefits expected to accrue to the members

Reduced finance cost shall contribute ultimately to the profit of the Company. Sale proceeds of the Asset after being utilized in business growth will result in more sales and more profits. Capital gain on sale of the Asset is expect to be Rupees 73,166,900 which shall have positive impact on shareholders' equity.

The disposal of the Asset under reference is expected before the end of the financial year 2023-2024.

None of the Directors have any direct or indirect interest in the sale/disposal of the said Asset except as shareholders of the Company.

Availability of Relevant Documents

The documents pertaining to above resolutions are available for inspection at the Registered Office of the Company on any working day up to 26 October 2023 during business hours and also at the time of the Meeting. The Directors of the Company have certified that they have carried out necessary due diligence for the sale of Asset. A due diligence report duly signed by the directors with recommendations shall be made available for inspection of members in the Meeting.

4. Agenda Item No. 7 of Notice of AGM:

(a) Approval of Shareholders for Dissemination of Annual Report through QR enabled Code and Weblink and discontinuation of such dissemination through CD/DVD/USB

(i) Securities and Exchange Commission of Pakistan (SECP) Vide S.R.O 389(I)/2023 dated March 21, 2023 has permitted listed companies to circulate Annual Audited Accounts/Annual Reports to its members through QR Enabled Code and Weblink subject to fulfillment of certain conditions including seeking consent from the Members in the general meeting.

(ii) In compliance to above referred notification and after giving due consideration to the convenience and cost effectiveness for the Company as well as quick and easy way for its shareholders to access Annual Audited Accounts / Annual Reports of the Company, the Board of Directors of the Company has recommended to circulate/transmit Annual Audited Accounts/Annual Reports to its shareholders through QR Enabled Code and Weblink, hence, approval of shareholder is being sought accordingly.

(iii) Earlier, SECP through its notification bearing reference number S.R.O. No. 470 dated May 31, 2016, had permitted the listed companies to circulate Annual Audited Accounts / Annual Reports to their respective members through CD/DVD/USB at their registered addresses instead of transmitting the same in hard copies, subject to fulfillment of certain conditions including seeking consent from the Members in the general meeting. Accordingly, the Company, in its 5th extra ordinary general meeting, held on June 16, 2016 at 2:00 P.M at Lahore, obtained approval of its shareholders and started circulating Annual Audited Accounts/Annual Reports of the Company to all its shareholders through CD/DVD.

(iv) Now, SECP through its notification bearing reference number S.R.O 389(I)/2023 dated March 21, 2023 has permitted the listed companies to discontinue the mode of circulation of Annual Audited Accounts/Annual Reports through CD/DVD/USB while further permitted to adopt the mode of circulation / transmission of Annual Audited Accounts/Annual Report to its members through available email addresses without the need of shareholders' consent. Accordingly, the Board of Directors of the Company has recommended to discontinue the mode of transmission / circulation of Annual Audited Accounts / Annual Reports of the Company through CD/DVD/USB to its shareholders on the following grounds:

a. To avail relaxation provided by SECP through its notification bearing reference number S.R.O 389(I)/2023 dated March 21, 2023:

b. To adopt rapid advancements in technology (as the devices for use of CDs/DVDs have become obsolete due to which CDs/DVDs are not being used by majority of the shareholders of the Company):

c. Saving costs/time on such practice:

(v) Earlier, SECP through its notification bearing reference number S.R.O. No. 787(I)/2014 dated September 08, 2014, had permitted the listed companies to circulate/transmit Annual Audited Accounts/Annual Reports to its members through their email addresses subject to the condition that such shareholder(s) has/have duly provided his/her written consent to opt to receive the same through his/her email(s).

(vi) Now, SECP through its notification bearing reference number S.R.O 389(I)/2023 dated March 21, 2023 has permitted the listed companies to circulate/transmit Annual Audited Accounts/Annual Reports to its members through their email addresses as available with the Company without the requirement of prior written consent of their shareholders;

b) Authorization to perform all related acts regarding dissemination of Annual Reports of the Company

The Company is and shall be transmitting / circulating / disseminating Annual Audited Accounts/Annual Reports of the Company through QR Enabled Code and Weblink and through available email addresses of the Shareholders in compliance to and under relaxations of relevant and applicable provisions of laws, regulations, notifications, and therefore, all the processes and procedures should be entrusted to the responsible officers of the Company, hence, approvals of shareholders are being sought to authorize the Company Secretary, CEO and Executive Director(s) of the Company singly and severally to complete all legal, regulatory, prescribed and notified formalities and requirements for the purpose of giving effect to above resolutions in letter and spirit which actions shall be deemed to be approved by Shareholders. The nature and scope of special business 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 and/or relationships amongst common directors.

CORPORATE SOCIAL **RESPONSIBILITY**

As a socially responsible corporate entity, we are dedicated to enhancing the well-being of the communities in which we operate. Our commitment to creating value for our social capital is exemplified through targeted initiatives that center on education, healthcare, and environmental sustainability.

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

STATEMENT FOR ADOPTION **OF BEST PRACTICES FOR CSR**

At HTL, we hold a steadfast dedication to upholding the universally acclaimed ten principles of the UN Global Compact within the framework of our business strategy. Our unwavering commitment to Corporate Social Responsibility is at the core of our organizational ethos, and it drives us to proactively contribute to the betterment of our community, all while conscientiously considering the environmental and social repercussions of our business decisions. Our primary focus lies in the enhancement of key sectors in Pakistan, specifically Education, Healthcare, and Environment. We are resolutely dedicated to effecting meaningful and enduring transformations in the lives of individuals, with a particular emphasis on the education sector. In pursuit of this objective, we engage in measurable and collaborative endeavors, while steadfastly aligning ourselves with the widely recognized Sustainable Development Goals (SDGs).

With unanimous endorsement from our Board of Directors, we proudly announce the adoption of comprehensive CSR best practices that reflect our dedication to making a meaningful difference. This decision underscores our belief that business success must align harmoniously with societal well-being.

HIGHLIGHTS OF THE COMPANY'S PERFORMANCE, **POLICIES, INITIATIVES AND PLANS IN PLACE RELATING TO THE VARIOUS ASPECTS OF SUSTAINABILITY AND CSR AS BEST BUSINESS PRACTICES**

EDUCATION **SECTOR**

ILMGAH SCHOOL SYSTEMS (IGS)

The Ilmgah School Systems, operating under the auspices of the Sabra Hamida Trust, is emerging as a formidable force in the realm of educational and social initiatives. With great determination, the school is actively engaged in uplifting the underprivileged strata of society. The Sabra Hamida Trust remains steadfast in its commitment to enhance the quality of life for numerous families, the local community, protect the environment, and contribute positively to society on a broader scale.

HTL plays a pivotal and unwavering role in this noble endeavor by offering tangible support through both financial contributions and the allocation of human resources. To advance its humanitarian mission, the company extends its support to the Sabra Hamida Trust. The Ilmgah Initiative is resolutely dedicated to its mission of reconfiguring, redefining, and nurturing within this demographic a cadre of individuals who will serve as catalysts for social change. Their objective is to empower these individuals, enabling them to transition from a state of neediness to becoming proactive and contributing citizens.

ILMGAH SCHOOL SYSTEM (IGS) HIGHLIGHTS

HIRING OF SKILLED AND QUALIFIED TEACHERS

As part of our ongoing commitment to delivering a high-quality education, we place a strong emphasis on ensuring that our students receive a comprehensive and enriching learning experience. To achieve this, we have taken deliberate steps to bolster our teaching staff with skilled and highly qualified educators. Notably, we have recently made significant additions to our faculty, introducing subject-specific teachers who bring specialized expertise to their respective domains. Furthermore, recognizing the importance of arts and creative expression in holistic education, we have also welcomed a dedicated Music teacher to our team. This addition serves as a testament to our commitment to providing our students with a platform to explore and nurture their musical talents, thus enriching their overall educational journey.

At Ilmgah School Systems, we are deeply committed to cultivating well-rounded educational experiences that encompass diverse facets of learning. Our investment in exceptional educators is a pivotal component of our strategy, aimed at equipping our students with the confidence and skills necessary to confront the challenges of the modern world. Our ultimate goal is to create an environment where each student can not only excel academically but also thrive socially and emotionally. Through this comprehensive approach, we aspire to mold our students into confident and successful citizens, poised to make meaningful contributions within their communities and on a global scale.

RESCUE 1122 TRAINING SESSION AT ILMGAH SCHOOL SYSTEMS

The Head Principal of Ilmgah School Systems extended a gracious invitation to the distinguished team from Rescue 1122 to conduct a comprehensive first aid tutorial for the students at the Basit Campus. In response, the Rescue 1122 team readily accepted the invitation and visited the IGS premises. Mr. Uzair, the Station Head at Rescue 1122 Township Lahore, accompanied by his esteemed colleague, Mr. Naveed, facilitated the educational session by providing practical demonstrations across various emergency scenarios.

During the tutorial, students were actively engaged in the learning process and were given the opportunity to don rescue cadet gear while participating in simulated rescue drills designed for various emergency situations. Moreover, the entire staff present had the privilege of gaining invaluable insights into essential first aid procedures under the expert guidance.

Mr. Uzair further enriched the educational experience by sharing real-life incidents, thereby offering a deeper understanding of the roles and skills required of a dedicated rescue worker. This collaborative effort proved to be an enriching and enlightening experience for all the students in attendance.

Additionally, it is noteworthy that some of the students displayed a keen interest in exploring the process of registering as junior cadets in the esteemed Rescue Force, highlighting the impact and inspiration instilled by this valuable interaction.

PUTTING HEALTH FIRST; ANNUAL MEDICAL CHECKUPS FOR ILMGAH SCHOOL SYSTEMS STAFF

HTL is deeply committed to the well-being of our custodial staff at Ilmgah School Systems. We provide regular medical checkups and tests, conducted by a dedicated medical team, to ensure their health is prioritized. In addition, personalized medical guidance is offered based on individual reports.

Recognizing the importance of our teaching and faculty staff's well-being, we've launched an exclusive health insurance policy for them. An orientation session was held on-site, where HR distributed health insurance cards, further emphasizing our commitment to their health and security.

RISING TOGETHER; SCHOOL STUDENTS MAKING WAVES OF HOPE IN FLOOD RELIEF EFFORTS

The Sabra Hamida Trust, in its ongoing commitment to community support, including education and disaster relief, witnessed a significant response from the Ilmgah School Systems during a devastating flood in Pakistan. The school organized fundraisers, held prayer assemblies, and collected donations to aid flood victims, demonstrating their dedication to helping those in need during challenging times.

NURTURING FUTURE; GUIDING THE WAY THROUGH MENTORSHIP

HTL has consistently upheld the profound value of mentorship within the realm of education. We firmly believe that mentorship plays a pivotal role in nurturing the growth of school children, providing them with the guidance of experienced mentors to comprehend their career preferences, ignite enthusiasm, and establish clear future goals and objectives.

Through the HTL Mentorship Program, we have had the privilege of hosting a cadre of accomplished and skilled professionals at Ilmgah School Systems (IGS). These professionals have engaged in interactive sessions with both male and female students, leaving a lasting impact on the entire IGS community. Distinguished individuals such as Mr. Imran Rafique, Mr. Shahzad Sohail, Mr. Umer, and Mr. Sheikh Imran, among numerous others, have contributed significantly to the enrichment of the IGS team.

Notably, Mr. Syed Asad, a mentor of exceptional kindness and humility, traveled from the United Kingdom to visit our institution. His visit marked a momentous occasion as he inaugurated the ILMGAH Computer Center. Mr. Asad's unwavering ambition and determination infused a renewed sense of positivity and vigor into the entire IGS community, thereby inspiring us to reach greater heights.

IGS SCHOOL CRICKET CARNIVAL: UNITING YOUNG STARS IN THE SPIRIT OF SPORTSMANSHIP

The Sabra Hamida Trust has consistently encouraged co-curricular activities alongside academic excellence. Recently, at Ilmgah School Systems (IGS), a spirited cricket tournament was organized by Mr. Umair, involving four IGS teams. Each team received custom sports kits, and impartial umpires were invited from the Head Office to oversee the matches. The event was attended by the entire IGS staff, providing enthusiastic support to the young athletes at the Whites Cricket Club Township. Such activities, while promoting confidence among students, also offer a welcome break from their academic routines. Mr. Muhammad Ashraf, Head of the IT department at HTL, honored the winners and runners-up with trophies, adding a professional touch to the celebration.

IGS STUDENTS EXPLORING THE JOY OF VEGETABLE GARDENING

IGS students, with the guidance of Mr. Osama from the agriculture department, have initiated their own vegetable garden. The aim is to cultivate organic vegetables, free from pesticides and chemicals, for domestic use. Mr. Osama taught them how to utilize waste materials like bottles, bags, and buckets for home vegetable farming. This initiative encourages environmental awareness and self-sufficiency among students.

ILMGAH SCHOOL SYSTEMS ACHIEVES EXCELLENCE IN MATRICULATION RESULTS

The announcement of the BISE result for matriculation marks a highly anticipated annual occurrence for our institution. We are delighted to share that the students of Ilmgah School Systems (IGS) have once again delivered exceptional performances during the BISE 21-22 examinations. Notably, we achieved a remarkable 100% pass rate, with an impressive 85% of our candidates securing distinction in multiple subjects.

In recognition of this outstanding achievement, a special ceremony was convened by the Head Principal to commend the dedicated efforts of our senior class teachers. The founders of IGS were honored guests at this prestigious event, adding gravitas to the occasion. Their presence was instrumental in underscoring the significance of this accomplishment and reinforcing their unwavering support for our institution.

The event was marked by profound sentiments and expressions of gratitude, as attendees reflected on the collective hard work of our students and teachers. It served as a poignant reminder of the milestones we have achieved together and kindled the hope and determination to reach even greater heights in the future. This celebration exemplified our commitment to academic excellence and the pursuit of continuous improvement.

IGS TEACHERS MASTERING COMMUNICATION SKILLS

Ms. Shafaq, as part of her proactive engagement with Ilmgah School Systems (IGS), orchestrated an engaging and interactive session tailored for the benefit of IGS teachers. This session featured two distinguished speakers, Ms. Durdana and Ms. Arifa, who each contributed their insights and expertise.

Ms. Durdana, a remarkable orator, eloquently elucidated the paramount importance of effective communication skills for educators in the contemporary era. Her delivery was further enriched by the inclusion of insightful anecdotes, which resonated well with the attending teachers, making her a captivating and enlightening speaker.

Ms. Arifa, in her address, illuminated the spiritual dimension of being a mentor and an educator. Her perspective added depth to the session, emphasizing the holistic role teachers play in shaping not just academic minds but also nurturing the inner development of their students.

The presence and wisdom of these two distinguished women greatly enriched the IGS community, offering valuable perspectives and inspiration to our faculty. It was indeed a privilege to host Ms. Durdana and Ms. Arifa at IGS.

SUBJECT-SPECIFIC TRAINING WORKSHOPS & EARLY YEARS COACHING

HTL has consistently demonstrated a profound commitment to professional development, recognizing its pivotal role in enhancing the capabilities of IGS teaching staff. To ensure that our educators possess the requisite skills and knowledge, we conduct regular training needs assessments. These assessments inform the creation of tailored training programs and workshops designed to refine and augment teaching abilities.

In the current year, our Head Principal, Ms. Iffat, and Ms. Shafaq, have taken a strategic approach by emphasizing subject-centric training sessions as opposed to generalized workshops. In pursuit of this objective, Ms. Shafaq engaged the expertise of Ms. Hamna, a distinguished trainer in the field of education. Ms. Hamna diligently devised a comprehensive teaching plan tailored to the unique needs of our educators. Her sessions were marked by a high degree of engagement and proved immensely beneficial to our teaching staff.

In addition to our dedication to professional development, IGS has enjoyed a vibrant year filled with engaging events. Notably, we celebrated Independence Day on the 14th of August, and later, in December, our much-anticipated annual Bonfire event took place. Both functions were marked by enthusiastic student participation and contributed to their overall success.

These experiences serve to foster a sense of belonging and appreciation within the IGS community, reinforcing our commitment to holistic education and the well-rounded development of our students.




























INITIATIVES FOR THE HEALTH **AND WELLBEING OF COMMUNITY**

HTL, as an organization deeply committed to its social responsibilities, proactively engages in addressing the existing gaps within the healthcare sector. We firmly hold the belief that a healthy body is fundamental to nurturing a healthy mind. As a testament to this belief, we have elevated Healthcare and Well-being as a pivotal pillar within our Corporate Social Responsibility (CSR) strategy.

Our unwavering commitment is rooted in the conviction that we can effect meaningful change. To this end, HTL actively seeks collaborative opportunities to actualize our core mission: saving lives and promoting overall well-being. We consistently channel significant resources and effort into aligning with ongoing initiatives that share our objectives.

Our ultimate aim is to facilitate universal access to quality healthcare, transcending societal divisions and ensuring that every individual can benefit from comprehensive healthcare services. In this pursuit, HTL remains resolute, steadfastly contributing to the collective endeavor of fostering a healthier and more prosperous society.

MEDICAL CAMP IN COLLABORATION WITH TRANSPARENT HANDS

On March 23, 2023, a collaborative effort between our organization and Transparent Hands resulted in a free medical camp held in Sundar Industrial Estate, Lahore, for the underprivileged community of Bhaikot. The camp featured a team of three doctors, a female nurse, a pharmacist, and eight organizers, with Mr. Chaudhary Asif Ali Jutt Sindhu serving as the local coordinator. During this one-day event, the community received free physical examinations, blood sugar tests, and blood pressure assessments. The medical team also provided free consultations, particularly addressing female-specific health concerns. A total of 344 patients benefited from this initiative, aligning with our commitment to equitable healthcare access and the betterment of society.

HTL OBSERVED BREAST CANCER AWARENESS MONTH

Globally, the month of October assumes a significant role as Breast Cancer Awareness Month, dedicated to raising awareness about breast cancer. HTL consistently collaborates annually with the Shaukat Khanum Cancer Memorial & Research Centre in their campaign to foster awareness regarding cancer. Our unwavering belief rests on the premise that sustained awareness initiatives can contribute to reducing the risk of cancer.

In this vein, HTL organized an exclusive one-hour session, engaging the entirety of the HTL female community nationwide. This session distinguished itself by featuring a guest speaker who, notably, is a cancer survivor. Her courageous and inspiring journey in battling cancer served as a profound testament to resilience and hope.

Concurrently, Dr. Maira, through a meticulously crafted series of videos, effectively communicated the critical importance of early detection and diagnosis in the context of breast cancer. The session, therefore, embodied a potent reminder of the significance of raising awareness and galvanizing collective action in the ongoing fight against breast cancer.

This collaborative endeavor underscores HTL's commitment to corporate social responsibility and its dedication to promoting health and well-being within the broader community. It exemplifies our unwavering resolve to contribute meaningfully to the cause of breast cancer awareness and prevention.

SOCIAL AWARENESS CAMPAIGN ON NO SMOKING

HTL, in collaboration with the Shaukat Khanum Memorial Cancer Hospital & Research Centre, orchestrated a significant event to commemorate World No Tobacco Day in 2022. This momentous occasion entailed a purposeful sixty-minute session thoughtfully designed to mark this global event.

The primary objective of this workshop was to heighten awareness concerning the perils associated with tobacco consumption. The keynote speaker presented sobering statistics, underscoring the grim reality that tobacco usage claims the lives of over 8 million individuals annually. Moreover, the workshop shed light on the adverse environmental impact attributed to tobacco throughout its entire life cycle, spanning cultivation, production, distribution, consumption, and post-consumer waste.

The workshop proved to be both captivating and interactive, fostering an environment of engaged participation. It culminated with a constructive question-and-answer segment that actively involved the attendees, thereby contributing to the dissemination of valuable insights and knowledge regarding the profound ramifications of tobacco use. This collaborative effort reflects HTL's unwavering commitment to public health and underscores our dedication to raising awareness about the dangers posed by tobacco consumption.

HTL OBSERVED WORLD DONOR DAY

Blood is a symbol of life, and the Sundas Foundation is widely recognized for its work in helping individuals suffering from thalassemia and hemophilia. HTL Group proudly supports their life-saving mission by organizing blood donation campaigns. These campaigns began with a camp at the Blending Plant & Warehouse in Sundar and extended nationwide to HTL Offices in Lahore, Islamabad, and Karachi. The turnout of enthusiastic donors was significant, demonstrating strong support for this cause. These initiatives not only save lives but also raise awareness about the health benefits of blood donation and promote civic duty. HTL Group remains committed to its corporate social responsibility, bringing hope and vitality to those in need.

REBUILDING LIVES, RESTORING HOPE FOR FLOOD VICTIMS OF BALUCHISTAN, SINDH AND PUNJAB

In August '23, Pakistan faced an unparalleled challenge as the nation grappled with the devastating consequences of extensive flooding that wreaked havoc across Baluchistan, Sindh, and Punjab. This calamity stands as one of the most severe natural disasters in the country's history, leaving an indelible mark on the collective memory of its people.

This formidable trial extended its impact far beyond those directly affected by the catastrophe, serving as a litmus test for our nation's ability to respond swiftly and effectively to such a critical emergency. It was a moment when our resilience and capacity to rebuild lives were rigorously evaluated—an ordeal presented to us by forces beyond our control.

In the face of this immense tragedy, our commitment to providing aid and support remained unwavering, recognizing it as a divine calling. HTL's management dedicated themselves wholeheartedly to this cause, leaving no stone unturned in our pursuit of avenues to offer the utmost assistance to those affected.

Our proactive approach manifested in collective monetary contributions amounting to approximately 3 Million through Sabra Hamida Trust and HTL, which were channeled to the Alkhidmat Foundation. This tangible expression of our commitment exemplifies our determination to extend a helping hand to affected individuals and families in the most effective and compassionate manner possible.

In this challenging period, we stood together as a nation, demonstrating resilience, unity, and unwavering compassion for our fellow citizens in their time of need.

WOMEN'S DAY CELEBRATION

International Women's Day, celebrated annually on the 8th of March, serves as a momentous occasion to honor and celebrate the remarkable accomplishments of women who play multifaceted roles in society. At HTL, we deeply value the recognition and celebration of the achievements of our female employees, as we understand the profound impact it has on morale and the cultivation of a positive workplace atmosphere.

In alignment with this belief, HTL took a deliberate step to express its profound appreciation for the contributions of its female workforce. This appreciation was manifest through the provision of a special Lunch buffet—an opportunity for our female staff to partake in a moment of respite, relaxation, and socialization. This well-considered arrangement served as a means for our female employees to unwind and de-stress, providing a welcome reprieve from their regular work routines.

Such initiatives underscore our commitment to fostering an inclusive and supportive work environment, one that recognizes and values the diverse talents and contributions of employees. It is through such collective efforts that we continue to uphold the spirit and principles of International Women's Day.

ENVIRONMENTAL **PROTECTION MEASURES**

The preservation and stewardship of the environment stand as fundamental tenets within HTL's core business ethos. We regard the well-being of the environment as a paramount responsibility, and we are unwavering in our commitment to aligning our actions with the cause of environmental conservation.

Our proactive engagement in eco-friendly practices is exemplified through our Greener Pakistan Initiative, a concerted effort that has yielded substantial positive impacts. Through this initiative, we have extended our reach to numerous educational institutions, including colleges, schools, universities, and vocational training institutes. Here, we have fervently championed the cause of tree planting, recognizing the pivotal role it plays in securing a more sustainable future for our planet and for generations yet to come.

It is incumbent upon us to acknowledge the potential deleterious effects on our collective health should we fail to urgently and appropriately address environmental concerns. Throughout the period under review, we have demonstrated remarkable progress in our tree-planting endeavors across diverse locations, thereby further cementing our steadfast dedication to the cause of environmental sustainability.

CERTIFICATIONS ACQUIRED FOR BEST **SUSTAINABILITY AND CSR PRACTICES**

HTL has made a profound history of achievements toward best business practices and sustainability as shown below;

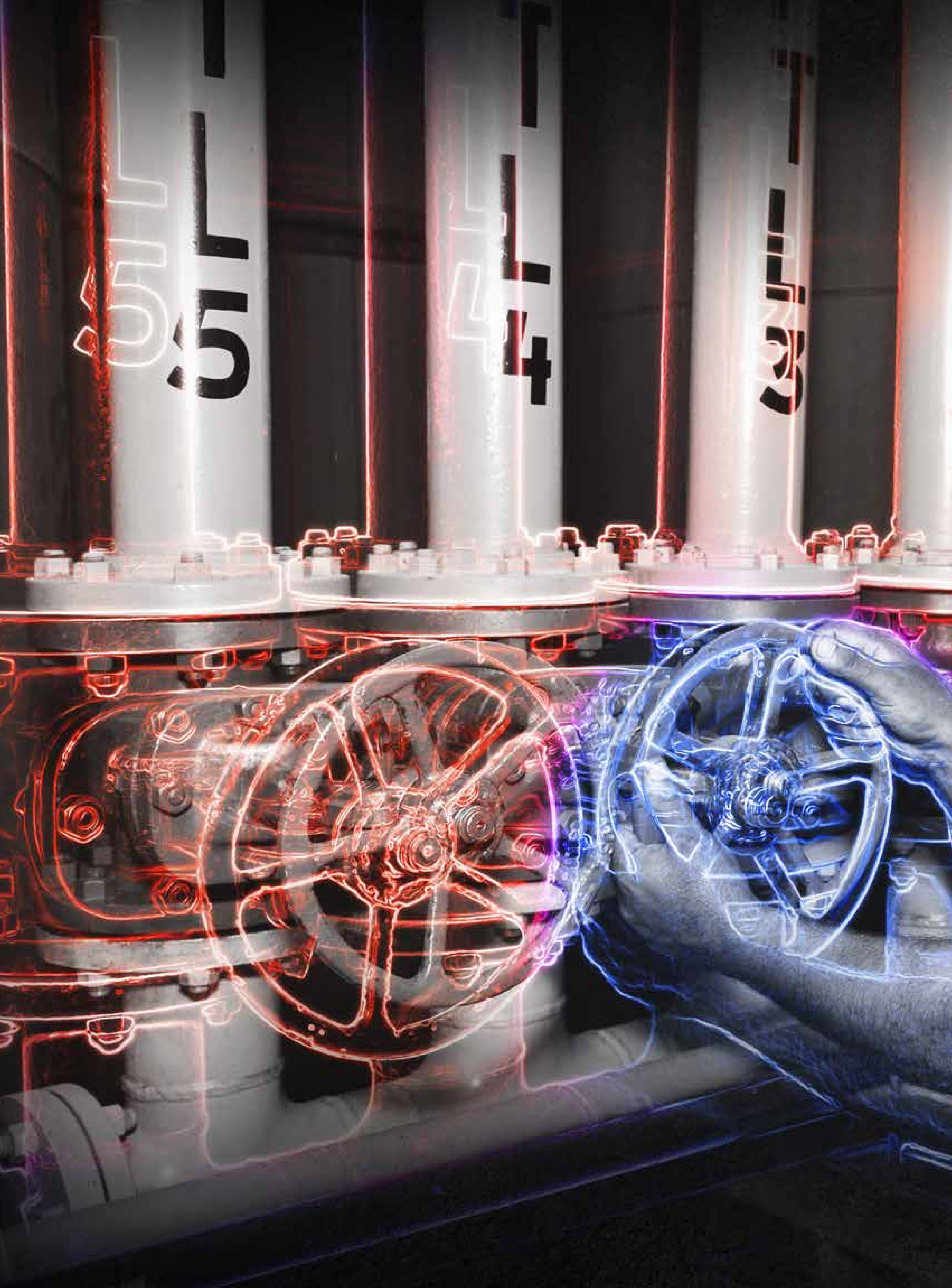
Award	Category	Year	Host
Business excellence award	First position in small business enterprises	2013-14	UN Global Network Pakistan
Business Excellence Award	Second Position in Large National Category	2015-16	UN Global Network Pakistan
Living the Global Compact Sustainability Award	First Position in Large National Companies	2017	UN Global Network Pakistan
Living the Global Compact Sustainability Award	Second Position in Large National Companies	2018	UN Global Network Pakistan
Living the Global Compact Sustainability Award	First Position in Large National Companies	2019	UN Global Network Pakistan
Living the Global Compact Sustainability Award	Second Position in Large National Companies	2020	UN Global Network Pakistan
Living the Global Compact Sustainability Award	Second Position in Large National Companies	2021	UN Global Network Pakistan

UNITED NATIONS SUSTAINABLE DEVELOPMENT **GOALS 2030 AS OUR ROAD MAP TOWARDS A SUSTAINABLE SOCIETY**

HTL has embraced the United Nations Sustainable Development Goals (SDGs) as a foundational blueprint for our strategic journey toward sustainability. In the present year and beyond, our steadfast commitment to aligning our practices with these Global Goals by 2030 remains resolute. The incorporation of the SDGs has illuminated our path, guiding us to perceive sustainable development as an inherent business response to the challenges confronting our society. We recognize the imperative of utilizing business-driven approaches to engender enduring economic growth, address societal needs, and empower communities. The UN Sustainable Development Goals furnish us with a shared framework and a well-defined roadmap to strive towards a better future. We regard the SDGs as a mutually beneficial opportunity, one that not only advances the betterment of the world for future generations but also aligns seamlessly with our vision of becoming a value-driven, sustainable company.

Out of the 17 United Nations goals, we have purposefully integrated twelve SDGs into our business operations. Furthermore, we have diligently crafted action plans to seamlessly incorporate sustainable development principles into our overarching business strategy. This integrated approach underscores our commitment to contributing meaningfully to the achievement of these critical global objectives.

GOAL	WHAT IT MEANS TO US	EXAMPLES OF OUR CONTRIBUTION
1 NO POVERTY	Our aim: End poverty through social protection, community welfare, and access to basic services for our employees and local vulnerable communities via inclusive growth.	HTL prioritizes employee empowerment with competitive pay packages, in compliance with minimum wage laws. As a socially responsible Company, we address the needs of the underprivileged through CSR initiatives, especially during natural calamities and environmental challenges.
3 GOOD HEALTH AND WELL-BEING	Our aspiration: Ensure employee safety and enhance access to quality, affordable healthcare for both our employees and local communities.	Our HSE function ensures strict adherence to industry-leading Occupational Health, Safety, and Environmental practices. HTL implements healthcare initiatives for employees and local communities, prioritizing well-being and community health.
4 QUALITY EDUCATION	Our aim is to provide quality education to the underprivileged segments of the community.	Education holds a central place in Company's CSR strategy. Through the Sabra Hamida Trust, we operate Ilam Gah School System, dedicated to serving the underprivileged segments of the community.
5 GENDER EQUALITY	Our aim is to foster gender equality, ensure a safe workplace, and provide equal opportunities and compensation for all employees.	We are a proud equal opportunity employer, dedicated to promoting gender diversity across all organizational levels. We offer equal opportunities, compensation, and benefits to our female employees as we do to their male counterparts. Women are represented at all organizational levels, including the Board of Directors. We have policies ensuring a harassment-free workplace for female employees.
6 CLEAN WATER AND SANITATION	Incorporating water conservation into our business strategies for a sustainable future.	Installation of RO plant Bhai Kot Sundar Lahore to provide safe and clean drinking water for the community. Installation of various clean water pumps in village areas.
7 AFFORDABLE AND CLEAN ENERGY	Increase the use of clean energy at the Company's production facilities and utilize technology to provide solar energy solutions to the community.	HTL has successfully installed Solar Energy Power Project at Hi-Tech Blending (Private) Limited its wholly owned subsidiary company
8 DECENT WORK AND ECONOMIC GROWTH	To be a preferred employer, promote holistic economic growth, train youth for enhanced employability, and upskill our current workforce.	HTL provides comprehensive employee facilities, including competitive pay, safe workplaces, healthcare, equal opportunities, and gender diversity. We prioritize employee training and upskilling for economic growth.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Our goal: Sustainable economic growth through responsible industrialization, improving living standards and access to life's essentials for all.	HTL embraces industry innovations and invests in infrastructure development.
10 REDUCED INEQUALITIES	We aim to reduce inequalities by providing equal access to opportunities through leadership, network, and technology solutions.	HTL upholds strict HR policies for equal and fair compensation, gender promotion, merit-based hiring, and cultural diversity.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	We are committed to the responsible management of our operations, reducing our environmental footprint, and fostering responsible conduct among all our stakeholders.	As an environmentally conscious company, we take pride in advocating for sustainable business practices throughout our value chain and in public forums.
13 CLIMATE ACTION	Our objective is to expedite action on mitigating the impact of climate change.	HTL is actively engaged in an ongoing tree plantation drive to protect the environment.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	We are dedicated to the responsible and ethical management of our operations. Our commitment includes promoting transparency and accountability in all interactions with both internal and external stakeholders.	Our Anti-Bribery and Corruption Policy is an integral component of our code of conduct. We firmly discourage all forms of such behavior, emphasizing our commitment to ensuring equal and equitable opportunities for all.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HUMAN
RESOURCES

Our company thrives on a foundation of exceptional human resources, cultivating a dynamic and skilled workforce that propels us towards excellence and innovation.

HUMAN RESOURCE **EXCELLENCE**

As we advance along our growth trajectory, the role and development of our human resources assume ever-greater significance. HTL has consistently demonstrated a commendable track record in the recruitment of highly skilled professionals across all functional domains. This meticulous selection process ensures that each department is staffed with individuals possessing the requisite qualifications, extensive experience, and unwavering commitment to professionalism. Such an approach plays a pivotal role in our ability to attract and retain a cadre of capable employees.

Our fundamental belief centers on the cultivation and retention of a motivated workforce, fully equipped to lead the company in the pursuit of its overarching vision and mission. This is made possible through a dedicated emphasis on comprehensive training and development programs, complemented by competitive compensation packages benchmarked against prevailing market standards. Our forward-looking and progressive succession planning policy is strategically designed to nurture and groom existing talent, empowering them to assume key strategic roles in the future. This holistic approach ensures that our workforce remains not only competent but also poised to navigate the evolving landscape of our industry.

HIGHLIGHTS OF **2022-2023**

This report provides an overview of the activities and accomplishments of the Human Resources Division that were initiated and completed between July 2022 and June 2023, under the guidance of the HRRC. The report focuses on the strategic initiatives, employee engagement endeavors, talent management strategies, corporate social responsibility initiatives, and the overall performance of the HR Division during this period.

BRAND YOURSELF

HTL's Training & Development program is intricately structured to evaluate and enhance the job performance of its workforce. These meticulously crafted training initiatives primarily concentrate on augmenting technical competencies and cultivating essential soft skills, critical for sustained career advancement and resilience. In alignment with this overarching objective, the HR department organized a bespoke two-day training workshop titled "Brand Yourself," led by Dr. Mehwish Baig.

This specialized training was thoughtfully customized for operational staff, spanning from executives to deputy managers. It aimed to enhance communication skills, negotiation techniques and cultivate a positive attitude among the participants. By equipping them with these skills, the program aimed to empower participants to exercise choice and control during various types of conversations, influence others without formal authority, and enhance the quality of relationships within the workplace and overall productivity.

The feedback received from the training session was highly positive, with a satisfaction level of 90% among the attendees.

CULTURAL TRANSFORMATION PROGRAM

At HTL Group, we firmly believe that our people are our most valuable asset. It is the dedication, commitment, and drive of our employees that have shaped us into the organization we are today. Despite the challenges and adversities faced by others in our industry, we have forged ahead as a united family with a clear sense of purpose. To further strengthen our foundation, we engaged Gadlang Management Consultant to evaluate our existing Vision, Mission, and Values frameworks and chart a path forward.

The first phase of this project took place on September 13th, 2022, involving the Board members. The focus of the workshop was to revalidate our vision and mission, establishing a desired state for the future of HTL Group. The second phase, which occurred from September 14th to 16th, 2022, included a diverse representation from various departments. The primary goals of this phase were to communicate the new Vision and Mission statements and redefine the Values and Competencies necessary to achieve them. Heads of Departments (HODs) and cross-functional departmental attendees of the organization were invited to participate in three-hour workshops. These workshops helped in formulating a new competency framework and developing from-to statements. Multiple sessions were conducted, with each session accommodating up to 20 participants, to ensure that views of all the employees are received and comprehensive data collection is facilitated for thorough analysis.

The outcomes led to the next stage of our transformation journey, where we focused on establishing a High-Performance Management System. This included areas such as Departmental Key Performance Indicators (KPIs), revising Critical Role Job Descriptions, revamping the Performance and Development Review (PDR) process, and validating Key Results Areas (KRAs). Our ultimate goal was to position the organization not only as a regional trendsetter but also as a global benchmark for best practices in our industry.

CONSULTATIVE SELLING SKILLS TRAINING - SALES ZIC M

The sales team plays a crucial role in any company as they contribute significantly to achieving the organization's strategic business goals. To enhance the skills, motivation, and enthusiasm of our sales team of ZIC M department, the HR department organized a one-day training session for the North and Central regions. The primary focus of this session was on "Consultative Selling Skills." We invited Mr. Rizwan Bashir, a renowned expert from the leading Pakistan Society for Training & Development, to conduct the training. Mr. Bashir specializes in various areas such as strategic sales management, transforming strategy into action (SIA), distribution management

and supply chain, total quality management, change management, key account management, negotiation skills, category management, coaching, mentoring, team building skills, in-store merchandising, and sales promotions (brand activation). The training session aimed to equip our sales team with the necessary expertise to excel in their roles and deliver exceptional results. The attendees appreciated the training program and acknowledged the value of the knowledge gained thereby.

SELLING MAGIC FOR SALE ZIC

To enhance the skill set, motivation, and enthusiasm of our sales team, the HR department organized a one-day training session for the North, South, and Central regions. The central theme and core focus of the session was "Selling Magic". Mr. Kamran Saeed was invited to lead the training. Mr. Kamran Saeed is a certified trainer from Franklin Covey since 2006 and brings extensive experience to the table. He has successfully conducted over 300 trainings for more than 50 organizations, covering a wide range of topics such as behavior change, selling techniques, branding, team building, human resource functions, communication skills, presentation skills, customer service, professional grooming, management skills, and leadership. Mr. Saeed's expertise lies in sales, marketing, operations, supply chain management,

business development, and international business. The training session aimed to equip our sales team with the necessary knowledge and skills to excel in their roles, drive sales growth, and deliver exceptional customer experiences.

LEADERSHIP AND MANAGEMENT SKILLS

HTL's Training & Development program is meticulously designed to gauge improvements in employees' job performance. In line with the identified needs from the Year 2023 Training Needs Assessment (TNA) and Individual Development Plans (IDPs) for HTL Group, the HR Department crafted a training program, aimed at enhancing participants' Leadership & Management Skills through engaging and activity-based learning experiences. The goal

was to transform their approach to both life in general and the workplace in particular. Ultimately, this workshop aimed to empower participants and the organization to thrive and succeed in a rapidly changing and competitive business environment. Mr. Fraz Aslam from the Pakistan Society for Training & Development (PSTD) lead the training. The feedback received from the training session was highly positive, with an attendee satisfaction level of 88%.

14TH AUGUST (PAKISTAN INDEPENDENCE DAY)

Hi-Tech Lubricants Limited observed Pakistan's Independence Day on August 12th, 2022, in a modest and respectful manner. The commemoration began with a flag-hoisting ceremony at the Head Office at 11:00 am. The occasion provided an opportunity to reflect on the historical significance of August 14th and remember the sacrifices and struggles that paved the way for the creation of Pakistan and also to pledge our total devotion to the attainment of national goals.

RECOGNIZING HIPO – 2022

HTL promotes the integration of effective methods into its governance system, which consistently supports the growth and long-term viability of the organization. One of these practices is the identification of High Potential Employees (HIPOs). HTL's strategy for training and development encompasses the establishment, recognition, evaluation, and nurturing of its most promising individuals. As a result, HTL acknowledged and honored the High Potential Employee for the year 2022, who exhibited the capability, drive, and dedication

to advance to more demanding roles within their respective positions. In order to recognize their accomplishments, Human Resource Department organized and arranged a 3-day recreational trip which included a visit to Ayubia, Nathia Gali & Murree with a range of activities that were performed to motivate and celebrate their achievements

UNIVERSITY OF ENGINEERING & TECHNOLOGY INDUSTRIAL TOUR

Human Resource Department at HTL Group arranged and organized the Industrial Tour at its plant for the students of the University of Engineering & Technology from the Department of Polymer & Process Engineering who were accompanied by their Teachers. The main objective of the visit was to provide the students with an awareness of how various departments and activities are carried out in the company and also to give them a feel of professional life after the completion of their studies. It provided students a chance to relate their theoretical knowledge to actual industrial practices through interaction, working methods, and employment processes in large industries. The visit helped in fulfilling the organization's corporate social responsibility obligations and also helped in building links with the university that enhanced the brand image of our organization.

The Human Resource Department at HTL Group meticulously orchestrated and executed an Industrial Tour at our plant site. This tour was exclusively designed for students hailing from the Department of Polymer & Process Engineering at the esteemed University of Engineering & Technology, accompanied by their faculty members.

The primary aim of this visit was to afford the students a comprehensive understanding of the myriad departments and operational facets within our organization. Additionally, it sought to offer them a glimpse into the dynamics

of professional life post their academic journey. This experiential exposure provided a unique opportunity for students to bridge the gap between their theoretical knowledge and the practical realities of industrial operations. It facilitated engagement through interactions, observation of working methodologies, and insight into employment procedures inherent in large-scale industries.

Beyond its academic relevance, this visit also underscored our commitment to corporate social responsibility by fostering educational initiatives. Moreover, it established valuable connections with the university, augmenting our

organization's brand image and reinforcing our dedication to the development of future talent in the industry.

WORLD FOOD SAFETY DAY:

World Food Safety Day, observed annually on June 7th, serves as a dedicated occasion to promote the prevention, detection, and management of illnesses arising from the consumption of unsafe food. Its primary objective is to underscore the critical importance of the safe handling, storage, and preparation of food, with the ultimate aim of averting illnesses and safeguarding the health and well-being of individuals and communities on a global scale.

The Human Resource Department of HTL Group recently orchestrated a food safety-focused event, specifically tailored for the personnel operating within the Food Packaging unit. The primary intent of this initiative was to instill a heightened sense of awareness among the workforce while fostering a secure working environment. The session's core components included educational activities and interactive dialogues, with a noteworthy segment dedicated to the creation of informative posters that underscored key food safety practices. These materials were subsequently distributed to employees during the event and prominently displayed in common areas.

The session comprehensively covered an array of topics pertaining to food safety, encompassing personal hygiene, cross-contamination prevention, proper hand-washing protocols, allergen management, and temperature control. Attendees were afforded practical demonstrations to reinforce the correct techniques for the safe handling of food, thereby enhancing overall awareness and ensuring the well-being of our workforce.

VOICE OF EMPLOYEE SURVEY

The HR Department conducts the Voice of Employee Survey twice a year. Employee surveys bring numerous advantages to organizations. They offer valuable information about employee engagement, satisfaction, and overall well-being. By actively seeking employee feedback and ideas, surveys promote a culture of transparency and active participation. They assist in pinpointing areas that need improvement, guiding decision-making processes, and assessing progress over time. Surveys also contribute to recognizing and retaining employees, as well as managing talent effectively. In summary, employee surveys enable organizations to improve their work environment, address concerns, and foster positive growth within the organization. Based on the valuable feedback received from our employees, we are delighted to announce that there has been an overall satisfaction rate of 83% from July 2022 to December 2022, and 82% from January 2023 to June 2023, across the entire Hi-Tech Group workforce.

MARKETING **EXCELLENCE**

Marketing is the core of our company's success, propelling brand recognition, fostering customer engagement, and securing market share through our innovative strategies and impactful campaigns. Our commitment to delivering results in this dynamic field is unwavering.


SK
ZIC
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FULLY SYNTHETIC
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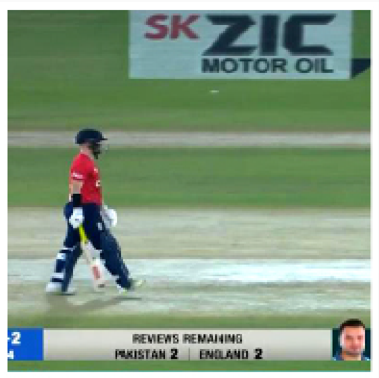
MARKETING EXCELLENCE

CRICKET OUR **PASSION**

In the realm of sports, cricket occupies a distinctive and cherished position in Pakistan, transcending its status as a mere game to become a national passion that unites the entire nation. With an unparalleled following, cricket boasts millions of fervent fans who ardently support the national team in every match. During the year, SK ZIC sponsored several significant cricketing events, including the Pakistan Vs New Zealand Series, Pakistan Vs England Series, and the Pakistan Junior League. Our sponsorship endeavors were not only aimed at establishing strong affiliations with key stakeholders but also at conveying our new product verification methods through initiatives such as the “Peel off Super Lucky Draw” and the “Red Tag Label Campaign.” To effectively communicate these innovations, we devised a creative Below-The-Line (BTL) concept featuring life-sized 11-ft bottles adorned with SMD screens and LED strips. These installations prominently showcased the Red Tag Peel Off Label and highlighted HTL Stations. During the Pakistan Vs New Zealand series, we strategically placed the OMC pylon alongside the ZIC bottle, while in the Pakistan Vs England series, we incorporated a life-sized mobile screen next to the ZIC bottle to illustrate the product verification process. This dynamic approach not only conveyed the verification process but also broke through the visual clutter, leaving a lasting impact on viewers. With repeated exposure during match broadcasts, pre-match discussions, and post-match analyses, our brand successfully established a strong presence in the minds of the audience, solidifying the connection between SK ZIC and this beloved sport. Furthermore, SK ZIC leveraged these cricket series to engage with our target audience through interactive campaigns, contests, and giveaways that were closely tied to the matches, enhancing our brand’s visibility and resonance.



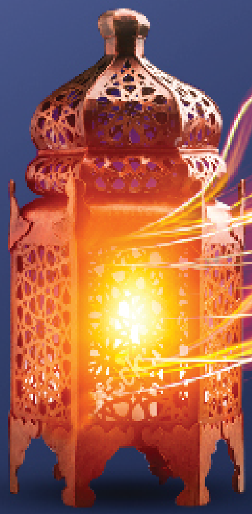
HTL EXPRESS **& HTL STATIONS**

During the year, HTL expanded its network by introducing new HTL Stations and HTL Express centers. To maintain a strong and consistent brand presence, these additions were meticulously branded in alignment with HTL's established guidelines. This approach ensures that all outlets share a unified and recognizable brand identity. This uniform branding strategy is essential in effectively communicating a cohesive message to our target audience. It not only strengthens brand recognition but also fosters customer loyalty and trust. Recognizing the importance of connecting with the younger generation, HTL Stations implemented a thoughtful initiative. They distributed toy erasers, key chains, and flag badges to children who visited the HTL Stations. This initiative was aimed at leaving a lasting impression on the future generation of customers and building trust and loyalty with our valued clientele. The act was met with high appreciation from all customers, further strengthening the positive rapport between HTL and its customer base.

REHMATO BHARI MANZIL

RING ROAD **POLICE IFTAR BOX**

During Ramadan, HTL demonstrated its commitment to community support by distributing Iftar boxes to the dedicated on duty Ring Road police officers. This thoughtful initiative aimed to strengthen the bond between HTL and the broader society, particularly those who work tirelessly to maintain law and order. The gesture was greatly appreciated by the police department and served as a meaningful way to recognize and acknowledge the efforts of individuals dedicated to serving the community.



MYSTERY SHOPPER ACTIVITY

In the highly competitive lubricant market, the role of retailers is undeniably pivotal. They wield significant influence in the decision-making process when customers are selecting and seeking recommendations for engine oils. Recognizing the critical importance of nurturing and fortifying our sales and retailer relationships, as well as incentivizing our retailers to advocate for ZIC products, we introduced a Mystery Shopper Activity. This initiative was meticulously crafted to evaluate, foster, and strengthen our ties with retailers while encouraging them to endorse ZIC as their preferred lubricant brand. ZIC, renowned for its premium quality and exceptional performance, sought to ensure that this reputation was not only upheld but also amplified through the active endorsement of our valued retailers. The Mystery Shopper Activity was executed nationally, encompassing multiple retailers and involving over 1500 visits. As a gesture of appreciation and motivation, retailers who recommended ZIC to their customers were rewarded with a celebratory event and an exclusive "golden ticket." The on-site festivity not only cultivated a positive rapport with our retailers but also stirred the interest of other stakeholders, enticing them to engage with ZIC. This activity assisted in boosting sales, fostered stronger trade relationships and promising positive outcomes in the long run.

RAMADAN **HOTEL ACTIVITY**

During the Ramadan period, the hoteling industry experiences a significant increase in foot fall, particularly during Iftar. Recognizing this unique opportunity, HTL ZIC strategically partnered with renowned hotels nationwide to enhance our brand presence, encourage trial, and boost foot fall at our HTL Stations and express centers. Our brand's value proposition was prominently showcased at high-foot fall areas within these hotels. Additionally, we introduced a creative marketing initiative where Free Oil Change vouchers were offered as prizes through lucky draws held during the Iftar buffets. This approach not only generated a positive brand association but also contributed to our marketing objectives in a highly competitive market.

TRAFFIC **POLICE**

HTL has consistently recognized and appreciated the dedicated services rendered by the traffic police force, particularly unwavering commitment to performing their duties in challenging weather conditions. In alignment with our ongoing commitment to support and facilitate their crucial work, we undertook a significant initiative during this year. Our efforts focused on the refurbishment and enhancement of traffic police cabins strategically located throughout Lahore City. Furthermore, as part of our commitment to their well-being and operational effectiveness, we distributed umbrellas to traffic police officers stationed at various critical points across the Lahore City. This provision was aimed at assisting them in performing their duties seamlessly, irrespective of adverse weather conditions. HTL remains deeply committed to fostering positive collaborations with public service agencies and actively contributing to the betterment of our community. Our initiatives, such as the refurbishment of traffic police cabins and the distribution of umbrellas, reflect our enduring dedication to the welfare of those who tirelessly serve our city.

BTL **ACTIVITES**

SHOP BOARDS

Establishing a prominent presence at the point of sale is a paramount priority for our brand. HTL ZIC is unwavering in its commitment to augmenting brand visibility through strategic collaborations with our retail partners. This collaborative strategy not only elevates the visibility of our brand but also serves as a robust catalyst for brand recognition among potential customers.

Our approach to achieving this heightened visibility is characterized by the adept utilization of shop boards and in-shop branding, underscoring a sustained and impactful advertising methodology. HTL ZIC has strategically adorned prime retail locations nationwide, a deliberate endeavor aimed at cementing a robust and enduring presence in the consciousness of our valued customers. This concerted effort further fortifies our relationships with retailers, underpinning our dedication to long-lasting partnerships.

NEW VERIFICATION **LABEL**

The proliferation of fake and counterfeit products within our industry poses a significant and persistent challenge. Such non-authentic products not only deceive consumers but also inflict damage upon their vehicles. To combat this issue, we introduced a new verification label adorned with a distinctive red tag. This innovative solution empowers consumers to authenticate our products through SMS or QR code verification. Our communication strategy was designed to stand out amidst the clutter by embodying modernity, problem-solving capability, wit, and vibrancy. This campaign was strategically deployed across a wide spectrum of digital and traditional media, constituting a comprehensive 360-degree integrated marketing communication effort that captured the attention of millions. To further amplify our message and create impact, we utilized SMD technology integrated into large 3D bottles during the Pakistan vs New Zealand cricket series. This dynamic visual approach effectively conveyed our message with captivating animations, cutting through the noise and resonating with the audience. Consequently, this campaign dealt a decisive blow to the counterfeit market, reinforcing our commitment to authenticity.

To bolster awareness of the new verification label, we devised a consumer promotion campaign that not only attracted attention but also delivered tangible benefits. The Super Lucky Draw campaign acted as a catalyst, igniting interest and engagement while addressing the evolving needs of consumers and businesses alike. This initiative not only increased brand visibility but also drove the utility of the new label. Moreover, it generated a sense of urgency, excitement, and revenue growth. This multifaceted campaign leveraged both traditional and digital platforms, harnessing the reach of the Pakistan England cricket series and Junior Cricket league to create widespread awareness among our target audience. As a result, the campaign achieved an impressive 400% increase in product verification and fostered positive brand equity across all stakeholder groups.

CONFERENCES **AND EVENTS**

ANNUAL SALES CONFERENCE ZIC M & ZIC S

The Annual Sales Conference holds significant importance as a pivotal event within our Company. This gathering serves as a vital platform for aligning our sales force with the overarching strategic direction of our organization. It offers the opportunity to convey the company's goals, objectives, and priorities for the forthcoming year while also reflecting upon the outcomes of the previous year.

In a testament to our commitment to excellence, we conducted two separate conferences, one for the ZIC S team and another for the ZIC M team, both hosted at the esteemed Pearl Continental Hotel in Muzaffarabad. These conferences included a segment dedicated to recognizing and rewarding the top performers within our sales force. This recognition not only served as an inspiration for our entire team to continually strive for excellence but also reinforced our company's values and culture among our dedicated staff.

RETAILER **IFTAR EVENTS**

During the auspicious month of Ramadan, HTL organized Iftar dinners for our retailers across the nation. These gatherings also featured a prize distribution ceremony to honor and reward retailers who had successfully met their individual targets. This thoughtful gesture served to enhance the trust and mutual rapport between HTL and our valued retailers, reinforcing our collaborative business relationship.

WAGHA BORDER **BRANDING**

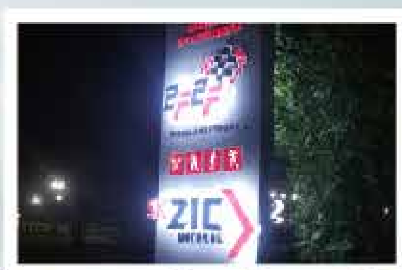
The Wagah Border is a famous international border crossing between India and Pakistan, renowned for its daily flag-lowering ceremony, a captivating display of military grandeur and unwavering patriotism exhibited by both nations. In a profound gesture of allegiance and respect, ZIC has undertaken the branding of the Wagah Border and its adjacent environs, thereby reaffirming its deep-rooted connection with Pakistan. This initiative is a heartfelt tribute to the bravery, commitment, and sacrifices made by the armed forces in their service to the nation.

RAMADAN **RATION HAMPERS**

Each year, HTL demonstrates its unwavering commitment to support by extending a helping hand during the sacred month of Ramadan. This year marked no exception as HTL continued its tradition of providing essential Ramadan Ration Hampers at its distributions and retail oil change centers across Pakistan. This initiative embodies our ethos of caring for our ZIC family and reaffirms the sense of partnership that defines our organization.

BRANDING AT 2F2F **KARTING TRACK**

Another step taken by HTL to promote motor sports and to build brand equity among the younger generation was to brand the 2F2F go carting arena in Lahore Cantt, backlit ZIC bottles were placed alongside the racing track and prominent branding was done at the entrance of the arena as well which provides brand visibility at one of the most prime locations of Lahore city.




ZIC
X7


Electrical Pannel
Mono Block
Filler & Capper
Line# 02

FINANCIALS

Financial Excellence: Empowering Our Tomorrow

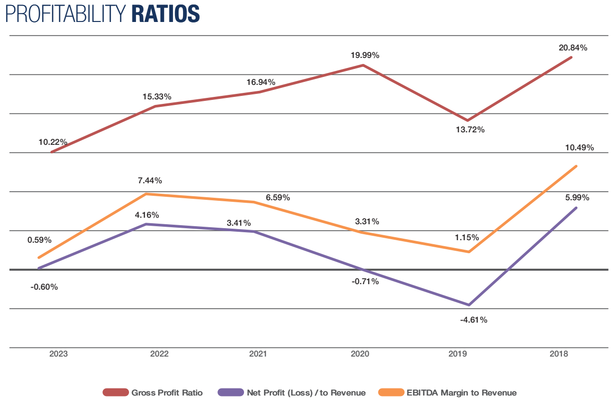
It reflects our commitment to sound financial practices. We manage our finances wisely, make strategic investments, and operate efficiently, ensuring a strong financial foundation. This approach helps us secure our future, seize opportunities, and continue delivering value to stakeholders.

ANALYSIS OF **FINANCIAL STATEMENTS**

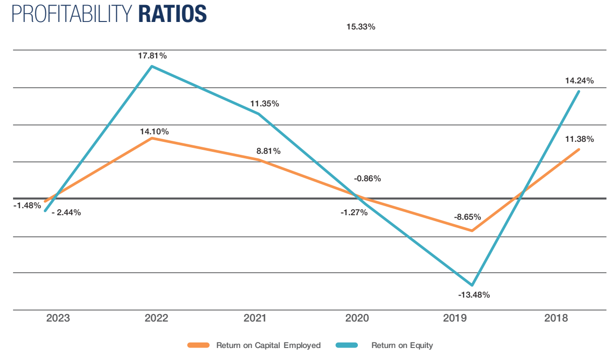
FOR THE CURRENT **AND LAST FIVE YEARS**

Key Performance Indicators	UOM	Jun-23	Jun-22	Jun-21	Jun-20	Jun-19	Jun-18
PROFITABILITY RATIOS							
Gross Profit Ratio	%	10.22%	15.33%	16.94%	19.99%	13.72%	20.84%
Net Profit / (Loss) to Revenue	%	-0.60%	4.16%	3.41%	-0.71%	-4.61%	5.99%
EBITDA Margin to Revenue	%	0.59%	7.44%	6.59%	3.31%	1.15%	10.49%
Operating Leverage Ratio	Times	6.09	1.59	3.77	-6.41	-50.06	-0.43
Return on Equity	%	-2.44%	17.81%	11.35%	-1.27%	-13.48%	14.24%
Return on Capital Employed	%	-1.48%	14.10%	8.81%	-0.86%	-8.65%	11.38%
Shareholders' funds	%	51.70%	45.34%	56.65%	63.24%	52.76%	70.49%
Return on shareholders' funds	%	-2.44%	17.81%	11.35%	-1.27%	-13.48%	14.24%
LIQUIDITY RATIOS							
Current Ratio	Times	0.86	1.02	0.95	1.01	1.10	1.84
Quick Ratio / Acid Test Ratio	Times	0.50	0.37	0.52	0.73	0.82	1.20
Cash to Current Liabilities	Times	0.08	0.15	0.13	0.08	0.06	0.31
Cash Flow from Operations to Revenue	Times	-0.01	-0.02	0.07	0.22	-0.13	0.13
Cash flow to capital expenditures	Times	-0.95	-1.41	2.63	4.23	-4.18	2.65
Cash flow coverage ratio	Times	-0.05	-0.13	0.72	1.10	-0.57	1.35

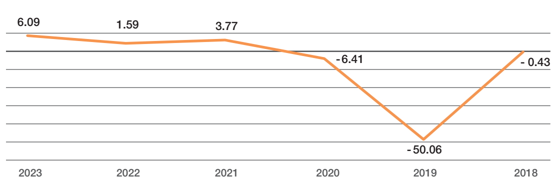
PROFITABILITY **RATIOS**



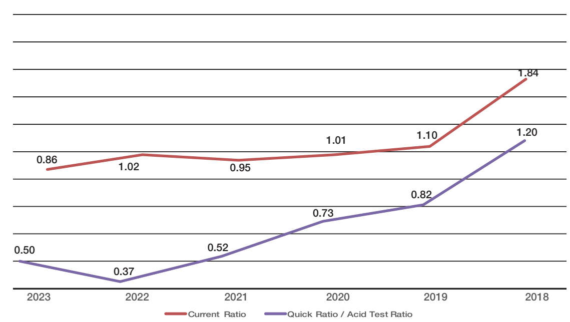
PROFITABILITY **RATIOS**



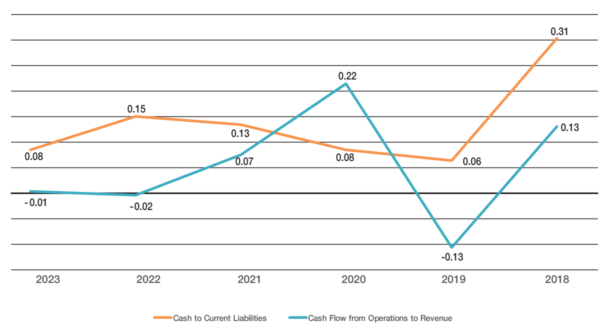
Operating Leverage **RATIOS**



LIQUIDITY **RATIOS**



LIQUIDITY **RATIOS**



PROFITABILITY **RATIOS**

- In FY 2023, the Company's financial performance declined compared to FY 2022. The Gross Profit Ratio decreased from 15.33% to 10.22%, indicating a lower gross profit margin, likely due to increased costs.
- The Company reported a negative Net Profit to Revenue ratio of -0.60% in FY 2023, compared to a positive 4.16% in FY 2022, indicating a loss instead of a profit.
- The EBITDA Margin to Revenue ratio fell from 7.44% in FY 2022 to 0.59% in FY 2023, showing reduced operating profitability.
- The Operating Leverage Ratio increased from 1.59 times to 6.09 times, suggesting that a small change in sales can now have a larger impact on profits due to a more fixed cost structure.
- ROE dropped from 17.81% to -2.44%, indicating ineffective use of shareholder equity to generate profits.
- ROCE declined from 14.10% to -1.48%, signaling that capital investments were not generating positive returns.
- Shareholders' funds increased from 45.34% to 51.70% of total assets mainly due to significant decrease in trade and other payables, but Return on Shareholders' Funds dropped significantly due to the net loss in FY 2023.
- In summary, FY 2023 saw a decline in profitability, increased operating leverage, and negative returns on equity and capital employed compared to FY 2022, with shareholders' funds increasing, but returns affected by the net loss.

LIQUIDITY **RATIOS**

- In FY 2023, the company's liquidity position exhibited a mixed performance when compared to FY 2022:
- The current ratio decreased from 1.02 in FY 2022 to 0.86 in FY 2023, indicating a reduction in the company's ability to cover short-term liabilities with current assets.
- The quick ratio improved from 0.37 in FY 2022 to 0.50 in FY 2023, signaling an enhanced capacity to meet immediate obligations without relying on inventory.
- The cash to current liabilities ratio decreased significantly from 0.15 in FY 2022 to 0.08 in FY 2023, suggesting a reduced cash position relative to short-term obligations.
- The cash flow from operations to revenue ratio slightly improved, moving from -0.02 in FY 2022 to -0.01 in FY 2023. The ongoing negative value indicates that the company's core operations still struggle to generate sufficient cash to cover expenses.
- The cash flow to capital expenditures ratio improved from -1.41 in FY 2022 to -0.95 in FY 2023, suggesting potential reductions in capital spending relative to cash flow from operations. However, the negative value implies inadequate cash to adequately fund capital investments.
- The cash flow coverage ratio improved from -0.13 in FY 2022 to -0.05 in FY 2023. While this indicates a positive change, the negative value still signifies that the company's cash flow remains insufficient to comfortably cover its debt obligations.

  In summary, the company's liquidity position in FY 2023 showed a mix of improvements and challenges compared to FY 2022, with positive signs like an improved quick ratio and reduced ratios related to capital expenditures and cash flow coverage.

Key Performance Indicators	UOM	Jun-23	Jun-22	Jun-21	Jun-20	Jun-19	Jun-18
INVESTMENT/MARKET RATIOS							
Earnings / (Loss) per share	Rs.	(0.67)	5.3	2.6	-0.35	-3.75	4.78
Price Earnings Ratio	Times	-31.64	7.48	27.27	-86.51	-7.38	21.20
Price to Book Ratio	Times	0.73	1.24	1.10	0.61	0.79	1.88
Dividend Yield Ratio	Times	0.09	0.10	0.04	0.01	0.06	0.03
Dividend Payout Ratio	Times	-2.98	0.72	1.12	(0.71)	(0.47)	0.73
Cash Dividend per share	Rs.	2	3.8	2.9	0.25	1.75	3.50
Market Value per share (year end)	Rs.	21.23	39.65	70.91	30.28	27.66	101.32
Market Value per share (highest)	Rs.	44.86	84	99.15	39.34	102	115.56
Market Value per share (lowest)	Rs.	20.05	37	30.1	16.7	22.11	63.05
Breakup Value / Book Value per share	Rs.	27.46	29.76	27.44	27.22	27.82	33.56
Breakup value per share including investment in related party	Rs.	27.46	29.76	27.44	27.22	27.82	33.56
Break up value per share without surplus on revaluation of freehold land	Rs.	22.03	24.70	27.44	27.22	27.82	33.56
Break up value per share with surplus on revaluation of freehold land including investment of all effects	Rs.	27.46	29.76	27.44	27.22	27.82	33.56
No. of Shares based on par value of Rs.10	No.(000)	139,205	139,205	116,004	116,004	116,004	116,004
Total Dividend Paid	Rs.(000)	278,410	482,576	336,412	29,001	203,007	406,014

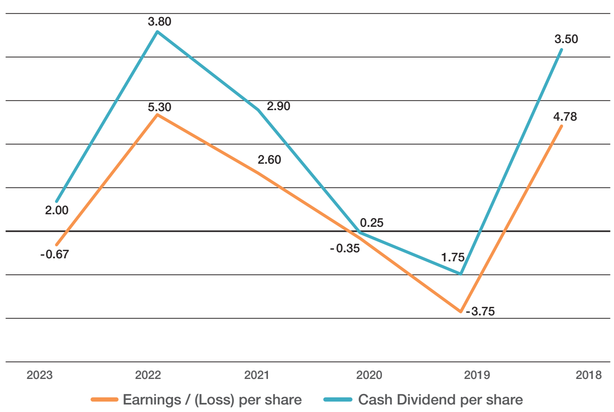
INVESTMENT / MARKET **SHARE RATIOS**

In FY 2023, the company reported a loss per share of Rupees 0.67, marking a significant decline from the positive earnings of Rupees 5.3 per share in FY 2022, which underscores a notable deterioration in profitability. The Price Earnings Ratio (P/E) also exhibited a marked decline, transitioning from a positive 7.48 times in FY 2022 to a negative -31.64 times in FY 2023, signifying negative earnings and raising potential investor apprehensions.

Furthermore, the dividend yield ratio experienced a marginal decrease from 0.10 times in FY 2022 to 0.09 times in FY 2023. Notably, the dividend payout ratio turned negative in 2023, recording a value of -2.98 times. This shift indicates that the company distributed dividends at a level exceeding its earnings during the fiscal year.

Lastly, the cash dividend per share declined from Rupees 3.8 in FY 2022 to Rupees 2 in FY 2023, suggesting a reduction in cash disbursements to shareholders during the respective periods. These financial indicators collectively reflect the company's challenges in FY 2023 and its impact on investor-related metrics.

INVESTMENT / MARKET SHARE **RATIOS**



INVESTMENT / MARKET SHARE **RATIOS**

ANALYSIS OF **FINANCIAL STATEMENTS**

FOR THE CURRENT **AND LAST FIVE YEARS**

Key Performance Indicators	UOM	Jun-23	Jun-22	Jun-21	Jun-20	Jun-19	Jun-18
CAPITAL STRUCTURE							
Financial Leverage Ratio	Times	0.65	0.52	0.32	0.27	0.64	0.22
Long term Debt to Equity Ratio (as per Book Value)	%	0.00%	0.00%	1.49%	1.84%	0.46%	0.77%
Long term Debt to Equity Ratio (as per Market Value)	%	0.00%	0.00%	0.58%	1.65%	0.46%	0.3%
Net assets per share	Rs.	27.46	29.76	27.44	27.22	27.82	33.56
Interest Coverage Ratio	Times	0.62	6.19	7.21	0.7	0.2	11.6
ACTIVITY/TURNOVER RATIOS							
Total Assets Turnover Ratio	Times	2.10	1.94	1.89	1.13	1.54	1.68
Fixed Assets Turnover Ratio	Times	6.00	6.85	5.78	3.32	5.95	6.67
No. of Days in Inventory	Days	51.98	45.54	27.49	50.63	39.55	61.45
No. of Days in Receivables	Days	3.12	2.15	3.09	41.03	27.60	8.21
No. of Days in Payables	Days	48.42	49.95	43.32	58.49	30.35	35.32
Operating Cycle	Days	6.68	(2.26)	(12.74)	33.17	36.80	34.35
EMPLOYEE PRODUCTIVITY RATIOS							
Revenue per employee	Rs. ('000')	32,493	33,470	20,781	10,866	17,179	16,764
Staff turnover ratio	%	2.00%	2.00%	2.30%	19.00%	20.00%	-

CAPITAL STRUCTURE **RATIOS**

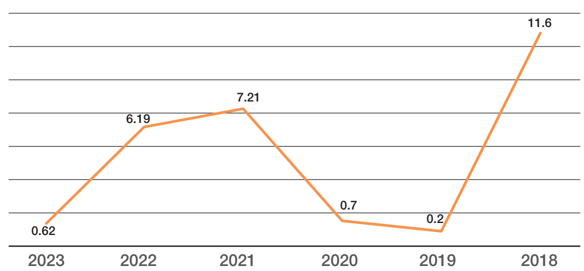
In FY 2023, the company's financial performance exhibited a noteworthy increase in its Financial Leverage Ratio, which ascended from 0.52 in FY 2022 to 0.65. This shift indicates a heightened reliance on debt in relation to equity during the period.

Conversely, both the Long-term Debt to Equity Ratios, based on Book Value and Market Value, remained unaltered at 0.00%, signifying no change in the company's long-term debt relative to its equity, both from an accounting and market perspective.

However, it's worth noting that the Net Assets per Share experienced a decrease, declining from Rupees 29.76 in FY 2022 to Rupees 27.46 in FY 2023, reflecting a reduction in the company's net assets per share over the course of the year.

Furthermore, the Interest Coverage Ratio witnessed a substantial decline, plummeting from 6.19 in FY 2022 to 0.62 in FY 2023. This substantial reduction indicates a potential decrease in the company's capacity to cover its interest expenses with its operating income during the fiscal year.

INTEREST COVERAGE **RATIO**



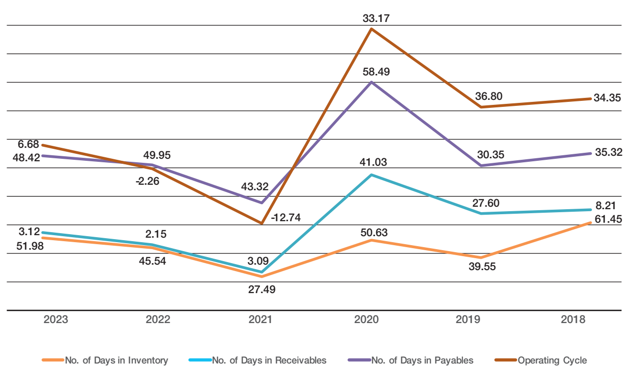
ACTIVITY / TURNOVER **RATIOS**

In FY 2023, the company's activity / turnover metrics witnessed notable shifts:

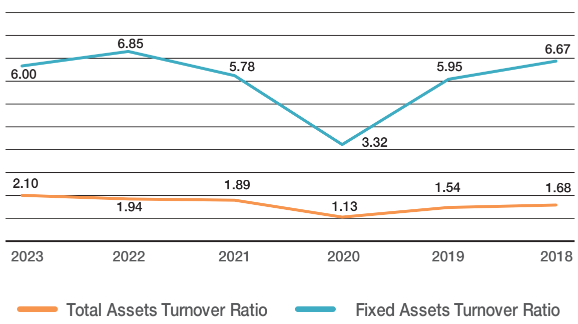
- Total Assets Turnover Ratio increased from 1.94 to 2.10, indicating improved asset utilization for revenue generation.
- Fixed Assets Turnover Ratio decreased from 6.85 to 6.00, suggesting a minor dip in fixed asset efficiency.
- The number of days in inventory rose from 45.54 days to 51.98 days, indicating a lengthier inventory turnover period, potentially tying up more capital in unsold goods and affecting liquidity.
- Days in receivables increased from 2.15 days to 3.12 days, signaling a slower collection of payments from customers, which may impact cash flow and working capital.
- Days in payables decreased from 49.95 days to 48.42 days, showing a minor improvement in supplier payment timelines, warranting continued monitoring to maintain favorable supplier relationships.
- The operating cycle increased significantly from -2.26 to 6.68 days, raising concerns about cash flow and liquidity.

In summary, while certain efficiency improvements were observed, challenges in inventory turnover and accounts receivable collection need attention. Addressing the lengthened operating cycle is vital to maintaining healthy liquidity and working capital levels.

ACTIVITY/TURNOVER **RATIOS**



ACTIVITY/TURNOVER **RATIOS**



EMPLOYEE PRODUCTIVITY **RATIOS**

In FY 2023, the company's revenue per employee amounted to Rupees 32,493, representing a marginal decrease from Rupees 33,470 in FY 2022. Notably, the staff turnover ratio remained consistent at 2.00% in both FY 2023 and FY 2022. This stability indicates that the company's employee turnover experienced no substantial variation over the course of the year.

CUSTOMER SATISFACTION INDEX

During the fiscal year, HTL conducted a comprehensive customer survey encompassing various aspects of customer satisfaction, including product quality, pricing, packaging, brand perception, and reorder frequency. The analysis of the survey results revealed an impressive cumulative satisfaction score of 96%. This outcome underscores our unwavering commitment to ensuring the contentment of our valued customers.

SEGMENTAL **REVIEW** LUBRICANTS

The operations within our Lubricant segment encompass the procurement and sale of lubricants, parts, and the provision of associated services. It is notable that the net revenue within the Lubricants segment has encountered a decrease of 24.65% in comparison to the previous year. This decline primarily stems from a reduction in sales revenue, which has consequently led to a negative bottom-line performance within this particular segment.

Detailed segment information has been presented in note 53 of the financial statements

PETROLEUM **PRODUCTS**

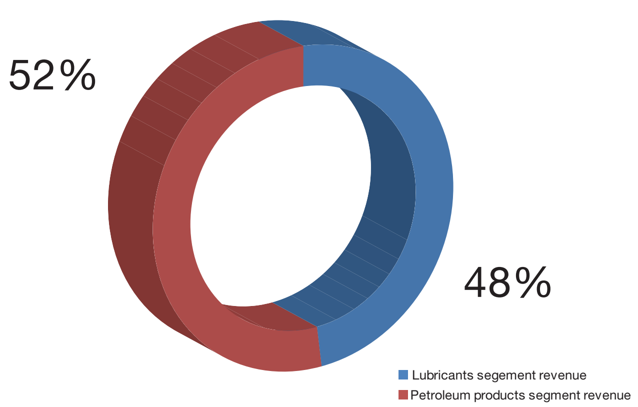
The petroleum segment of our operations primarily encompasses the marketing and sale of petroleum products through HTL Fuel Stations. While the net revenue generated within this segment has demonstrated a notable increase, it is imperative to note that this uptick in revenue has been accompanied by a corresponding escalation in the cost of sales.

Regrettably, the confluence of these factors within the petroleum segment has resulted in a bottom-line loss for this particular operational segment.

Company's Revenue in terms of lubricant segment and petroleum segment is stated below:

DESCRIPTION	REVENUE
	Rupee in thousand
Lubricants	7,381,322
Petroleum products	8,150,370
Total revenue of the Company	15,531,692

SEGMENTAL **REVENUE**



VERTICAL **ANALYSIS**

FOR THE CURRENT **AND LAST FIVE YEARS**

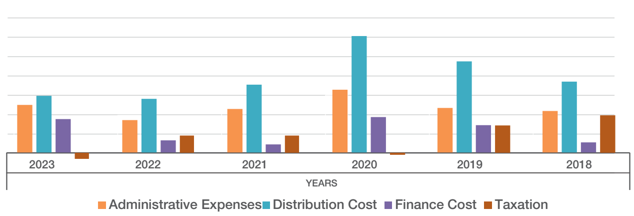
Statement of Profit or Loss	2023		2022		2021		2020		2019		2018	
	Rs. (000)	%age	Rs. (000)	%age	Rs. (000)	%age	Rs. (000)	%age	Rs. (000)	%age	Rs. (000)	%age
Net Revenue	15,531,692	100%	17,739,037	100%	10,598,209	100%	5,628,659	100%	9,431,162	100%	9,253,578	100%
Cost of Sales	(13,944,983)	90%	(15,019,145)	85%	(8,802,509)	83%	(4,503,767)	80%	(8,136,799)	86%	(7,325,252)	79%
Gross Profit	1,586,709	10%	2,719,892	15%	1,795,700	17%	1,124,892	20%	1,294,363	14%	1,928,326	21%
Administrative Expenses	(683,246)	4%	(524,457)	3%	(431,094)	4%	(328,992)	6%	(390,823)	4%	(351,091)	4%
Distribution Cost	(811,509)	5%	(876,129)	5%	(666,407)	6%	(609,514)	11%	(795,362)	8%	(606,107)	7%
EBITDA	91,954	1%	1,319,306	7%	698,199	7%	186,386	3%	108,178	1%	971,128	10%
Depreciation and Amortization	(267,484)	2%	(255,338)	1%	(184,463)	2%	(157,102)	3%	(80,777)	1%	(57,433)	1%
Other Expenses	(36,143)	0.2%	(236,055)	1.3%	(41,275)	0.4%	(20,180)	0.4%	(103,571)	1%	(63,070)	1%
Other Income	505,106	3%	382,803	2%	112,541	1%	126,125	2%	113,899	1%	108,463	1%
EBIT	293,433	1.9%	1,210,716	7%	585,002	6%	(51,157)	-1%	37,729	0.4%	959,088	10%
Finance Cost	(474,617)	3%	(195,516)	1%	(81,148)	1%	(186,326)	3%	(235,072)	2%	(82,541)	1%
(Loss) / Profit Before Taxation	(181,184)	-1%	1,015,200	6%	503,854	5%	(51,097)	-1%	(197,343)	-2%	876,547	9%
Taxation	87,772	-0.6%	(277,278)	1.6%	(142,533)	1.3%	10,980	-0.2%	(237,476)	3%	(322,117)	3%
(Loss) / Profit After Taxation	(93,412)	-1%	737,922	4%	361,321	3%	(40,117)	-1%	(434,819)	-5%	554,430	6%

STATEMENT OF PROFIT OR LOSS **VERTICAL ANALYSIS**

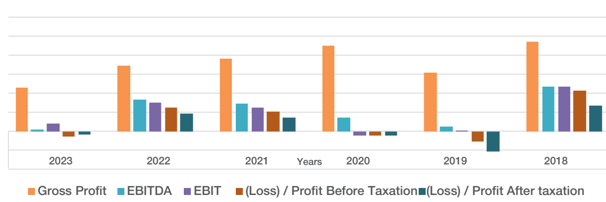
Over the past six years, both gross profit and EBITDA have exhibited a mixed trend, with fluctuations in their performance. However, in the current fiscal year, there has been a noteworthy decline in the financial performance indicators. Specifically, Gross profit, EBITDA, and EBIT now represent only 10%, 1%, and 1.9% of the net revenue, respectively. These figures indicate a substantial deterioration in financial performance compared to the previous fiscal year, FY 2022.

The primary factor contributing to this decline is a significant reduction in sales revenue, coupled with an increase in the cost of sales. This shift in the revenue-to-cost ratio has had a pronounced impact on the company's ability to generate gross profit and maintain healthy EBITDA and EBIT margins. It underscores the challenges faced by the organization in managing its sales and cost structures, which have, in turn, adversely affected its overall financial performance in the current fiscal year.

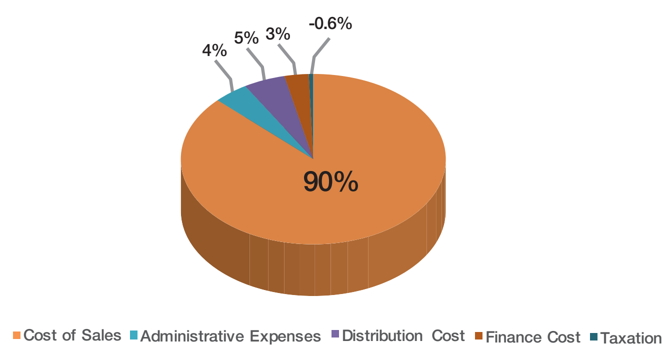
VERTICAL ANALYSIS-**EXPENSES (2023-18)**



VERTICAL ANALYSIS-**PROFITS (2023-18)**



VERTICAL ANALYSIS-**STATEMENT OF PROFIT OR LOSS (2023)**



Statment of Financial Position	2023		2022		2021		2020		2019		2018	
	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age
ASSETS												
Non-current assets												
Fixed assets	2,589,503	35.0%	2,590,342	28.3%	1,833,546	32.6%	1,693,746	33.9%	1,583,889	25.9%	1,386,311	25.1%
Right-of-use assets	605,121	8.2%	555,745	6.1%	359,293	6.4%	270,943	5.4%	-	-	-	-
Intangible assets	3,982	0.1%	6,658	0.1%	10,646	0.2%	7,597	0.2%	8,038	0.1%	2,895	0.1%
Investment property	135,000	1.8%	130,000	1.4%	93,750	1.7%						
Investment in subsidiary company	1,300,001	17.6%	1,300,001	14.2%	1,300,001	23.1%	1,300,001	26.0%	1,300,001	21.3%	1,300,001	23.5%
Long term loans to employees	2,985	0.0%	783	0.0%	-	0.0%	-	0.0%	-	0.0%	280	0.0%
Long term security deposits	51,943	0.7%	37,695	0.4%	29,402	0.5%	9,720	0.2%	26,154	0.4%	38,612	0.7%
Deferred income tax asset-net	83,599	1.1%	-	0.0%	48,246	0.9%	107,956	2.2%	39,183	0.6%	-	0.0%
	4,772,134	64.5%	4,621,224	50.6%	3,674,884	65.4%	3,389,963	67.9%	2,957,265	48.4%	2,728,099	49.4%
Current assets												
Stock-in-trade	1,102,921	14.9%	2,868,898	31.4%	878,742	15.6%	447,345	9.0%	801,995	13.1%	961,206	17.4%
Trade debts	159,240	2.2%	106,219	1.2%	103,225	1.8%	76,104	1.5%	1,189,384	19.4%	236,937	4.3%
Loans and advances	625,011	8.5%	192,210	2.1%	89,718	1.6%	151,182	3.0%	36,748	0.6%	146,456	2.7%
Short term deposits and prepayments	32,337	0.4%	24,309	0.3%	19,317	0.3%	31,144	0.6%	48,894	0.8%	27,934	0.5%
Accrued Interest	52,988	0.7%	571	0.0%	390	0.0%	2	0.0%	32,515	0.5%	15,335	0.3%
Other receivables	188,392	2.5%	440,065	4.8%	141,381	2.5%	50,015	1.0%	7,772	0.1%	17,340	0.3%
Short term investment	222,583	3.0%	226,804	2.5%	446,043	7.9%	723,285	14.5%	882,469	14.4%	917,354	16.6%
Cash and bank balances	239,412	3.2%	657,142	7.2%	264,544	4.7%	124,178	2.5%	158,925	2.6%	471,605	8.5%
	2,622,884	35.5%	4,516,218	49.4%	1,943,360	34.6%	1,603,255	32.1%	3,158,702	51.6%	2,794,167	50.6%
TOTAL ASSETS	7,395,018	100.0%	9,137,442	100.0%	5,618,244	100.0%	4,993,218	100.0%	6,115,967	100.0%	5,522,266	100.0%
EQUITY AND LIABILITIES												
SHARE CAPITAL AND RESERVES												
Issued, subscribed and paid up capital	1,392,048	18.8%	1,392,048	15.2%	1,160,040	20.6%	1,160,040	23.2%	1,160,040	19.0%	1,160,040	21.0%
Share premium	1,441,698	19.5%	1,441,698	15.8%	1,441,698	25.7%	1,441,698	28.9%	1,441,698	23.6%	1,441,698	26.1%
Surplus on revaluation of freehold land	756,847	10.2%	704,626	7.7%								
Un-appropriated profit	232,352	3.1%	604,175	6.6%	580,837	10.3%	555,928	11.1%	625,047	10.2%	1,290,983	23.4%
Total equity	3,822,945	51.7%	4,142,547	45.3%	3,182,575	56.6%	3,157,666	63.2%	3,226,785	52.8%	3,892,721	70.5%
Non-current liabilities												
Long term financing	-	0.0%	-	0.0%	47,490	0.8%	42,268	0.8%	1,822	0.0%	14,894	0.3%
Liabilities against assets subject to finance lease	-	0.0%	-	0.0%	-	0.0%	-	0.0%	26,625	0.4%	79,105	1.4%
Lease liabilities	492,139	6.7%	471,952	5.2%	334,670	6.0%	204,637	4.1%				
Long term deposit	16,500	0.2%	17,000	0.2%	17,000	0.3%	500	0.0%	1,000	0.0%	1,500	0.0%
Deferrred income tax liability - net	-	0.0%	69,878									
Deferred liabilities	-	0.0%	-	0.0%	362	0.0%	1,863	0.0%	-	0.0%	12,069	0.2%
	508,639	6.9%	558,830	6.1%	399,522	7.1%	249,268	5.0%	29,447	0.5%	107,568	1.9%
Current liabilities												
Trade and other payables	974,284	13.2%	2,725,758	29.8%	1,385,265	24.7%	704,279	14.1%	739,055	12.1%	613,958	11.1%
Accrued mark-up	81,020	1.1%	38,150	0.4%	9,757	0.2%	22,103	0.4%	69,576	1.1%	18,217	0.3%
Short term borrowing	1,851,556	25.0%	1,494,219	16.4%	461,181	8.2%	766,263	15.3%	1,974,915	32.3%	707,636	12.8%
Current portion of non-current liabilities	150,743	2.0%	172,182	1.9%	162,698	2.9%	90,201	1.8%	70,939	1.2%	61,094	1.1%
Unclaimed dividend	5,831	0.1%	5,756	0.1%	6,327	0.1%	3,438	0.1%	4,026		4,297	
Taxation - net	-	0.0%	-	0.0%	10,919	0.2%	-	0.0%	1,224	0.0%	116,775	2.1%
	3,063,434	41.4%	4,436,065	48.5%	2,036,147	36.2%	1,586,284	31.8%	2,859,735	46.8%	1,521,977	27.6%
TOTAL EQUITY AND LIABILITIES	7,395,018	100.0%	9,137,442	100.0%	5,618,244	100.0%	4,993,218	100.0%	6,115,967	100.0%	5,522,266	100.0%

VERTICAL **ANALYSIS**

FOR THE CURRENT **AND LAST FIVE YEARS**

FINANCIAL POSITION'S **VERTICAL ANALYSIS**

Vertical analysis of statement of financial position provides a comprehensive overview of the company's financial structure, emphasizing the distribution of assets, equity, and liabilities across both short-term and long-term categories.

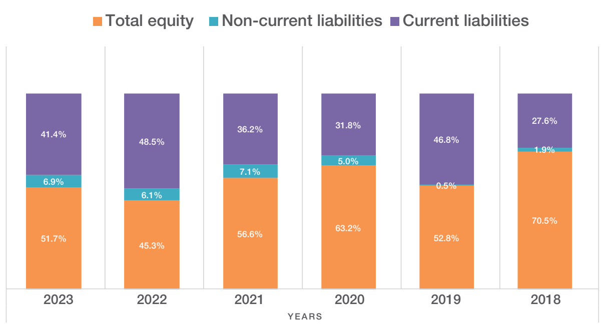
As of June 30, 2023, the composition of the company's total assets can be classified into two categories: non-current assets, accounting for 64.5% of the total, and current assets, representing 35.5% of the total asset base. In contrast, the company's equity and liabilities structure comprises share capital and reserves, accounting for 51.7% of the total, while non-current liabilities and current liabilities constitute 6.9% and 41.4%, respectively.

Share capital and reserves, a significant portion of the equity and liabilities, encompass issued subscribed and paid-up share capital (18.8%), share premium (19.5%), surplus on the revaluation of freehold land (10.2%), and unappropriated profit (3.1%).

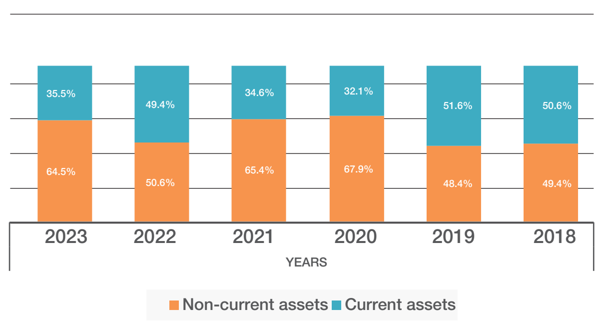
Non-current liabilities consist of lease liabilities (6.7%) and deferred income tax liability - net (0.2%), contributing to the company's long-term obligations.

On the other hand, current liabilities primarily consist of short-term borrowings (25%) and trade and other payables (13.2%), reflecting the company's short-term financial obligations and trade-related liabilities.

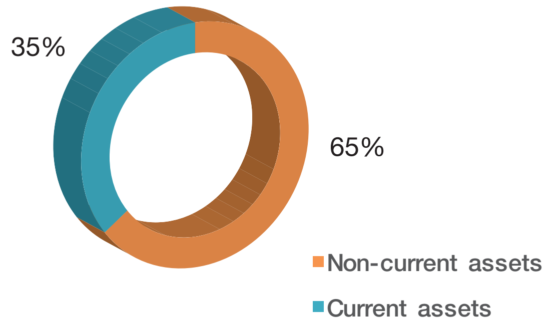
VERTICAL ANALYSIS-**TOTAL EQUITY & LIABILITIES (2023-18)**



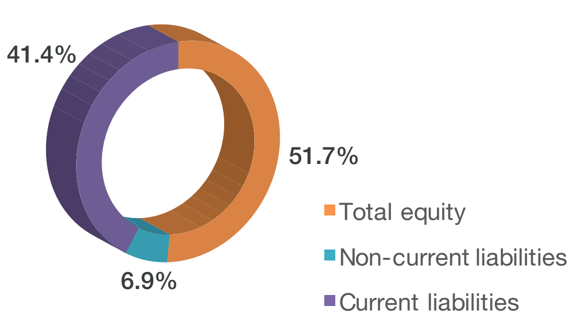
VERTICAL ANALYSIS-**TOTAL ASSETS (2023-18)**



VERTICAL ANALYSIS-**TOTAL ASSETS (2023)**



VERTICAL ANALYSIS-**TOTAL EQUITY & LIABILITIES (2023)**



HORIZONTAL **ANALYSIS**

FOR THE CURRENT **AND LAST FIVE YEARS**

Statment of Financial Position	2023		2022		2021		2020		2019		2018	
	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age
ASSETS												
Non-current assets												
Fixed assets	2,589,503	-0.03%	2,590,342	41.27%	1,833,546	8.25%	1,693,746	6.94%	1,583,889	14.25%	1,386,311	47.39%
Right-of-use assets	605,121	8.88%	555,745	54.68%	359,293	32.61%	270,943	271.00%	-	0.00%	-	0.00%
Intangible assets	3,982	-40.19%	6,658	-37.46%	10,646	40.13%	7,597	-5.49%	8,038	0.00%	2,895	0.00%
Investment property	135,000	3.85%	130,000	62.00%	93,750	62.00%	-					
Investment in subsidiary company	1,300,001	0.00%	1,300,001	0.00%	1,300,001	0.00%	1,300,001	0.00%	1,300,001	0.00%	1,300,001	0.00%
Long term loans to employees	2,985	281.23%	783	0.00%	-	0.00%	-	0.00%	-	0.00%	280	-73.31%
Long term security deposits	51,943	37.80%	37,695	28.21%	29,402	202.49%	9,720	-62.84%	26,154	-32.26%	38,612	17.95%
Deferred income tax asset-net	83,599	100.00%	-	-100.00%	48,246	-55.31%	107,956	175.52%	39,183	0.00%	-	0.00%
	4,772,134	3.27%	4,621,224	25.75%	3,674,884	8.40%	3,389,963	14.63%	2,957,265	8.40%	2,728,099	19.55%
Current assets												
Stock-in-trade	1,102,921	-61.56%	2,868,898	226.48%	878,742	96.43%	447,345	-44.22%	801,995	-16.56%	961,206	-36.15%
Trade debts	159,240	49.92%	106,219	2.90%	103,225	35.64%	76,104	-93.60%	1,189,384	401.98%	236,937	32.08%
Loans and advances	625,011	225.17%	192,210	114.24%	89,718	-40.66%	151,182	311.40%	36,748	-74.91%	146,456	-77.93%
Short term deposits and prepayments	32,337	33.02%	24,309	25.84%	19,317	-37.98%	31,144	-36.30%	48,894	75.03%	27,934	91.18%
Other receivables	188,392	-57.19%	440,065	211.26%	141,381	182.68%	50,015	53.82%	32,515	87.51%	17,340	
Accrued Interest	52,988	9179.86%	571	46.41%	390	19400.00%	2	-99.97%	7,772	-49.32%	15,335	150.00%
Short term investment	222,583	-1.86%	226,804	-49.15%	446,043	-38.33%	723,285	-18.04%	882,469	-3.80%	917,354	-15.15%
Cash and bank balances	239,412	-63.57%	657,142	148.41%	264,544	113.04%	124,178	-21.86%	158,925	-66.30%	471,605	527.86%
	2,622,884	-41.92%	4,516,218	132.39%	1,943,360	21.21%	1,603,255	-49.24%	3,158,702	13.05%	2,794,167	-22.37%
TOTAL ASSETS	7,395,018	-19.07%	9,137,442	62.64%	5,618,244	12.52%	4,993,218	-18.36%	6,115,967	10.75%	5,522,266	-6.10%
EQUITY AND LIABILITIES												
SHARE CAPITAL AND RESERVES												
Issued, subscribed and paid up capital	1,392,048	0.00%	1,392,048	20.00%	1,160,040	0.00%	1,160,040	0.00%	1,160,040	0.00%	1,160,040	0.00%
Share premium	1,441,698	0.00%	1,441,698	0.00%	1,441,698	0.00%	1,441,698	0.00%	1,441,698	0.00%	1,441,698	0.00%
Surplus on revaluation of freehold land	756,847	7.41%	704,626	100.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Un-appropriated profit	232,352	-61.54%	604,175	4.02%	580,837	4.48%	555,928	-11.06%	625,047	-51.58%	1,290,983	12.99%
Total equity	3,822,945	-7.72%	4,142,547	30.16%	3,182,575	0.79%	3,157,666	-2.14%	3,226,785	-17.11%	3,892,721	3.96%
Non-current liabilities												
Long term financing	-	0.00%	-	-100.00%	47,490	12.35%	42,268	2219.87%	1,822	-87.77%	14,894	10.36%
Liabilities against assets subject to finance lease	-	0.00%	-	0.00%	-	0.00%	-	-100.00%	26,625	-66.34%	79,105	20.20%
Lease liabilities	492,139	4.28%	471,952	41.02%	334,670	63.54%	204,637	100.00%	-	0.00%	-	0.00%
Long term deposits	16,500	-2.94%	17,000	0.00%	17,000	3300.00%	500	-50.00%	1,000	-33.33%	1,500	-25.00%
Deferrred income tax liability - net	-	-100.00%	69,878	100.00%	-	-	-	-	-	-	-	-
Deferred liabilities	-	0.00%	-	-100.00%	362	-80.57%	1,863	500.00%	-	-100.00%	12,069	276.33%
	508,639	-8.98%	558,830	39.87%	399,522	60.28%	249,268	746.50%	29,447	-72.62%	107,568	27.28%
Current liabilities												
Trade and other payables	974,284	-64.26%	2,725,758	96.77%	1,385,265	96.69%	704,279	-4.71%	739,055	20.38%	613,958	-23.60%
Accrued mark-up/profit	81,020	112.37%	38,150	291.00%	9,757	-55.86%	22,103	-68.23%	69,576	281.93%	18,217	91.42%
Short term borrowing	1,851,556	23.91%	1,494,219	224.00%	461,181	-39.81%	766,263	-61.20%	1,974,915	179.09%	707,636	-36.76%
Current portion of non-current liabilities	150,743	-12.45%	172,182	5.83%	162,698	80.37%	90,201	27.15%	70,939	16.11%	61,094	40.48%
Unclaimed dividend	5,831	1.30%	5,756	-9.02%	6,327	84.03%	3,438	-14.61%	4026		4297	
Taxation - net	-	0.00%	-	0.00%	10,919	0.00%	-	-100.00%	1,224	-98.95%	116,775	55.24%
	3,063,434	-30.94%	4,436,065	117.87%	2,036,147	28.36%	1,586,284	-44.53%	2,859,735	87.90%	1,521,977	-25.84%
TOTAL EQUITY AND LIABILITIES	7,395,018	-19.07%	9,137,442	62.64%	5,618,244	12.52%	4,993,218	-18.36%	6,115,967	10.75%	5,522,266	-6.10%

Statment of Profit or Loss	2023		2022		2021		2020		2019		2018	
	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age
Net Revenue	15,531,692	-12%	17,739,037	67%	10,598,209	88%	5,628,659	-40%	9,431,162	2%	9,253,578	24%
Cost of Sales	(13,944,983)	-7%	(15,019,145)	71%	(8,802,509)	95%	(4,503,767)	-45%	(8,136,799)	11%	(7,325,252)	28%
Gross Profit	1,586,709	-42%	2,719,892	51%	1,795,700	60%	1,124,892	-13%	1,294,363	-33%	1,928,326	9%
Administrative Expenses	(683,246)	30%	(524,457)	22%	(431,094)	31%	(328,992)	-16%	(390,823)	11%	(351,091)	26%
Distribution Cost	(811,509)	-7%	(876,129)	31%	(666,407)	9%	(609,514)	-23%	(795,362)	31%	(606,107)	36%
EBITDA	91,954	-93%	1,319,306	89%	698,199	275%	186,386	72%	108,178	-89%	971,128	-8%
Depreciation and Amortization	(267,484)	5%	(255,338)	38%	(184,463)	17%	(157,102)	94%	(80,777)	41%	(57,433)	28%
Other Expenses	(36,143)	-85%	(236,055)	472%	(41,275)	105%	(20,180)	-81%	(103,571)	64%	(63,070)	86%
Other Income	505,106	32%	382,803	240%	112,541	-11%	126,125	11%	113,899	5%	108,463	13%
EBIT	293,433	-76%	1,210,716	107%	585,002	333%	135,229	258%	37,729	-96%	959,088	-10%
Finance Cost	(474,617)	143%	(195,516)	141%	(81,148)	-56%	(186,326)	-21%	(235,072)	185%	(82,541)	130%
(Loss) / Profit Before Taxation	(181,184)	-118%	1,015,200	101%	503,854	1086%	(51,097)	-74%	(197,343)	-123%	876,547	-15%
Taxation	87,772	-132%	(277,278)	95%	(142,533)	1398%	10,980	-105%	(237,476)	-26%	(322,117)	6%
(Loss) / Profit After Taxation	(93,412)	-113%	737,922	104%	361,321	1001%	(40,117)	-91%	(434,819)	-178%	554,430	-24%

HORIZONTAL **ANALYSIS**

FOR THE CURRENT **AND LAST FIVE YEARS**

FINANCIAL POSITION **HORIZONTAL ANALYSIS**

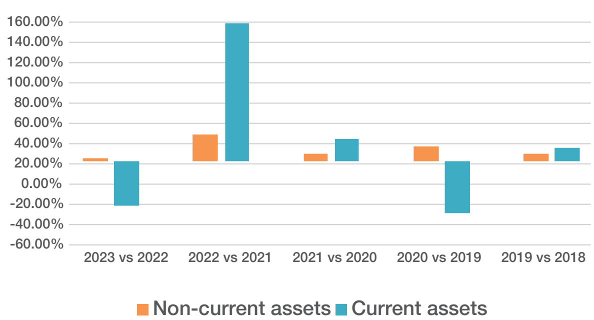
Non-current assets exhibited a modest increase of 3.27% in comparison to FY 2022. This increase was primarily attributed to the recognition of a deferred income tax asset during the year.

Conversely, there was a substantial decrease of -41.92% in current assets. This decline can be attributed to a reduction in inventory stocks and cash and bank balances.

The total equity of the company witnessed a decline of -7.72%. This decline was primarily driven by the loss incurred during the fiscal year and dividend payments to shareholders.

Non-current liabilities showed a reduction of -8.98%. This decline was mainly attributed to reductions in deferred income tax liability.

HORIZONTAL ANALYSIS-**TOTAL ASSETS**



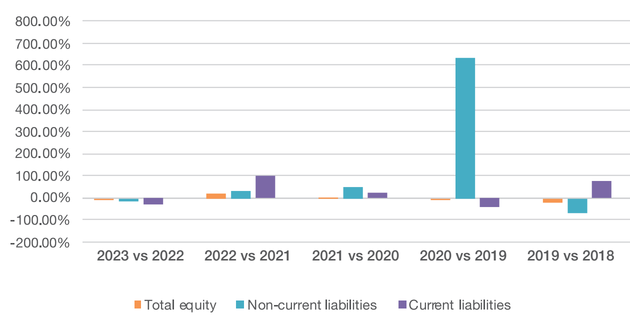
Similarly, current liabilities experienced a significant reduction of 30.94%. This reduction was primarily due to a decrease in trade and other payables, indicating improved short-term financial obligations.

Shareholders' equity has been increased by Rupees 959.972 million (30.16%) mainly on account of surplus on revaluation of freehold land and profit earned during the year.

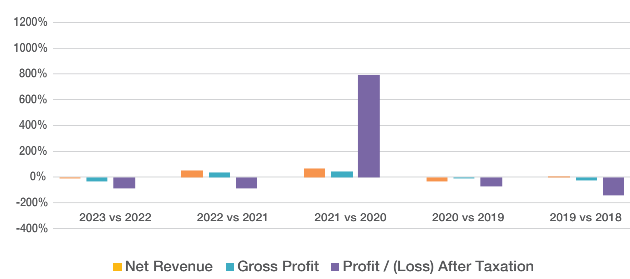
Non-current liabilities for the year have been increased by Rupees 159.308 million (39.87%) mainly due to increase in lease liabilities.

Current liabilities have increased by Rupees 2,399.918 million (117.87%) mainly due to increase in trade and other payables and short term borrowings.

HORIZONTAL ANALYSIS-**TOTAL EQUITY & LIABILITIES (2023)**



HORIZONTAL ANALYSIS-**PROFIT OR LOSS**



STATEMENT OF PROFIT OR LOSS **HORIZONTAL ANALYSIS**

In the fiscal year 2023, the company faced a notable decline in its financial performance compared to the preceding fiscal year, FY2022:

The Company's net revenue witnessed a significant decrease of 12% in FY2023 when contrasted with FY2022 mainly on account of reduction in sales revenue.

The cost of sales experienced a 7% reduction in FY2023. However, this reduction in the cost of sales did not align with the decrease in revenue, leading to a decrease in gross profit margins.

Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) plummeted by 93%, indicating a substantial decline in the company's operational performance.

Finance costs saw a significant increase of 143%. This increase attributed to higher interest rates during the year.

The company incurred a loss of Rupees 93,412 after taxation in FY2023, underscoring the challenges faced during this financial year.

SHARE PRICE **SENSITIVITY ANALYSIS**

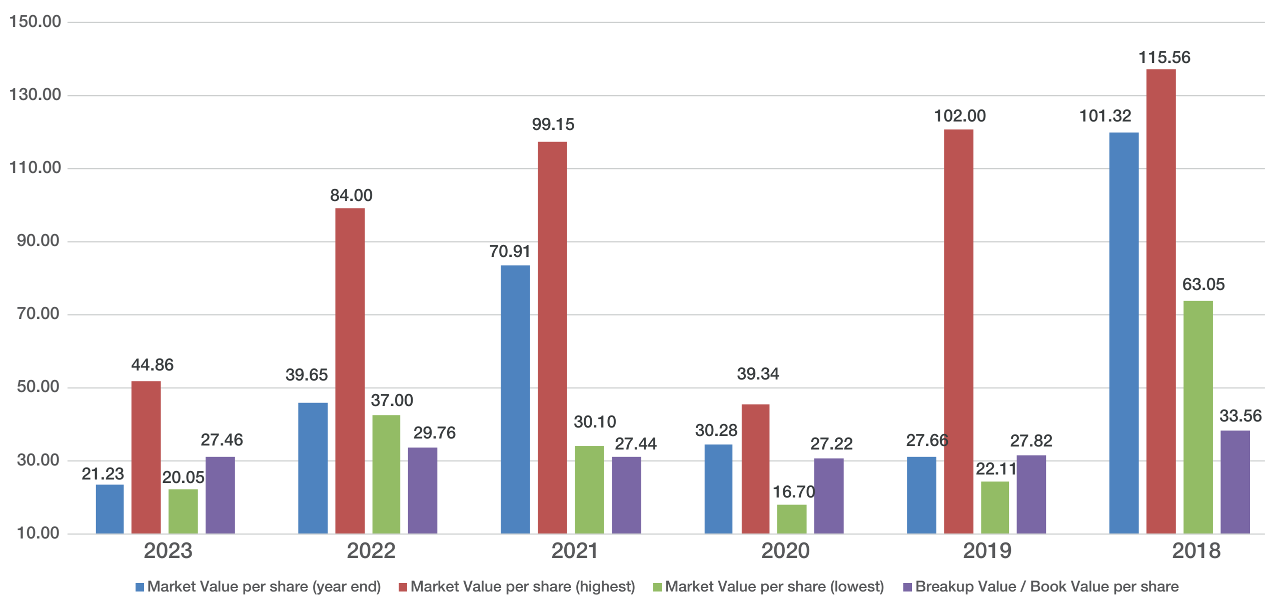
Share price in the stock market moves due to various factors such as company performance, general market sentiment, economic events and interest rates, etc. Being a responsible and law-compliant Company, HTL circulates price sensitive information to stock exchanges in accordance with the requirements of listing regulations in a timely manner.

Share price sensitivity analysis using key variable with consequent impact on the Company's earnings:

KEY VARIABLE	RELATIONSHIP	IMPACT ON EARNINGS	SHARE PRICE IMPACT
Selling price	Direct	Increase in selling price directly increase in earnings of the Company and vice versa.	Increase in earnings directly increase share price of the Company and vice versa.
Stock-in-trade price	Indirect	Increase in stock-in-trade price directly increase cost of sales, resultantly decrease in earnings of the Company.	Decrease in earnings directly decrease share price of the Company and vice versa.
Interest rate	Indirect	Increase in interest rate directly increase finance cost, resultantly decrease in earnings of the Company.	Decrease in earnings directly decrease share price of the Company and vice versa.
Currency	Indirect	Depreciation in Pak Rupee directly increase import cost of inventory, resultantly decrease in earnings and vice versa.	Decrease in earnings directly decrease share price of the Company and vice versa.

During the year 2023, HTL's share price touched the peak of Rupees 44.86 while the lowest recorded price was Rupees 20.05 with a closing price of Rupees 21.23 at the end of the year.

SHARE PRICE SENSITIVITY **ANALYSIS**



RATIOS FOR SHARIAH COMPLIANT COMPANIES AND THE COMPANIES LISTED ON **THE ISLAMIC INDICES**

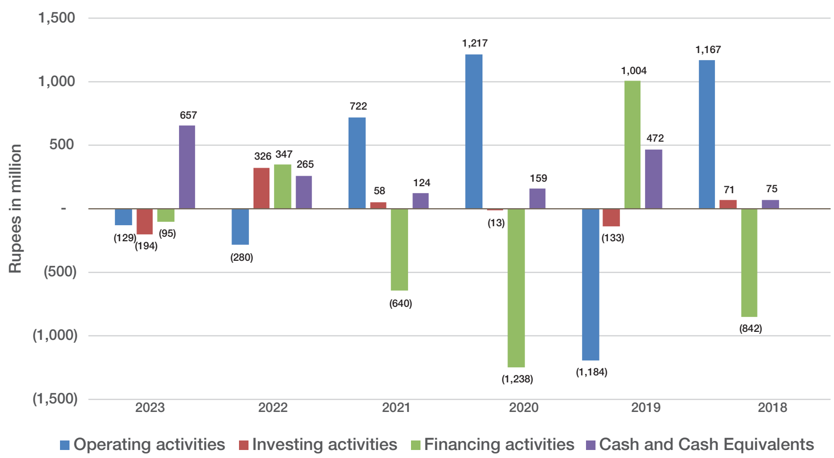
RATIO DESCRIPTION	BENCH MARK	2023
Interest bearing loan to market capitalization	Not exceed 30%	Negative
Interest taking deposit to market capitalization	Not exceed 30%	0%
Income generated from prohibited component to total income	Not exceed 5%	0%
Net liquid assets per share to market value per share	At least 25%	Complied

CASH FLOWS **ANALYSIS**

FOR THE CURRENT **AND LAST FIVE YEARS**

Summary of Cash Flow Statement	2023	2022	2021	2020	2019	2018
			Rupees in thousand			
CASH FLOWS FROM OPERATING ACTIVITIES						
(Loss) / Profit before taxation	(181,184)	1,015,200	503,854	(51,098)	(197,341)	876,546
Adjustments for non-cash items and other items	310,629	283,334	192,073	218,949	290,049	81,069
Working capital changes	377,161	(1,349,853)	160,289	1,354,187	(685,165)	561,664
Finance cost paid	(431,385)	(162,381)	(85,570)	(233,431)	(183,712)	(73,841)
Income tax paid	(200,960)	(58,722)	(56,195)	(74,725)	(404,279)	(271,703)
Net (increase) / decrease in long term loan to employees	(3,136)	(983)	-	280	769	1,390
Net (increase) / decrease in long term security deposits	103	(6,682)	(8,702)	2,898	(3,538)	(7,700)
Increase / (decrease) in long term deposits	(500)	-	16,500	(500)	(500)	(500)
Net cash generated (used in) / from operting activities	(129,272)	(280,087)	722,249	1,216,560	(1,183,717)	1,166,925
CASH FLOWS FROM INVESTING ACTIVITIES						
Capital expenditures on operating fixed assets	(134,758)	(198,381)	(267,487)	(282,116)	(275,337)	(440,267)
Capital expenditures on intangible assets	(1,500)	(825)	(7,069)	(5,362)	(8,026)	(676)
Initial direct cost incurred on right of use assets	-	(3,411)	(1,204)	-	-	-
Proceeds from disposal of operating fixed assets	59,958	2,557	13,776	15,395	8,024	9,537
Loans to subsidiary company	(1,093,657)	-	-	-	(548,900)	(296,500)
Repayment of loans by subsidiary company	608,157	-	-	-	548,900	557,500
Short term investments - net	4,938	220,880	277,775	153,963	30,869	155,000
Dividend received	295,937	282,797	20,453	10,437	1,132	272
Interest received on loans to subsidiary company	44,386	-	-	7,741	41,196	28,948
Profit on bank deposits and term deposits received	22,813	21,992	21,829	86,942	69,330	57,615
Net cash (used in) / from investing activites	(193,726)	325,609	58,073	(13,000)	(132,812)	71,429
Cash flow from financing activities						
Repayment of liabilities against assets subject to finance lease	-	-	-	-	(45,153)	(35,973)
Repayment of lease liabilities	(125,883)	(107,111)	(81,501)	(48,576)	-	-
Dividends paid	(278,334)	(483,148)	(333,524)	(29,589)	(203,278)	(403,243)
Long term financing obtained	-	-	126,582	63,404	-	21,865
Long term financing repaid	(47,851)	(95,704)	(46,431)	(14,894)	(15,000)	(13,178)
Short term borrowings - net	357,337	1,033,038	(305,082)	(1,208,652)	1,267,280	(411,333)
Net cash (used in) / from financing activites	(94,731)	347,075	(639,956)	(1,238,307)	1,003,849	(841,862)
Net (decrease) / increase in cash and cash equivalents	(417,729)	392,597	140,366	(34,747)	(312,680)	396,492
Cash and cash equivalents at the beginning of the year	657,141	264,544	124,178	158,925	471,605	75,113
Cash and cash equivalents at the end of year	239,412	657,141	264,544	124,178	158,925	471,605

ANALYSIS OF **CASH FLOWS**



CASH FLOWS **ANALYSIS**

In FY2023, the company reported a significant improvement in its operating cash flow, with a decrease in cash outflows from operating activities to Rupees 129 million from Rupees 280 million in FY2022. This indicates better efficiency in managing day-to-day operations, resulting in a reduced need for cash.

In terms of investing activities, there was a notable shift from a positive cash inflow of Rupees 326 million in FY2022 to a cash outflow of Rupees 194 million in FY2023. This is mainly due to short term loan extended to subsidiary company.

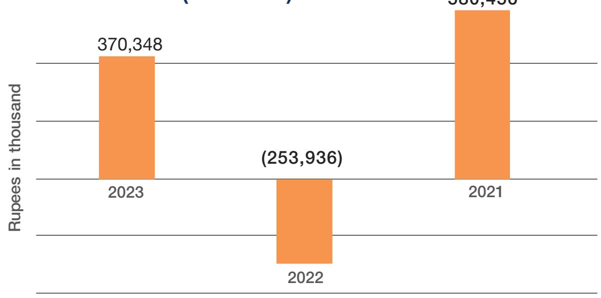
Financing activities also underwent a substantial change, as the company experienced a decrease in cash inflow from financing activities, dropping from Rupees 347 million in FY2022 to Rupees 95 million in FY2023. This indicate reduced external financing.

The most noteworthy change can be observed in the company's cash and cash equivalents position, which significantly reduced to Rupees 239 million in FY2023 from Rs 657 million in FY2022 due to outflows in operating, investing and financing activities

ANALYSIS OF FREE **CASH FLOWS**

Free Cash Flows	2023	2022	2021
	Rupees in thousand		
(Loss) / Profit before taxation	(181,184)	1,015,200	503,854
Adjustments for non-cash items and other items	310,629	283,334	192,073
Working capital changes	377,161	(1,349,853)	160,289
Capital additions	(136,258)	(202,617)	(275,760)
Free Cash Flows	370,348	(253,936)	580,456

FREE CASH **FLOWS (2023-2021)**



DIRECT METHOD **CASH FLOWS**

Cash Flows From Operating Activities	2023	2022
	Rupees	
Collection from customers	17,194,285,407	20,178,993,583
Payments to employees as remuneration	(1,021,069,431)	(867,816,540)
Payments to suppliers and service providers	(14,250,617,327)	(16,581,242,164)
Income tax paid	(200,960,436)	(58,722,363)
Sales tax paid	(1,418,544,777)	(2,788,116,112)
Finance cost paid	(431,385,437)	(162,380,933)
Zakat paid	(980,123)	(802,695)
Net cash used in operating activities	(129,272,124)	(280,087,224)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures on operating fixed assets	(134,757,935)	(198,380,855)
Capital expenditure on intangible assets	(1,500,000)	(824,609)
Initial direct cost incurred on right-of-use assets	-	(3,410,776)
Short term loan given to subsidiary company	(1,093,656,544)	
Short term loan repaid by subsidiary company	608,156,544	
Proceeds from disposal of operating fixed assets	59,957,697	2,556,955
Short term investments - net	4,937,545	220,880,116
Dividends received	295,937,019	282,796,867
Interest received on loans to subsidiary company	44,386,253	-
Profit on bank deposits and term deposit receipts received	22,813,380	21,991,452
	(193,726,041)	325,609,150
Net cash (used in) / from investing activities	325,609,150	58,072,858
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(125,883,130)	(107,111,273)
Dividend paid	(278,334,373)	(483,147,527)
Proceeds from long term financing	-	-
Repayment of long term financing	(47,851,814)	(95,703,612)
Short term borrowings - net	357,337,406	1,033,038,142
Net cash (used in) / from financing activities	(94,731,911)	347,075,730
Net (decrease) / increase in cash and cash equivalents	(417,730,076)	392,597,656
Cash and cash equivalents at the beginning of the year	657,141,796	264,544,140
Cash and cash equivalents at the end of the year	239,411,720	657,141,796

QUARTERLY **ANALYSIS**

FOR THE **CURRENT YEAR**

Statement of Profit or Loss	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	Rupees in thousand			
GROSS REVENUE	4,326,639	3,847,374	4,908,984	4,440,932
DISCOUNTS	(82,621)	(66,990)	(121,228)	(68,888)
SALES TAX	(301,969)	(352,078)	(643,589)	(354,874)
NET REVENUE	3,942,049	3,428,306	4,144,167	4,017,170
COST OF SALES	(3,594,989)	(3,168,503)	(3,509,955)	(3,671,536)
GROSS PROFIT	347,060	259,803	634,212	345,634
DISTRIBUTION COST	(177,614)	(192,349)	(298,970)	(374,575)
ADMINISTRATIVE EXPENSES	(186,404)	(150,762)	(163,500)	(218,065)
OTHER EXPENSES	(45,261)	(6,756)	(4,732)	20,606
	(409,279)	(349,867)	(467,202)	(572,034)
OTHER INCOME	27,680	303,669	92,352	81,405
(LOSS) / PROFIT FROM OPERATIONS	(34,539)	213,605	259,362	(144,995)
FINANCE COST	(91,239)	(132,975)	(84,620)	(165,783)
(LOSS) / PROFIT BEFORE TAXATION	(125,778)	80,630	174,742	(310,778)
TAXATION	24,981	25,904	(59,028)	95,915
(LOSS) / PROFIT AFTER TAXATION	(100,797)	106,533	115,714	(214,862)

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 (2022: 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	2,649,701	2,477,824	2,593,539	2,430,897
Total Equity	4,041,749	3,869,872	3,985,587	3,822,945
LIABILITIES				
NON-CURRENT LIABILITIES				
Long term financing	-	-	-	-
Lease Liabilities	451,615	424,584	405,322	492,138
Long term deposits	17,000	15,000	15,000	16,500
Deferred income tax liability - net	24,640	-	36,778	-
Deferred income - Government grant	-	-	-	-
	493,255	439,584	457,100	508,638
CURRENT LIABILITIES				
Trade and other payables	1,042,971	956,947	1,288,993	974,284
Accrued mark-up	68,004	91,147	25,106	81,020
Short term borrowings	1,995,888	2,731,522	1,624,487	1,851,556
Current portion of non-current liabilities	150,263	121,546	125,466	150,743
Unclaimed dividend	5,695	5,979	5,979	5,831
Provision for taxation - net	15,159	-	7,358	-
	3,277,980	3,907,141	3,077,389	3,063,434
Total liabilities	3,771,235	4,346,725	3,534,489	3,572,072
Contingencies and Commitments	-	-	-	-
TOTAL EQUITY AND LIABILITIES	7,812,984	8,216,597	7,520,076	7,395,017

Statement of Financial Positiion	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	Rupees in thousand			
ASSETS				
NON-CURRENT ASSETS				
Fixed assets	2,549,470	2,569,363	2,574,785	2,589,502
Right-of-use assets	535,212	515,920	489,184	605,121
Intangible assets	5,598	4,582	3,588	3,982
Investment property	130,000	130,000	130,000	135,000
Investment in subsidiary company	1,300,001	1,300,001	1,300,001	1,300,001
Long term security deposits	37,695	27,593	29,489	51,943
Long term loan to an employee	1,614	2,464	3,807	2,985
Deffered income tax asset - net	-	6,718	-	83,599
	4,559,590	4,556,641	4,530,854	4,772,133
CURRENT ASSETS				
Stock-in-trade	1,254,761	1,099,895	1,025,685	1,102,922
Trade debts	114,813	98,844	265,557	159,240
Loans and advances	958,078	1,457,646	960,752	625,011
Short term deposits and prepayments	43,245	46,922	46,562	32,337
Other receivables	352,122	407,323	185,624	188,392
Accrued interest	7,010	11,470	45,024	52,988
Short term investments	231,237	238,053	236,329	222,583
Cash and bank balances	292,128	299,804	223,689	239,411
	3,253,394	3,659,956	2,989,222	2,622,884
TOTAL ASSETS	7,812,984	8,216,597	7,520,076	7,395,017

QUARTERLY **ANALYSIS** **REVENUE**

Total revenue showing mixed trend during the year with the highest in third quarter which represent 26.68% of total revenue. FY-2022-2023 remained challenging, due to:

- Devastating floods
- Political uncertainty
- Global supply chain disruptions
- Inflationary impact of Russia-Ukraine conflict
- Historic high inflation rates in the country
- State Bank of Pakistan's Monetary Policy Committee raised Policy Rate to an unprecedented 22.00%
- Devaluation of the national currency (rupee) increased import costs
- Challenging economic environment for businesses

COST OF **SALES**

Cost of sales shows mixed trend in FY 2023 with lowest in second quarter and highest is fourth quarter mainly on account rupee depreciation against dollar.

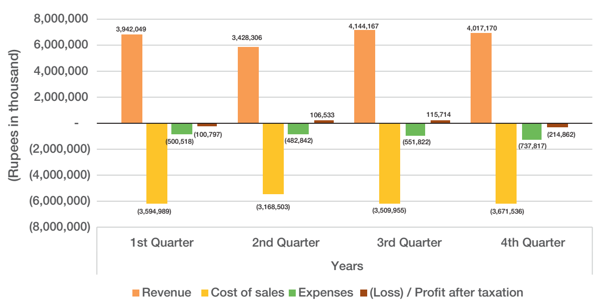
NET LOSS **AFTER TAXATION**

The company experienced fluctuating financial performance throughout the fiscal year. It achieved net profits in the second and third quarters but incurred losses in the first and fourth quarters. These losses were primarily due to reduced sales revenue, increased cost of sales, and higher finance costs. As a result, the company reported a net loss of Rupees 93 million for the fiscal year.

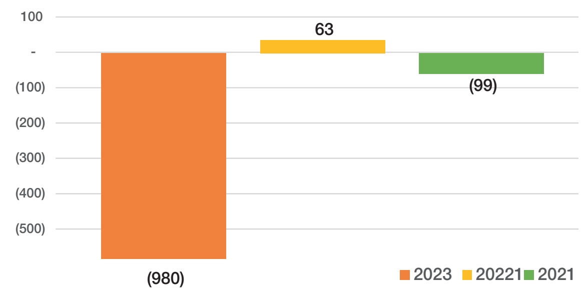
ECONOMIC **VALUE ADDED**

Economic Value Added (EVA) stands as a critical metric employed for the comprehensive evaluation of the Company's overarching performance and the efficacy of its management. This assessment is visually represented through a graphical presentation, which encompasses a three-year span, spanning from FY 2021 to FY 2023, offering a clear illustration of the Company's EVA trends over this period.

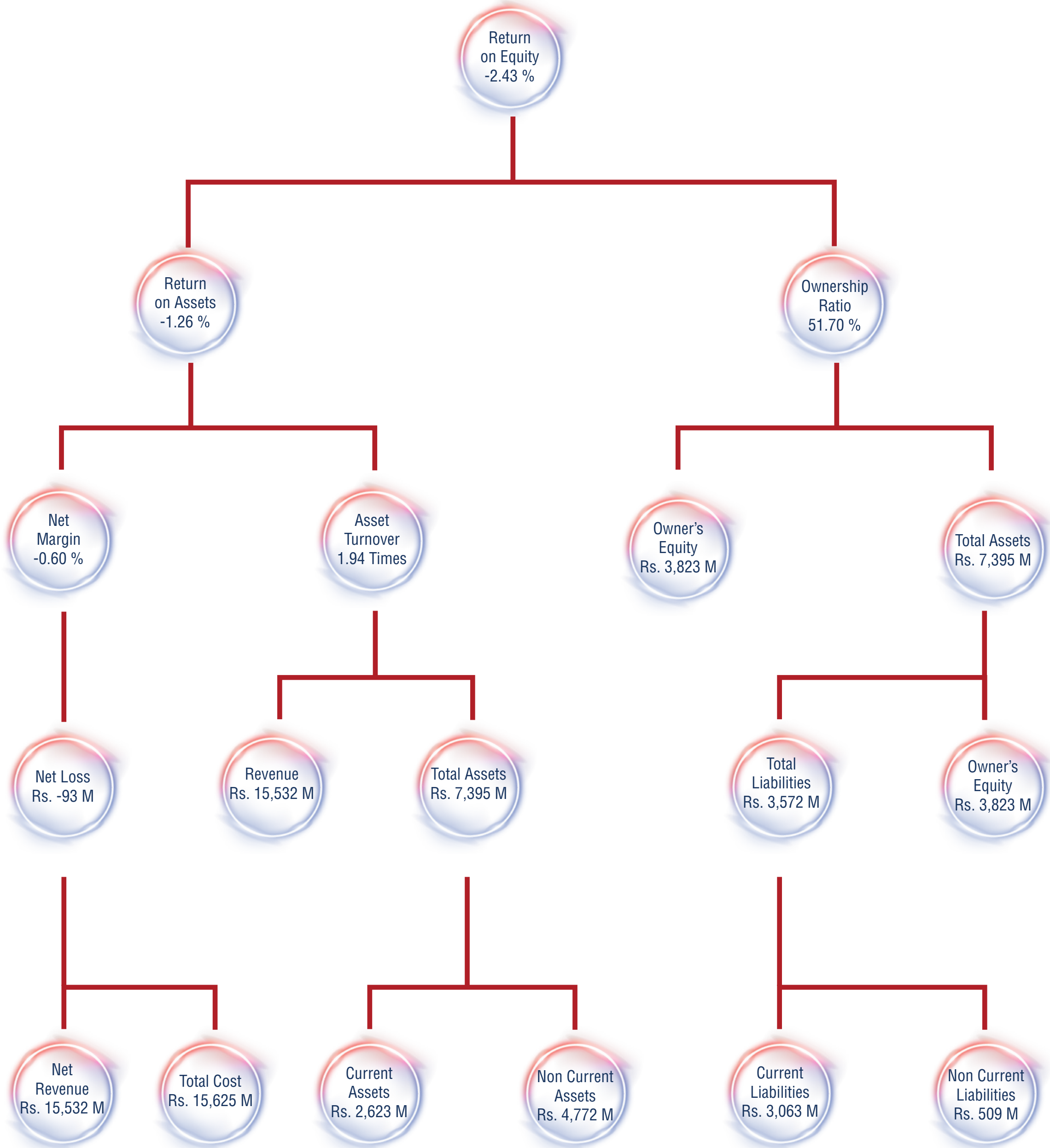
QUARTERLY **ANALYSIS**



ECNOMIC **VALUE ADDED (EVA)**



DUPONT ANALYSIS



The Dupont analysis is a framework for analyzing fundamental performance and it is a useful technique used to decompose the different drivers of return on equity (ROE).

Dupont analysis for last six years depicts that the Company is generating mixed returns for its shareholders. The management of the Company regularly monitors all the drivers used in Dupont analysis to identify strengths and weaknesses and analyze the Company's fundamental performance.

Year	Return on assets	Ownership ratio	ROE
	(Net profit / total assets) A	Total equity / total assets B	A/B
2023	-1.26%	51.70%	-2.43%
2022	8.08%	45.34%	17.81%
2021	6.43%	56.65%	11.35%
2020	-0.80%	63.24%	-1.27%
2019	-7.11%	52.76%	-13.48%
2018	10.04%	70.49%	14.24%

ANALYSIS OF FINANCIAL **AND NON-FINANCIAL PERFORMANCE**

HTL's Financial Department plays a pivotal role in annual budgeting. In the last quarter of the fiscal year, each business unit and cost center uses a system-based budgeting module to submit their financial plans. After careful review by the company's top management, these budgets go through an audit committee for further scrutiny and eventual approval by the Board of Directors. These budgets are meticulously prepared, taking into account forecasts and assumptions that align with the specific needs of the business. The Budgeting Department also conducts sensitivity analysis to ensure the budgets can withstand various scenarios, considering factors like costs that can be controlled, those that can't, seasonal fluctuations, and ongoing trends. Moreover, the CEO and management teams are assigned balanced scorecards based on business unit targets, profitability goals, and other qualitative metrics, ensuring a well-rounded approach to evaluating performance

PERFORMANCE AGAINST **FINANCIAL MEASURES**

Company sets financial targets for business units, their liquidity and working capital against defined targets.

SUMMARISED OPERATING PERFORMANCE OF THE COMPANY FOR THE CURRENT YEAR INCLUDING EXPLANATION OF **NEGATIVE CHANGE IN THE PERFORMANCE AGAINST PRIOR YEAR**

- The Company experienced a significant 42% reduction in its gross profit over the course of the year. This decline can be primarily attributed to a decrease in sales revenue, coupled with a concurrent increase in the cost of sales incurred by the Company.
- Distribution cost has been decreased by 4.5% in comparison from last year in correspondence to the decrease in sales revenue.
- Administrative expenses registered a notable increase of 27.55% compared to the previous year, primarily driven by elevated expenditures in salaries, wages, and other employee benefits.
- The Company achieved a noteworthy 85% reduction in its other expenses compared to the previous year. This reduction can be primarily attributed to a decrease in exchange losses incurred during the year.
- Other income has exhibited a notable increase of 32% in comparison to the previous year, primarily attributed to interest income derived from a short-term loan extended to a subsidiary company.
- The overall finance costs experienced a substantial increase of 143% compared to the previous year, primarily driven by the escalation in interest rates during the year.
- The Company recorded a net loss of Rupees 93 million for the year, primarily attributable to a decrease in sales revenue, an increase in the cost of sales, and a rise in finance costs.

PERFORMANCE AGAINST **NON-FINANCIAL MEASURES**

The company places great emphasis on a comprehensive array of non-financial targets, encompassing human resource development, growth and expansion initiatives, and succession planning. Additionally, the organization is committed to enhancing process and production efficiencies within HTL and HTBL, fostering quality improvements in both products and services, investing in automation, safeguarding intellectual capital, prioritizing health and safety measures, nurturing positive community relationships (social capital), managing diversity in its workforce, ensuring strict compliance with all applicable laws and regulations, and fulfilling its tax obligations diligently. These factors collectively define the core values and priorities of the company.

In addition to addressing various challenges, the HR department is diligently engaged in a multifaceted approach aligned with the outlined targets. This approach encompasses the recruitment of qualified individuals at competitive compensation levels, utilizing both internal and external talent sources. Furthermore, the department has conducted training sessions and conferences for employees, extended internship opportunities, facilitated the employment of individuals with special needs, and formulated succession plans at various organizational levels in accordance with the Company's evolving requirements. These endeavors reflect the HR department's commitment to nurturing a skilled and diverse workforce in support of the Company's strategic objectives.

The IT department has achieved a noteworthy milestone by ensuring uninterrupted operation of information systems and essential tools throughout the entire year, making a substantial contribution to our overall business achievements.

Additionally, the Company has successfully completed the implementation of Oracle across all business units, marking a significant step forward in our operational efficiency and effectiveness.

In parallel, the department has prioritized fire safety, conducting comprehensive training sessions and safety drills at the HTBL plant site to ensure strict compliance with health and safety requirements.

Our dedicated business intelligence department has also continued its efforts to safeguard our intellectual capital, further enhancing our brand equity in the market. These initiatives underscore our unwavering commitment to excellence and the protection of our valuable assets.

The company monitored following KPIs in the achievement of above targets:

- Analyze various prospects of investment in the industry
- Production efficiency, current, gearing and activity ratios
- Optimization and better allocation of available resources
- Provision and monitoring of supportive environment with special focus on health and safety of the employees
- EPS, ROE, Analysis of market price as a measure of relationship capital and provision of maximum customer support beyond the general relationship

ANALYSIS OF FINANCIAL **AND NON-FINANCIAL PERFORMANCE**

ANALYSIS OF CHANGES **IN THE PERFORMANCE**

In FY 2023, Pakistan faced a complex economic environment marked by devastating floods, political uncertainty, disruptions in global supply chains, and inflation triggered by the Russia-Ukraine conflict. The inflation rate reached historic highs, prompting the State Bank of Pakistan to raise the Policy Rate to an unprecedented 22.00%. Additionally, the devaluation of the rupee increased import costs, further contributing to inflation.

During the year in review, on an unconsolidated basis, HTL incurred a net loss of Rupees 93 million, translating to a loss per share of Rupees 0.67. This unfavorable financial performance can be primarily attributed to a significant 12.44% decline in revenue, primarily driven by the prolonged stagnation observed in the automobile sector throughout the fiscal year.

This adverse trend was further exacerbated by a combination of external factors, including persistent inflationary pressures, reduced consumer purchasing power, and the broader economic downturn experienced in Pakistan. Notably, the substantial increase in the policy rate had a profound impact on our finance costs, resulting in an increase of Rupees 279 million compared to the previous year.

It is imperative to acknowledge the challenging economic landscape that contributed to these financial outcomes.

PERFORMANCE MEASURE I**NDICATORS**

In the year 2023, the Company diligently adhered to the Balance Scorecard approach as a robust framework for assessing performance indicators across each division and the organization as a whole. This strategic approach served as a comprehensive tool to gauge and enhance the overall effectiveness and productivity of our operations

METHODS USED **IN COMPILING THE INDICATORS**

- Customer satisfaction Index through recurring feedback and retention of old customers
- Contribution / Value addition analysis
- Return on capital expenditures

MARKET **SHARE**

EXTERNAL **SOURCES**

In the fiscal year 2016-17, an external assessment of the company's market share was commissioned, conducted by the independent entity "Kantar TNS," a prominent international research agency. As per the research report provided by Kantar TNS, the utilization rate for our product "ZIC" was documented at 21%, securing a ranking of 3rd in terms of market share for that particular year. This impartial evaluation served as a valuable benchmark in our market positioning analysisr.

INTERNAL **SOURCES**

According to the internal market data analysis HTL has a sizeable market share in Lubricants.

BUSINESS RATIONAL OF **MAJOR CAPITAL EXPENDITURES / PROJECTS**

To facilitate growth and diversification initiatives, the Company made substantial capital investments in its petroleum segment operations during the fiscal year. Furthermore, the Company remains steadfast in its ongoing endeavors to expand and fortify its presence in this sector for the foreseeable future, aligning with its strategic objectives

TIMELY PAYMENT OF DEBTS **AND GOVERNMENT DUES**

The Company paid all its debts and government dues on time during the year.

DISCLOUSURES BY SHARIA COMPLIANT COMPANY AND THE COMPANY **LISTED ON ISLAMIC INDEX**

Disclosures required under clause 10 of the Fourth Schedule of the Companies Act, 2017 for the Shariah compliant companies and companies listed on Islamic Index are stated in Note 49 to the annexed unconsolidated financial statements.

BOARD'S RESPONSIBILITY STATEMENT ON FULL COMPLIANCE OF FINANCIAL ACCOUNTING AND REPORTING STANDARDS **AS APPLICABLE IN PAKISTAN**

The Board of Directors of the Company strongly believes in adherence to full compliance with all the applicable International Accounting Standards (IAS) / IFRS issued by the International Accounting Standards Board (IASB) and as adopted by SECP vital to fair preparation and presentation of financial information.

Compliance with IFRS encourages sufficient disclosures of the financial statements that are beneficial for informed decisions of stakeholders. Financial statements for the year have been prepared in accordance with the accounting and reporting standards issued by IASB as are applicable in Pakistan. IFRS adoption status is explained in detail in note 2.1 of the annexed unconsolidated financial statements.

ANALYSIS OF FINANCIAL **AND NON-FINANCIAL PERFORMANCE**

ADOPTION OF INTERNATIONAL INTEGRATED REPORTING FRAMEWORK BY FULLY APPLYING THE 'FUNDAMENTAL CONCEPTS, CONTENT ELEMENTS **AND GUIDING PRINCIPLES**

The Company is in the process of adoption of International Integrated Reporting Framework..

BEST CORPORATE **REPORTS AWARDS**

Starting from FY 2018 onwards, HTL has actively engaged in the annual Best Corporate and Sustainability Report Awards competition organized by ICAP (Institute of Chartered Accountants of Pakistan) and ICMAP (Institute of Cost and Management Accountants of Pakistan). Below, we present a year-wise overview of our performance in this esteemed competition:

YEAR	POSITION	SECTOR
2018	Second	Fuel and Energy
2019	Fourth	Fuel and Energy
2020	Third	Fuel and Energy
2021	Fourth	Fuel and Energy

BEST CORPORATE REPORT **AWARDS**

UNCONSOLIDATED
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

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 2023, 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 summary of significant accounting policies 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 2023 and of the loss, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following are the Key audit matters:

Sr. No.	Key audit matters	How the matter was addressed in our audit
1	**Revenue recognition** The Company recognized net revenue from contracts with customers of Rupees 15,531.692 million for the year ended 30 June 2023. 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 on revenue, refer to the following: - Summary of significant accounting policies, Revenue recognition note 2.27 to the financial statements. - Net revenue from contracts with customers as shown on the face of statement of profit or loss.	Our procedures included, but were not limited to: • We obtained an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue. • We compared a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents. • We compared a sample of revenue transactions recorded around the year-end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period. • We tested the effectiveness of the Company's internal controls over the calculation and recognition of discounts. • We assessed whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers'. • We also considered the appropriateness of disclosures in the financial statements.

Sr. No.	Key audit matters	How the matter was addressed in our audit
2	**Stock-in-trade existence and valuation** Stock-in-trade as at 30 June 2023 amounted to Rupees 1,102.922 million and represented a material position in the statement of financial position. The business is characterized by high volume and the valuation and existence of stock-in-trade are significant to the business. Therefore, considered as one of the key audit matters. Stock-in-trade is stated at lower of cost and net realizable value. Cost is determined as per accounting policy disclosed in note 2.11 to the financial statements. At year end, the valuation of stock-in-trade is reviewed by management and the cost of stock-in-trade is reduced where stock-in-trade is forecast to be sold below cost. For further information on stock-in-trade, refer to the following - Summary of significant accounting policies, Stock-in-trade note 2.11 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.

INDEPENDENT **AUDITOR'S REPORT**

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

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

Auditor's Responsibilities for the Audit of the Financial

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) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore

Date: 25 September 2023

UDIN: AR20231013242mF8w0Pj

STATEMENT OF
FINANCIAL POSITION
As at 30 June 2023

	Note	**2023 Rupees**	2022 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
150,000,000 (2022: 150,000,000) ordinary shares of Rupees 10 each		1,500,000,000	1,500,000,000
Issued, subscribed and paid-up share capital	3	1,392,048,000	1,392,048,000
Reserves	4	2,430,897,384	2,750,498,756
Total equity		3,822,945,384	4,142,546,756
LIABILITIES			
Non-current liabilities			
Long term financing	5	-	-
Lease liabilities	6	492,138,641	471,952,022
Long term deposits	7	16,500,000	17,000,000
Deferred income tax liability - net	8	-	69,878,336
Deferred income - Government grant	9	-	-
		508,638,641	558,830,358
Current liabilities			
Trade and other payables	10	974,284,283	2,725,758,038
Accrued mark-up	11	81,019,923	38,150,124
Short term borrowings	12	1,851,556,185	1,494,218,779
Current portion of non-current liabilities	13	150,742,680	172,181,700
Unclaimed dividend		5,830,744	5,755,517
Provision for taxation - net	14	-	-
		3,063,433,815	4,436,064,158
Total liabilities		3,572,072,456	4,994,894,516
Contingencies and commitments	15		
TOTAL EQUITY AND LIABILITIES		7,395,017,840	9,137,441,272
ASSETS			
Non–current assets			
Fixed assets	16	2,589,502,914	2,590,342,283
Right-of-use assets	17	605,121,153	555,744,577
Intangible assets	18	3,981,524	6,657,720
Investment property	19	135,000,000	130,000,000
Investment in subsidiary company	20	1,300,000,600	1,300,000,600
Long term security deposits	21	51,943,128	37,694,740
Long term loan to an employee	22	2,985,100	783,329
Deferred income tax asset - net	8	83,599,116	-
		4,772,133,535	4,621,223,249
Current assets			
Stock-in-trade	23	1,102,921,785	2,868,897,798
Trade debts	24	159,239,694	106,218,981
Loans and advances	25	625,010,633	192,209,599
Short term deposits and prepayments	26	32,337,488	24,309,437
Other receivables	27	188,392,066	440,065,418
Accrued interest	28	52,987,973	570,582
Short term investments	29	222,582,946	226,804,412
Cash and bank balances	30	239,411,720	657,141,796
		2,622,884,305	4,516,218,023
TOTAL ASSETS		7,395,017,840	9,137,441,272

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 2023

HTL LIMITED
Hi-Tech Lubricants Ltd

	Note	2023 Rupees	2022 Rupees
Gross revenue from contracts with customers	31	17,523,929,280	20,956,422,071
Discounts		(339,727,263)	(750,430,803)
Sales tax		(1,652,509,962)	(2,466,954,101)
Net revenue from contracts with customers		15,531,692,055	17,739,037,167
Cost of Sales	32	(13,944,983,410)	(15,019,145,240)
Gross profit		1,586,708,645	2,719,891,927
Distribution cost	33	(1,043,508,059)	(1,092,423,139)
Administrative expenses	34	(718,731,055)	(563,500,529)
Other expenses	35	(36,142,523)	(236,054,991)
		(1,798,381,637)	(1,891,978,659)
Other income	36	505,105,718	382,802,711
Profit from operations		293,432,726	1,210,715,979
Finance cost	37	(474,616,854)	(195,516,047)
(Loss) / Profit before taxation		(181,184,128)	1,015,199,932
Taxation	38	87,771,606	(277,277,940)
(Loss) / Profit after taxation		(93,412,522)	737,921,992
(Loss) / Earnings per share - basic and diluted	39	(0.67)	5.30

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 2023

	2023 Rupees	2022 Rupees
(Loss) / Profit after taxation	(93,412,522)	737,921,992
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Surplus on revaluation of freehold land	52,220,750	704,626,206
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the year	52,220,750	704,626,206
Total comprehensive (loss) / income for the year	(41,191,772)	1,442,548,198

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 2023

Hi-Tech Lubricants Ltd

	Share capital	Reserves				Total reserves	Total equity
		Capital reserve			Revenue reserve		
		Share premium	Surplus on revaluation of freehold land	Sub Total	Un–appropriated Profit		
	Rupees						
Balance as at 30 June 2021	1,160,040,000	1,441,697,946	-	1,441,697,946	580,837,110	2,022,535,056	3,182,575,056
Transactions with owners:							
Final dividend for the year ended 30 June 2021							
@ Rupees 2.00 per share	-	-	-	-	(232,008,000)	(232,008,000)	(232,008,000)
Issue of 01 bonus share for every 05 ordinary shares							
for the year ended 30 June 2021	232,008,000	-	-	-	(232,008,000)	(232,008,000)	-
Interim dividend for the year ended 30 June 2022							
@ Rupees 1.80 per share	-	-	-	-	(250,568,498)	(250,568,498)	(250,568,498)
	232,008,000	-	-	-	(714,584,498)	(714,584,498)	(482,576,498)
Profit for the year ended 30 June 2022	-	-	-	-	737,921,992	737,921,992	737,921,992
Other comprehensive income for the year ended 30 June 2022	-	-	704,626,206	704,626,206	-	704,626,206	704,626,206
Total comprehensive income for the year ended							
30 June 2022	-	-	704,626,206	704,626,206	737,921,992	1,442,548,198	1,442,548,198
Balance as at 30 June 2022	1,392,048,000	1,441,697,946	704,626,206	2,146,324,152	604,174,604	2,750,498,756	4,142,546,756
Transaction with owners:							
Final dividend for the year ended 30 June 2023							
@ Rupees 2 per share	-	-	-	-	(278,409,600)	(278,409,600)	(278,409,600)
Loss for the year ended 30 June 2023	-	-	-	-	(93,412,522)	(93,412,522)	(93,412,522)
Other comprehensive income for the year ended 30 June 2023	-	-	52,220,750	52,220,750	-	52,220,750	52,220,750
Total comprehensive loss for the year ended 30 June 2023	-	-	52,220,750	52,220,750	(93,412,522)	(41,191,772)	(41,191,772)
Balance as at 30 June 2023	1,392,048,000	1,441,697,946	756,846,956	2,198,544,902	232,352,482	2,430,897,384	3,822,945,384

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

Chief Executive

Director

Chief Financial Officer

STATEMENT OF **CASH FLOWS**

For the year ended 30 June 2023

	Note	**2023 Rupees**	2022 Rupees
Cash flows from operating activities			
Cash generated from / (used in) operations	40	506,606,358	(51,318,855)
Finance cost paid		(431,385,437)	(162,380,933)
Income tax paid		(200,960,436)	(58,722,363)
Net increase in long term loans to employees		(3,135,937)	(983,333)
Net decrease / (increase) in long term security deposits		103,328	(6,681,740)
Decrease in long term deposits		(500,000)	-
Net cash used in operating activities		(129,272,124)	(280,087,224)
Cash flows from investing activities			
Capital expenditure on operating fixed assets		(134,757,935)	(198,380,855)
Capital expenditure on intangible assets		(1,500,000)	(824,609)
Initial direct cost incurred on right-of-use assets		-	(3,410,776)
Short term loan given to subsidiary company		(1,093,656,544)	-
Short term loan repaid by subsidiary company		608,156,544	-
Proceeds from disposal of operating fixed assets		59,957,697	2,556,955
Short term investments - net		4,937,545	220,880,116
Dividends received		295,937,019	282,796,867
Interest received on short term loan to subsidiary company		44,386,253	-
Profit on bank deposits and term deposit receipt received		22,813,380	21,991,452
Net cash (used in) / from investing activities		(193,726,041)	325,609,150
Cash flows from financing activities			
Repayment of lease liabilities		(125,883,130)	(107,111,273)
Dividend paid		(278,334,373)	(483,147,527)
Long term financing repaid		(47,851,814)	(95,703,612)
Short term borrowings - net		357,337,406	1,033,038,142
Net cash (used in) / from financing activities		(94,731,911)	347,075,730
Net (decrease) / increase in cash and cash equivalents		(417,730,076)	392,597,656
Cash and cash equivalents at the beginning of the year		657,141,796	264,544,140
Cash and cash equivalents at the end of the year		239,411,720	657,141,796

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.

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

Business units	Address
Registered and head office	1-A, Danepur Road, GOR-1, Lahore
Regional office – Karachi	C-6 /1, Street No. 3, Bath Island, Clifton, Karachi
Regional office – Islamabad	Suite No. 1402, 14th Floor, Green Trust Tower, Jinnah Avenue, Blue Area, Islamabad.
Regional office – Multan	House No. 95, Block C, Phase III, Model Town, Multan
Regional office – Peshawar	Office No. 280, 3rd Floor, Deans Trade Centre, Islamia Road, Peshawar
Warehouse	Property No. 35 A/M, Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore
Customs bonded warehouse	7-KM, Sundar Raiwind Road, Bhai Kot, Lahore
Warehouse	7-KM, Sundar Raiwind Road, Bhai Kot, Lahore
Oil Depot – OMC Project	Mouza No. 107/9L, Sahiwal
OMC Project office	Plot No. 2, Block K, Main Boulevard Gulberg-II, Lahore
Oil Depot – OMC Project	Mouza Aza Khel Bala, Nowshera
Oil Depot – Extension	Mouza Aza Khel Payan, Nowshera
HTL Express Centre	Dharampura, Lahore
HTL Express Centre	Garden Town, Lahore
HTL Express Centre	Block F, Gulshan-e-Ravi, Lahore
HTL Express Centre	Johar Town, Lahore
HTL Express Centre	Phase II, DHA, Karachi
HTL Express Centre	Gulistan-e-Johar, Karachi
HTL Express Centre	Pakistan Employees Cooperative Housing Society, Karachi
HTL Express Centre	Askari XIV Sector – A, Rawalpindi
Oil Boy Energy Limited	Mouza Neel Kot, Head Muhammad Wala Road, Multan
Lali Sons Filling Station	Faisalabad Road, Lalian
Punjab Filling Station	Main Satyana Road, Faisalabad
Green Fuel CNG	1-KM, G.T. Road, Lalamusa
A.B. Petroleum Filling Station	Tehsil Liaqatpur, Rahim Yar Khan
Jillani CNG	Lehtrar Road, Islamabad
Dasti Filling Station	Jampur Road, Dera Ghazi Khan
Rehman Filling Station	Chistian Road, Hasilpur
Al-Fazal Filling Station	Sargodha Road, Jhang
Ibrahim Petroleum	Sialkot Road, Gujranwala
Karma Wala-1 Filling Station	Shahkot Road, Jaranwala
Raja Adeel Filling Station	Arifwala Road, Arifwala
Gondal Filling Station	Daska Road, Wazirabad

City Filling Station	Hujra Shah Muqeem, Okara
Al Karam Filling Station	Shamkey Bhattian, Lahore
Green City Fuel Station	Hasilpur Road, Bahalwalpur
Khokhar Fuel Station	Small Industrial Estate, Jinnah Road, Gujranwala
Minhas CNG	Multan Road, Lahore
One Stop	Main Ferozepur Road, Lahore
S&S	Toba Road, Jhang
Al Yousaf CNG	Khanewal Road, Multan
Rana Petroleum	Faisalabad Road, Okara
Mudassir Zulfiqar Filling Station	Vehari Road, Multan
Shahid & Company	Daska Road, Gujranwala
Benzina II Filling Station	Benazir Road, Okara
Nambardar Filling Station	Rawalpindi Road, Chakwal
Iftikhar Nadeem & Company	Mouza Jhawary, Dhamial Road, Rawalpindi Cantt.
Suntrust CNG	Millat Road, Faisalabad
Meezan Filling Station	Jhang Road, Toba Tek Singh

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

a) Statement of compliance

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

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

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

b) Accounting convention

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

C) Critical accounting estimates and judgments

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

Income tax

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

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

Inventories

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

Allowance for expected credit losses

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

Impairment of investment in subsidiary company

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

Revenue from contracts with customers involving sale of goods

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

Provisions

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

Classification of investments

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

Contingencies

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

Revaluation of freehold land and investment property

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

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

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2022:

- Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before Intended Use'.
- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts – Cost of Fulfilling a Contract which amended IAS 1 'Presentation of Financial Statements'.

- Annual improvements to IFRS standards 2018-2020 which amended IFRS 9 'Financial Instruments' and IFRS 16 'Leases'.

- 'Reference to the Conceptual Framework (Amendments to IFRS 3)' published by the International Accounting Standards Board (IASB) with amendments to IFRS 3 'Business Combinations'.

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

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

There are amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2022 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) Amendments to published approved accounting standards that are not yet effective but relevant to the Company

Following amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2023 or later periods:

Classification of liabilities as current or non-current (Amendments to IAS 1 'Presentation of Financial Statements') effective for the annual period beginning on or after 01 January 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

Disclosure of Accounting Policies (Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgement') effective for annual periods beginning on or after 01 January 2023. These amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements. Earlier, IAS 1 states that an entity shall disclose its 'significant accounting policies' in their financial statements. These amendments shall assist the entities to disclose their 'material accounting policies' in their financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 'Income taxes') effective for annual periods beginning on or after 01 January 2023. These amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations.

Change in definition of Accounting Estimate (Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors) effective for annual periods beginning on or after 01 January 2023. This change replaced the definition of Accounting Estimate with a new definition, intended to help entities to distinguish between accounting policies and accounting estimates.

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

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

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

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

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

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

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

2.2 Fixed assets

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

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

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

Depreciation

Depreciation is charged to statement of profit or loss by applying the reducing balance method whereby cost of an asset is written off over its estimated useful life at the rates given in Note 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 on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

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

2.5 Lease liabilities

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

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

2.6 Investment in subsidiary company

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

2.7 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.

Change in accounting policy

The Company has changed its accounting policy in respect of investment property to fair value model under which investment property is stated at revalued amount less recognized impairment loss, if any, whereas it was previously valued at cost less recognized impairment loss, if any. The management believes that the new policy provides reliable and more relevant information to the users of these financial statements.

Independent valuations are performed periodically, the carrying amounts are reviewed against these 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 statement of profit or loss and accumulated in revaluation surplus in shareholders' equity.

This change in accounting policy has been accounted for retrospectively as referred under IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', and the comparative financial statements have been re-stated.

Effect of the retrospective application of change in accounting policy is as follows:

2.8 Functional and presentation currency

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

2.9 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.

2.10 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.

2.11 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.

2.12 Investments and other financial assets

a) Classification

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

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

- those to be measured at amortized cost

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

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

b) Measurement

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

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

Debt instruments

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

Amortized cost

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

Fair value through other comprehensive income (FVTOCI)

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

Fair value through profit or loss (FVTPL)

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

Equity instruments

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

Fair value through other comprehensive income (FVTOCI)

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

Fair value through profit or loss

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

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

2.13 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.

2.14 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.

2.15 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.

2.16 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.

2.17 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.

2.18 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.

2.19 Provisions

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

2.20 Taxation

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 the tax rates expected to apply to the profit for the year if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax 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.

2.21 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.

2.22 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.

2.23 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.

2.24 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.

2.25 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.

2.26 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.

2.27 Revenue recognition

(a) Sale of goods

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

(b) Interest

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

(c) Dividend

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

(d) Rental income

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

2.28 Contract assets

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

2.29 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.

2.30 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.

2.31 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.

2.32 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.

2.33 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.

2.34 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.

2.35 Segment reporting

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

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

The Company has following reportable business segments:

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

2.36 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.

2.37 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.

2.38 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.

2.39 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. ISSUED, SUBSCRIBED AND PAID–UP SHARE CAPITAL

2023	2022		2023	2022
(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 3.2)	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

3.1 993,330 (2022: 993,330) ordinary shares of the Company are held by SK Enmove Co., Ltd. (Formerly SK Lubricants Co., Ltd.) - principal supplier and long term partner.

3.2 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.

3.3 The principal shareholders of the Company and SK Enmove Co., Ltd. (Formerly SK Lubricants Co., Ltd.) have a shareholders agreement in place. The parties to the agreement have agreed on certain board of directors' unanimous resolution items such as direct or indirect engagement in lubricant products under the brand name of the Company or any other party other than SK Enmove Co., Ltd. (Formerly SK Lubricants 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.

	2023 Rupees	2022 Rupees
4. RESERVES		
Capital reserve		
Share premium (Note 4.1)	1,441,697,946	1,441,697,946
Surplus on revaluation of freehold land		
As at 01 July	704,626,206	-
Add: Surplus on revaluation of freehold land	52,220,750	704,626,206
As at 30 June	756,846,956	704,626,206
Revenue reserve		
Un-appropriated profit	232,352,482	604,174,604
	2,430,897,384	2,750,498,756

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

	2023 Rupees	2022 Rupees
5. LONG TERM FINANCING		
From banking company - secured		
Loan under State Bank of Pakistan (SBP) Refinance Scheme (Note 5.1)	-	47,490,196
Less: Current portion shown under current liabilities (Note 12)	-	47,490,196
	-	-

5.1 This term finance facility, aggregating to Rupees 189.986 million (2022: Rupees 189.986 million) was obtained by the Company under SBP Refinance Scheme for payment of wages and salaries to workers and employees of business concerns. This facility was secured against first charge of Rupees 254 million over plant and machinery of Company's fuel storage depot located at Sahiwal and Nowshera and personal guarantees of all sponsor directors. This finance facility was payable in 8 equal quarterly installments commenced from 01 January 2021 and ended on 01 October 2022. Mark-up was paid quarterly at the rate of SBP refinance rate plus 3.00% per annum. This loan was recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustments were recognized at discount rates ranged from 8.67% to 10.04% per annum (2022: 8.67% to 10.04% per annum).

		2023 Rupees	2022 Rupees
6.	**LEASE LIABILITIES**		
	Total lease liabilities	642,881,321	596,281,908
	Less: Current portion shown under current liabilities (Note 13)	(150,742,680)	(124,329,886)
		492,138,641	471,952,022
6.1	Reconciliation of lease liabilities is as follows:		
	Opening balance	596,281,908	401,664,079
	Add: Additions during the year	137,363,481	243,183,235
	Add: Interest accrued during the year (Note 37)	66,160,324	50,390,078
	Add / (less): Impact of lease modifications during the year	66,903,337	66,644,586
	Less: Impact of lease termination during the year	(30,608,025)	(8,098,721)
	Less: Payments made during the year	(193,219,704)	(157,501,349)
		642,881,321	596,281,908
	Less: Current portion shown under current liabilities (Note 13)	(150,742,680)	(124,329,886)
		492,138,641	471,952,022
6.2	Maturity analysis of lease liabilities is as follows:		
	Upto 6 months	98,083,366	88,070,049
	6-12 months	87,543,123	92,019,875
	1-2 year	164,131,787	151,016,624
	More than 2 years	359,201,160	502,612,188
		708,959,436	833,718,736
	Less: Future finance cost	(66,078,115)	(237,436,828)
	Present value of lease liabilities	642,881,321	596,281,908
6.3	Amounts recognised in the statement of profit or loss:		
	Interest accrued during the year (Note 37)	66,160,324	50,390,079
	Expense relating to leases of low-value assets (included in distribution cost)	1,961,644	1,882,221
	Total amount recognised in statement of profit or loss	68,121,968	52,272,300

6.4 Implicit rates against lease liabilities range from 14.40% to 23.62% (2022: 7.40% to 16.28%) per annum.

6.5 Leases from banking companies are secured against the leased assets, personal guarantees of directors and security deposits of Rupees 54.869 million (2022: Rupees 28.100 million).

7. LONG TERM DEPOSITS

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

	2023 Rupees	2022 Rupees
8. DEFERRED INCOME TAX (ASSET) / LIABILITY - NET		
The net deferred income tax (asset) / liability comprised of temporary differences relating to:		
Deductible temporary differences		
Unabsorbed tax depreciation	(38,632,306)	-
Available unused tax losses	(102,279,334)	-
Allowance for expected credit losses	(10,319,125)	(11,542,280)
Provision for slow moving and damaged inventory items	(7,849,828)	(4,654,722)
Provision for doubtful advances to suppliers	(356,353)	(983,709)
Lease liabilities	(186,435,583)	(196,773,030)
	(345,872,529)	(213,953,741)
Taxable temporary differences		
Accelerated tax depreciation and amortization	86,788,279	100,436,367
Right-of-use assets	175,485,134	183,395,710
	262,273,413	283,832,077
Net deferred income tax (asset) / liability	(83,599,116)	69,878,336

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

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

	2022		
	Opening Balance	Recognised in statement of profit or loss	Closing balance
		Rupees	
Minimum tax carry forward	(66,422,837)	(66,422,837)	-
Available unused tax losses	(41,485,645)	(41,485,645)	-
Allowance for expected credit losses	(10,831,054)	711,226	(11,542,280)
Provision for slow moving and damaged inventory items	(2,483,151)	2,171,571	(4,654,722)
Provision for doubtful advances to suppliers	(27,903)	955,806	(983,709)
Lease liabilities	(116,482,583)	80,290,447	(196,773,030)
Accelerated tax depreciation and amortization	85,292,473	(15,143,894)	100,436,367
Right-of-use assets	104,195,069	(79,200,641)	183,395,710
	(48,245,631)	(118,123,967)	69,878,336

	2023 Rupees	2022 Rupees
9. DEFERRED INCOME - GOVERNMENT GRANT		
Opening balance	361,618	5,103,385
Less: Amortized during the year (Note 36)	361,618	4,741,767
Closing balance	-	361,618
Less: Current portion shown under current liabilities (Note 13)	-	361,618
	-	-

9.1 The State Bank of Pakistan (SBP), through its Circular No. 06 of 2020 dated 10 April 2020 introduced a temporary Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns (the Refinance Scheme). The Refinance Scheme was funded by SBP. Borrowers could obtain loans from the banks and ease their cash flow constraints to avoid layoffs. One of the key feature of the Refinance Scheme was that borrowers could obtain loan at mark-up rates that are below normal lending rates. As per International Accounting Standard 20 (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 Company obtained this loan as disclosed in Note 5 to the financial statements. In accordance with IFRS 9 “Financial Instruments”, loan obtained under the Refinance Scheme was initially recognised at its 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 was measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received. This benefit was accounted for and presented as deferred grant in accordance with IAS 20. The grant has been amortised in the statement of profit or loss, in line with the recognition of interest expense the grant is compensating. There were no unfulfilled conditions or contingencies attached to this grant.

		2023 Rupees	2022 Rupees
10.	**TRADE AND OTHER PAYABLES**		
	Creditors (Note 10.1)	532,407,429	2,262,455,325
	Accrued liabilities (Note 10.2)	64,309,560	91,030,412
	Infrastructure cess payable	67,555,065	67,555,065
	Contract liabilities - unsecured (Note 10.3)	56,684,948	63,104,103
	Retention money payable	11,508,299	16,796,112
	Customs duty and other charges payable	36,991,393	60,266,180
	Income tax deducted at source	26,872,192	14,600,110
	Workers' profit participation fund payable (Note 10.4)	22,682,575	19,292,825
	Workers' welfare fund payable (Note 10.5)	15,889,350	15,889,350
	Payable to Hi-Tech Blending (Private) Limited - subsidiary company (Note 10.6)	135,254,590	111,351,094
	Payable to employees' provident fund trust	4,128,882	3,417,462
		974,284,283	2,725,758,038

10.1 These include Rupees 157.782 million (2022: Rupees 1,202.327 million) and Rupees 54.196 million (2022: Rupees 52.663 million) payable to Hi-Tech Blending (Private) Limited - subsidiary company and SK Enmove Co., Ltd. (Formerly SK Lubricants Co., Ltd.) - principal supplier and long term partner respectively.

10.2 These include Rupees Nil (2022: Rupees 2.384 million) on account of remuneration payable to directors of the Company.

10.3 These include Rupees Nil (2022: Rupees 0.470 million) received as advance for purchase of lubricants from Hi-Tech Blending (Private) Limited - subsidiary company.

		2023 Rupees	2022 Rupees
10.4	**Workers' profit participation fund**		
	Balance as on 01 July	19,292,825	-
	Add: Provision for the year (Note 35)	-	19,292,825
	Add: Interest for the year (Note 37)	3,389,750	-
	Balance as on 30 June	22,682,575	19,292,825

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

		2023 Rupees	2022 Rupees
10.5	**Workers welfare fund**		
	Balance as on 01 July	15,889,350	900,948
	Add: Provision for the year (Note 35)	-	14,988,402
	Balance as on 30 June	15,889,350	15,889,350

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

	2023 Rupees	2022 Rupees
11. ACCRUED MARK-UP		
Long term financing	-	355,248
Short term borrowings	81,019,923	37,794,876
	81,019,923	38,150,124
12. SHORT TERM BORROWINGS		
From banking companies - secured		
Short term finances (Note 12.1 and Note 12.2)	1,851,556,185	1,494,218,779

12.1 These finances are obtained from banking companies under mark-up arrangements and are secured against trust receipts, first joint pari passu hypothecation charge over present and future current assets of the 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.

12.2 The effective rates of mark-up ranged from 14.14% to 23.24% (2022: 8.01% to 16.02%) per annum.

	2023 Rupees	2022 Rupees
13. CURRENT PORTION OF NON-CURRENT LIABILITIES		
Long term financing (Note 5)	-	47,490,196
Lease liabilities (Note 6)	150,742,680	124,329,886
Deferred income - Government grant (Note 9)	-	361,618
	150,742,680	172,181,700
14. PROVISION FOR TAXATION - NET		
Provision for taxation	83,537,154	238,421,105
Less: Advance income tax	(83,537,154)	(238,421,105)
	-	-

15. CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

15.1.1 On 19 December 2018, the Company filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] against the order of Deputy Commissioner Inland Revenue (DCIR). 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. 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 which is still pending for adjudication. 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 creating a demand of Rupees 18.207 million against the Company. The Company, being aggrieved, filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)], who decided the case in favor of the Company reducing the total demand to Rupees 0.191 million. However, Income Tax Department has filed an appeal against the order of CIR(A) before the Appellate Tribunal Inland Revenue (ATIR) which is pending adjudication. No provision against the original tax demand has been recognized in these financial statements, as the management, based on advice of the tax advisor, is confident of favorable outcome of litigation.

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 Commissioner Inland Revenue (Appeals) [CIR(A)] against the order of DCIR. CIR(A) accepted the Company's stance on certain issues assailed in appeal and reduced the aggregate demand to Rupees 10.735 million. Being aggrieved by the order of CIR(A), the Company filed appeal before the Appellate Tribunal Inland Revenue (ATIR) which is pending adjudication. No provision against this demand has been recognized in these financial statements, as the management, based on advice of the tax advisor, is confident of favorable outcome of litigation.

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 Commissioner Inland Revenue (Appeals) [CIR(A)] against the order of DCIR. On 17 November 2022, CIR(A) decided the appeal in favor of the Company. On 12 January 2023, the tax department has filed appeal before the Appellate Tribunal Inland Revenue (ATIR) against the order passed by CIR(A) which is pending adjudication. No provision against this demand has been recognized in these financial statements, as the management, based on advice of the tax advisor, is confident of favorable outcome of litigation.

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

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 Commissioner Inland Revenue (Appeals) [CIR(A)]. On 16 May 2022, CIR(A) has vacated the tax demand. However, in respect of certain issues, the case has been remanded back to assessing officer for fresh consideration. On 13 July 2022, the tax authorities have filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the order of CIR(A) which is pending adjudication. The management, based on the advise of the tax advisor, is confident of favourable outcome of the matter. Therefore, no provision has been recognized in these financial statements.

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 Commissioner Inland Revenue (Appeals) [CIR(A)]. On 25 February 2022, CIR(A) remanded back the case to department for fresh consideration. However, these remand back proceedings have not been initiated yet. The management, based on advise of the tax advisor, is confident of favourable outcome of the matter. Therefore, no provision has been recognized in these financial statements.

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

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 Commissioner Inland Revenue (Appeals) [CIR(A)]. On 31 May 2022, CIR(A) provided partial relief to the Company. However, sales tax default in respect of certain issues was upheld by CIR(A).

Being aggrieved with the order of CIR(A), the Company and tax deparment filed appeals before Appellate Tribunal Inland Revenue (ATIR). On 07 December 2022, ATIR accepted the Company's stance in respect of all matters except for imposition of penalty and default surcharge relating to late filing of sales tax returns and late payment of due sales tax liability. However appeal filed by the tax department is yet to be heard. The management, based on advise of the tax advisor, is confident of favourable outcome of the matter. Therefore, no provision has been recognized in these financial statements.

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. The Company filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] against the order of DCIR which is pending adjudication. 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.

15.1.11 Corporate guarantees of Rupees 2,967.5 million (2022: Rupees 2,633 million) have been given by the Company to the banks in respect of financing to Hi-Tech Blending (Private) Limited - subsidiary company.

15.1.12 Guarantee of Rupees 58 million (2022: Rupees 58 million) is given by the bank of the Company to Director Excise and Taxation, Karachi against disputed amount of infrastructure cess.

15.1.13 Guarantees of Rupees 22.314 million (2022: Rupees 22.314 million) are given by the bank of the Company to Chairman, Punjab Revenue Authority, Lahore against disputed amount of infrastructure cess.

15.1.14 Guarantee of Rupees 15 million (2022: Rupees 15 million) and Rupees 2.25 million (2022: Rupees 2.25 million) are given by the banks of the Company to Total Parco Pakistan Limited and Pakistan State Oil Company Limited respectively against fuel cards obtained by the Company for its employees.

		2023 Rupees	2022 Rupees
15.2	**Commitments**		
15.2.1	For capital expenditures	46,143,062	53,571,861
15.2.2	Letters of credit other than for capital expenditures	49,166,475	-
16.	**FIXED ASSETS**		
	Operating fixed assets (Note 16.1)	2,458,955,725	2,459,192,488
	Capital work-in-progress (Note 16.2)	130,547,189	131,149,795
		2,589,502,914	2,590,342,283

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	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
	Categories											
	Rupees											
At 30 June 2021												
Cost	518,886,794	482,821,028	415,636,931	81,053,323	178,896,135	16,758,747	26,962,602	251,113,044	4,463,125	160,347,029	40,563,052	2,177,501,810
Accumulated depreciation	-	(63,466,143)	(92,810,112)	(18,287,718)	(19,478,997)	(1,905,927)	(13,032,692)	(159,001,468)	(333,121)	(41,042,617)	(23,296,584)	(432,655,379)
Net book value	518,886,794	419,354,885	322,826,819	62,765,605	159,417,138	14,852,820	13,929,910	92,111,576	4,130,004	119,304,412	17,266,468	1,744,846,431
Year ended 30 June 2022												
Opening net book value	518,886,794	419,354,885	322,826,819	62,765,605	159,417,138	14,852,820	13,929,910	92,111,576	4,130,004	119,304,412	17,266,468	1,744,846,431
Additions	623,500	20,576,645	10,840,459	-	71,740,070	19,353,204	1,368,719	1,537,358	-	20,873,046	9,017,522	155,930,523
Revaluation surplus	704,626,206	-	-	-	-	-	-	-	-	-	-	704,626,206
Transferred from right-of-use assets:												
Cost	-	-	-	-	-	-	-	5,976,770	-	-	-	5,976,770
Accumulated depreciation	-	-	-	-	-	-	-	(4,189,689)	-	-	-	(4,189,689)
	-	-	-	-	-	-	-	1,787,081	-	-	-	1,787,081
Disposals:												
Cost	-	-	-	-	-	-	-	(5,155,128)	-	-	(2,954,542)	(8,109,670)
Accumulated depreciation	-	-	-	-	-	-	-	3,975,476	-	-	2,009,912	5,985,388
	-	-	-	-	-	-	-	(1,179,652)	-	-	(944,630)	(2,124,282)
Written-off:												
Cost	-	-	-	(186,000)	-	-	(1,600,052)	(107,189)	-	(3,307,537)	(2,734,349)	(7,935,127)
Accumulated depreciation	-	-	-	65,802	-	-	761,062	80,319	-	1,672,409	2,316,314	4,895,906
	-	-	-	(120,198)	-	-	(838,990)	(26,870)	-	(1,635,128)	(418,035)	(3,039,221)
Depreciation	-	(43,492,602)	(32,760,345)	(6,273,312)	(18,046,178)	(1,988,610)	(1,436,543)	(18,614,996)	(826,001)	(12,739,487)	(6,656,176)	(142,834,250)
Closing net book value	1,224,136,500	396,438,928	300,906,933	56,372,095	213,111,030	32,217,414	13,023,096	75,614,497	3,304,003	125,802,843	18,265,149	2,459,192,488
At 30 June 2022												
Cost / revalued amount	1,224,136,500	503,397,673	426,477,390	80,867,323	250,636,205	36,111,951	26,731,269	253,364,855	4,463,125	177,912,538	43,891,683	3,027,990,512
Accumulated depreciation	-	(106,958,745)	(125,570,457)	(24,495,228)	(37,525,175)	(3,894,537)	(13,708,173)	(177,750,358)	(1,159,122)	(52,109,695)	(25,626,534)	(568,798,024)
Net book value	1,224,136,500	396,438,928	300,906,933	56,372,095	213,111,030	32,217,414	13,023,096	75,614,497	3,304,003	125,802,843	18,265,149	2,459,192,488
Year ended 30 June 2023												
Opening net book value	1,224,136,500	396,438,928	300,906,933	56,372,095	213,111,030	32,217,414	13,023,096	75,614,497	3,304,003	125,802,843	18,265,149	2,459,192,488
Additions	-	-	42,056,824	4,000,035	3,409,167	20,156,420	879,250	50,562,795	-	2,282,272	12,013,778	135,360,541
Revaluation surplus	52,220,750	-	-	-	-	-	-	-	-	-	-	52,220,750
Transferred from right-of-use assets:												
Cost	-	-	-	-	-	-	-	3,862,420	-	-	-	3,862,420
Accumulated depreciation	-	-	-	-	-	-	-	(2,287,712)	-	-	-	(2,287,712)
	-	-	-	-	-	-	-	1,574,708	-	-	-	1,574,708
Disposals:												
Cost	-	-	-	-	-	-	-	(60,003,353)	-	-	(1,713,776)	(61,717,129)
Accumulated depreciation	-	-	-	-	-	-	-	7,466,621	-	-	1,086,070	8,552,691
	-	-	-	-	-	-	-	(52,536,732)	-	-	(627,706)	(53,164,438)
Depreciation	-	(39,643,890)	(31,875,898)	(5,870,545)	(17,162,522)	(4,922,728)	(1,371,332)	(14,977,607)	(660,801)	(12,722,376)	(7,020,625)	(136,228,324)
Closing net book value	1,276,357,250	356,795,038	311,087,859	54,501,585	199,357,675	47,451,106	12,531,014	60,237,661	2,643,202	115,362,739	22,630,596	2,458,955,725
At 30 June 2023												
Cost / revalued amount	1,276,357,250	503,397,673	468,534,214	84,867,358	254,045,372	56,268,371	27,610,519	247,786,717	4,463,125	180,194,810	54,191,685	3,157,717,094
Accumulated depreciation	-	(146,602,635)	(157,446,355)	(30,365,773)	(54,687,697)	(8,817,265)	(15,079,505)	(187,549,056)	(1,819,923)	(64,832,071)	(31,561,089)	(698,761,369)
Net book value	1,276,357,250	356,795,038	311,087,859	54,501,585	199,357,675	47,451,106	12,531,014	60,237,661	2,643,202	115,362,739	22,630,596	2,458,955,725
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						
Vehicles								
Toyota Corolla LE-18-4982	1	2,298,498	1,493,545	804,953	2,533,333	1,728,380	Company policy	Mr. Arshad Zaidi, Company's employee
Honda City LE-18-6289	1	1,878,070	1,145,138	732,932	1,800,000	1,067,068	Company policy	Mr. Anwar Sajjad, Company's employee
Toyota Corolla LEE-17-7219	1	2,060,740	1,440,998	619,742	1,994,667	1,374,925	Company policy	Mr. Muhammad Ashraf, Company's employee
Mercedez Benz APP-22-095	1	49,555,995	-	49,555,995	49,555,995	-	Sale and lease back	Bank Al-Habib Limited
		55,793,303	4,079,681	51,713,622	55,883,995	4,170,373		
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000		5,923,826	4,473,010	1,450,816	4,073,701	2,622,885		
		61,717,129	8,552,691	53,164,438	59,957,696	6,793,258		

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

	2023 **Rupees**	2022 Rupees
Distribution cost (Note 33)	104,919,540	108,603,515
Administrative expenses (Note 34)	31,308,784	34,230,735
	136,228,324	142,834,250

16.1.3 Buildings on leasehold land include two warehouses and water tank having net book value of Rupees 123.947 million (2022: Rupees 139.563 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
Property No. 35 A / M, Quaid-e- Azam Industrial Estate, Kot Lakhpat, Lahore	Warehouse	0.69	21,965
Mouza No. 107/9L, Tehsil and District Sahiwal	Oil depot	6.70	199,513
Mouza Aza Khel Bala, Tehsil and District Nowshera	Oil depot	7.55	9,257
Mouza Ali Murad Kalhoro, Indus Highway, Shikarpur (under construction)	Oil depot	8.50	56,307
Plot No. 2, Block K, Main Boulevard Gulberg-II, Lahore	OMC project office	0.39	1,847
Mouza Aza Khel Bala, Tehsil and District Nowshera	Oil depot extension	1.34	-
7-km, Sundar Raiwind Road, Bhai Kot, Lahore - Warehouse - 1	Warehouse - 1	-	49,658
7-Km, Sundar Raiwind Road, Bhai Kot, Lahore - Warehouse - 2	Warehouse - 2	-	53,348
Oil Boy Energy Limited - Mouza Neel Kot, Head Muhammad Wala Road, Multan	Dealer of retail outlet	-	2,818
Lali Sons Filling Station - Faisalabad Road, Lalian	Dealer of retail outlet	-	3,274
Punjab Filling Station - Main Satiana Road, Faisalabad	Dealer of retail outlet	-	2,821
Green Fuel CNG - 1-KM, G.T. Road, Lalamusa	Dealer of retail outlet	-	4,981
A.B. Petroleum Filling Station - Tehsil Liaqatpur, Rahim Yar Khan	Dealer of retail outlet	-	3,054
Jillani CNG - Lehtrar Road, Islamabad	Dealer of retail outlet	-	2,650

Location	Usage of Immovable Property	Total area of land	Covered area of buildings
		Acres	Square feet
Dasti Filling Station - Jampur Road, Dera Ghazi Khan	Dealer of retail outlet	-	1,815
Rehman Filling Station - Chistian Road, Hasilpur	Dealer of retail outlet	-	2,525
Al-Fazal Filling Station - Sargodha Road, Jhang	Dealer of retail outlet	-	2,121
Ibrahim Petroleum - Sialkot Road, Gujranwala	Dealer of retail outlet	-	3,185
Karma Wala-1 Filling Station - Shahkot Road, Jaranwala	Dealer of retail outlet	-	2,059
Raja Adeel Filling Station - Arifwala Road, Arifwala	Dealer of retail outlet	-	2,892
Gondal Filling Station - Daska Road, Wazirabad	Dealer of retail outlet	-	1,493
City Filling Station - Hujra Shah Muqeem, Okara	Dealer of retail outlet	-	962
Al Karam Filling Station - Shamkay Bhattian, Lahore	Dealer of retail outlet	-	6,633
Green City Fuel Station - Hasilpur Road, Bahawalpur	Dealer of retail outlet	-	1,289
Khokhar Fuel Station - Small Industrial Estate, Jinnah Road, Gujranwala	Dealer of retail outlet	-	1,175
Minhas CNG - Multan Road, Lahore	Dealer of retail outlet	-	841
One Stop - Main Ferozepur Road, Lahore	Dealer of retail outlet	-	1,970
S&S - Toba Road, Jhang	Dealer of retail outlet	-	3,310
Al Yousaf CNG - Khanewal Road, Multan	Dealer of retail outlet	-	1,793
Rana Petroleum - Faisalabad Road, Okara	Dealer of retail outlet	-	2,633
Mudassir Zulfiqar Filling Station - Vehari Road, Multan	Dealer of retail outlet	-	8,084
Shahid & Company - Daska Road, Gujranwala	Dealer of retail outlet	-	6,396
Benzina II Filling Station - Benazir Road, Okara	Dealer of retail outlet	-	4,709
Nambardar Filling Station - Rawalpindi Road, Chakwal	Dealer of retail outlet	-	5,875
Iftikhar Nadeem & Company - Mouza Jhawary, Dhamyal Road, Rawalpindi Cantt.	Dealer of retail outlet	-	5,162
Suntrust CNG - Millat Road, Faisalabad	Dealer of retail outlet	-	4,086
Meezan Filling Station - Jhang Road, Toba Tek Singh	Dealer of retail outlet	-	6,227
Haji Muhammad Nawaz Filling Station, Darban Road, Syed Nager, Dera Ismail Khan (under construction)	Dealer of retail outlet	-	3,694
Big Khan Filling Station - University Road, Chakdara (under construction)	Dealer of retail outlet	-	4,872
Imdad Mir Filling Station - Mouza Ghanda, Nawab Road, Mansehra (under construction)	Dealer of retail outlet	-	3,384
Dharampura, Lahore	HTL Express Centre	-	1,436
Garden Town, Lahore	HTL Express Centre	-	1,789
Gulshan-e-Ravi, Lahore	HTL Express Centre	-	2,444
Johar Town, Lahore	HTL Express Centre	-	4,500
Defence Housing Authority, Phase II, Karachi	HTL Express Centre	-	812
Gulistan-e-Johar, Karachi	HTL Express Centre	-	3,149
PECHS, Karachi	HTL Express Centre	-	2,700
Askari XIV, Sector A, Rawalpindi	HTL Express Centre	-	881

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:

	Catagories							
Description	**Buildings on leasehold land**	**Tanks and pipelines**	**Dispens-ing pumps**	**Machinery**	**Furniture and fittings**	**Office equipment**	**Computers**	**Total**
	Rupees							
Oil Boy Energy Limited - Mouza Neel Kot, Head Muhammad Wala Road, Multan	3,180,469	1,608,000	1,911,655	-	-	-	-	6,700,124
Lali Sons Filling Station - Faisalabad Road, Lalian	3,834,385	1,926,050	-	-	-	-	-	5,760,435
Punjab Filling Station - Main Satiana Road, Faisalabad	2,898,584	877,100	2,001,106	-	-	-	-	5,776,790
Ittehad Filling Station - Circular Road, Daska	-	877,100	-	-	-	-	-	877,100
Green Fuel CNG - 1-KM G.T. Road, Lalamusa	2,725,893	1,132,550	-	-	-	-	-	3,858,443
A.B. Petroleum Filling Station - Tehsil Liaqatpur, Rahim Yar Khan	4,623,288	1,480,589	1,958,750	-	-	-	-	8,062,627
Jillani CNG - Lehtrar Road, Islamabad	7,147,011	1,386,830	842,830	-	-	-	-	9,376,671
Dasti Filling Station - Jampur Road, Dera Ghazi Khan	1,919,332	808,290	2,754,484	-	-	-	-	5,482,106
Rehman Filling Station - Chistian Road, Hasilpur	2,013,421	-	-	-	-	-	-	2,013,421
Al-Fazal Filling Station - Sargodha Road, Jhang	3,163,859	-	2,227,102	-	-	-	-	5,390,961
Ibrahim Petroleum - Sialkot Road, Gujranwala	1,962,962	-	-	-	-	-	-	1,962,962
Karma Wala-1 Filling Station - Shahkot Road, Jaranwala	2,532,005	-	-	-	-	-	-	2,532,005
Raja Adeel Filling Station - Arifwala Road, Arifwala	1,853,000	-	-	-	-	-	-	1,853,000
Gondal Filling Station - Daska Road, Wazirabad	2,204,744	-	1,421,968	-	-	-	-	3,626,712
City Filling Station - Hujra Shah Muqeem, Okara	1,504,906	-	-	-	-	-	-	1,504,906
Al Karam Filling Station - Shamkay Bhattian, Lahore	3,556,882	-	3,244,171	-	-	-	-	6,801,053
Green City Fuel Station - Hasilpur Road, Bahawalpur	9,954,398	1,377,706	1,911,655	-	-	-	-	13,243,759
Khokhar Fuel Station - Small Industrial Estate, Jinnah Road, Gujranwala	2,101,400	1,377,706	3,212,099	-	-	-	-	6,691,205
Minhas CNG - Multan Road, Lahore	4,749,486	-	1,421,968	-	-	-	-	6,171,454
One Stop - Main Ferozepur Road, Lahore	17,757,318	2,102,230	2,482,580	-	-	-	-	22,342,128
S&S - Toba Road, Jhang	2,549,650	-	-	-	-	-	-	2,549,650
Al Yousaf CNG - Khanewal Road, Multan	1,651,843	578,690	1,558,512	-	-	-	-	3,789,045
Rana Petroleum - Faisalabad Road, Okara	2,439,500	-	-	-	-	-	-	2,439,500
Mudassir Zulfiqar Filling Station - Vehari Road, Multan	2,176,375	-	-	-	-	-	-	2,176,375
Shahid & Company - Daska Road, Gujranwala	1,828,249	-	4,722,091	-	-	-	-	6,550,340
Benzina II Filling Station - Benazir Road, Okara	2,318,142	3,037,269	8,036,682	-	-	-	-	13,392,093
Nambardar Filling Station - Rawalpindi Road, Chakwal	926,830	-	-	-	-	-	-	926,830
Iftikhar Nadeem & Company - Mouza Jhawary, Dhamyal Road, Rawalpindi Cantt.	1,571,303	2,763,529	4,477,015	-	-	-		8,811,847
Suntrust CNG - Millat Road, Faisalabad	40,743,349	3,409,167	4,937,988	-	-	-	-	49,090,504
Meezan Filling Station - Jhang Road, Toba Tek Singh	1,313,475	-	-	-	-	-	-	1,313,475
"Haji Muhammad Nawaz Filling Station, Darban Road, Syed Nager, Dera Ismail Khan (under construction)"	3,274,200	1,269,700	-	-	-	-	-	4,543,900
Big Khan Filling Station - University Road, Chakdara (under construction)	4,284,160	3,950,869	-	-	-	-	-	8,235,029
Gasoline Fuel Station - Ferozpur Road, Kasur (under construction)	-	2,272,778	-	-	-	-	-	2,272,778
Toru Fuel Station - Mardan Road , Nowshera (under construction)	-	2,859,022	-	-	-	-		2,859,022
Abro CNG - Kurdiawala, Faisalabad (under construction)	-	2,859,022	-	-	-	-	-	2,859,022
Gojra Filling Station - Near M-4 Interchange, Jhang (under construction)	-	1,136,389	-	-	-	-	-	1,136,389
Al - Sheikh Filling Station - Gujrat (under construction)	-	2,014,337	-	-	-	-	-	2,014,337
Moon CNG - GT Road opposite DHA, Islamabad (under construction)	-	1,136,389	-	-	-	-	-	1,136,389
Kohala Filling Station - Muzaffarabad Murree Road, Bagh (under construction)	-	3,445,266	-	-	-	-	-	3,445,266
Ghuman Fuel Station - Gurumangat Road, Lahore (under construction)	-	2,600,581	-	-	-	-	-	2,600,581
Attock Fuel Station - Iqbal Chowk, Attock (under construction)	-	877,948	-	-	-	-	-	877,948
Shah Sardar Filling Station - Murree Road, Abbotabad (under construction)	-	877,948	-	-	-	-	-	877,948
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 - Gulshan-e-Ravi, Lahore	16,220,083	-	-	5,308,603	56,796	2,602,702	14,040	24,202,224
HTL Express Centre - Johar Town, Lahore	16,713,760	-	-	7,727,402	153,621	-	24,000	24,618,783
HTL Express Centre - DHA, Karachi	7,085,936	-	-	4,019,037	669,727	97,044	-	11,871,744
HTL Express Centre - Gulistan-E-Johar, Karachi	11,978,196	-	-	6,117,945	1,115,829	811,290	-	20,023,260
HTL Express Centre - PECHS, Karachi	20,357,427	-	-	1,524,751	126,500	841,438	-	22,850,116
HTL Express Centre - Askari XIV, Sector A, Rawalpindi	9,133,147	-	-	4,419,000	854,206	2,808,753	-	17,215,106
	269,044,050	**50,043,055**	**49,122,656**	**34,786,023**	**3,178,906**	**9,381,156**	**38,040**	**415,593,886**

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.

		2023 Rupees	2022 Rupees
16.2	**Capital work-in-progress**		
	Civil works	44,199,846	32,339,864
	Dispensing pumps	8,681,790	20,752,020
	Advance against purchase of apartment (Note 16.2.2)	25,976,750	25,976,750
	Tanks and pipelines	50,594,702	20,799,838
	Advance against purchase of vehicle	-	26,000,000
	Mobilization advances	1,094,101	5,281,323
		130,547,189	131,149,795

16.2.1 Movement in capital work in progress is as follows:

	Categories							
	Civil works	Dispensing pumps	Advance against purchase of apartment	Tanks and pipelines	Advance against purchase of vehicle	Mobilization advances	Unallocated expenditures	Total
At 30 June 2021	26,860,047	29,396,100	25,226,750	-	-	5,069,766	2,146,800	88,699,463
Add: Additions during the year	59,717,540	5,813,200	750,000	67,572,489	26,000,000	6,330,015	-	166,183,244
Add / (Less): Adjustments made during the year	(22,820,619)	-	-	24,967,419	-	-	(2,146,800)	-
Less: Mobilization advances adjusted during the year	-	-	-	-	-	(6,118,458)	-	(6,118,458)
Add: Transferred from inventory	-	4,895,924	-	-	-	-	-	4,895,924
Less: Transferred to operating fixed assets during the year	(31,417,104)	(19,353,204)	-	(71,740,070)	-	-	-	(122,510,378)
At 30 June 2022	32,339,864	20,752,020	25,976,750	20,799,838	26,000,000	5,281,323	-	131,149,795
Add: Additions during the year	53,916,806	2,770,000	-	33,204,031	23,555,995	-	-	113,446,832
Less: Mobilization advances adjusted during the year	-	-	-	-	-	(4,187,222)	-	(4,187,222)
Add: Transferred from inventory	-	5,316,190	-	-	-	-	-	5,316,190
Less: Transferred to operating fixed assets during the year	(42,056,824)	(20,156,420)	-	(3,409,167)	(49,555,995)	-		(115,178,406)
At 30 June 2023	44,199,846	8,681,790	25,976,750	50,594,702	-	1,094,101	-	130,547,189

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

17. RIGHT-OF-USE ASSETS

	Land	Buildings	Vehicles	Total
	Rupees			
At 30 June 2021	228,550,647	73,029,064	57,713,630	359,293,341
Add: Additions during the year	142,365,608	2,174,557	102,053,846	246,594,011
Add: Impact of lease modifications	64,414,176	2,230,410	-	66,644,586
Less: Impact of lease termination	7,309,513	-	-	7,309,513
Less: Book value of assets transferred to operating fixed assets - during the year	-	-	1,787,081	1,787,081
Less: Depreciation expense for the year (Note 33)	56,215,487	30,808,270	20,667,011	107,690,768
At 30 June 2022	371,805,431	46,625,761	137,313,384	555,744,577
Add: Additions during the year	18,557,113	45,328,092	71,928,735	135,813,940
Add: Impact of lease modifications	(1,845,647)	69,122,276	-	67,276,629
Less: Impact of lease terminations	25,059,314	-	-	25,059,314
Less: Book value of assets transferred to operating fixed assets - during the year	-	-	1,574,708	1,574,708
Less: Depreciation expense for the year (Note 33)	60,162,403	34,768,030	32,149,538	127,079,971
At 30 June 2023	303,295,180	126,308,099	175,517,873	605,121,153

Lease of land

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

Lease of buildings

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

Lease of vehicles

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

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

		2023 Rupees	2022 Rupees
18.	**INTANGIBLE ASSETS - Computer softwares**		
	Opening net book value	6,657,720	10,645,945
	Add: Cost of additions during the year	1,500,000	824,607
	Less: Amortization charged during the year (Note 34)	4,176,196	4,812,832
	Closing net book value	3,981,524	6,657,720
18.1	Cost as at 30 June	47,473,948	45,973,947
	Accumulated amortization	(43,492,424)	(39,316,227)
	Net book value as at 30 June	3,981,524	6,657,720

18.2 Intangible assets - computer softwares have been amortized at the rate of 30% (2022: 30%) per annum.

18.3 Intangible assets costing Rupees 30.204 million (2022: Rupees 29.329 million) are fully amortized and are still in use of the Company.

		2023 Rupees	2022 Rupees
19.	**INVESTEMENT PROPERTY**		
19.1	**Land - at fair value**		
	Opening book value	130,000,000	93,750,000
	Fair value gain (Note 36)	5,000,000	36,250,000
	Closing book value	135,000,000	130,000,000

19.2 The fair value of investment property has been determined by an independent valuer M/s Anderson Consulting (Private) Limited as at 30 June 2023. Forced sale value of investment property as at 30 June 2023 is Rupees 114.750 million (2022: Rupees 110.500 million).

19.3 Particulars of investment property (i.e. land) are as follows:

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

		2023 Rupees	2022 Rupees
20.	**INVESTMENT IN SUBSIDIARY COMPANY - at cost**		
	Hi-Tech Blending (Private) Limited - unquoted		
	130,000,060 (2022: 130,000,060) fully paid ordinary shares of Rupees 10 each		
	Equity held 100% (2022: 100%)	1,300,000,600	1,300,000,600

20.1 Investment in Hi-Tech Blending (Private) Limited includes 60 (2022: 60) shares in the name of nominees of the Company.

		2023 Rupees	2022 Rupees
21.	**LONG TERM SECURITY DEPOSITS**		
	Security deposits against leased assets	54,869,439	28,099,890
	Security deposits - others	13,939,150	11,783,595
		68,808,589	39,883,485
	Less: Current portion shown under current assets (Note 26)	16,865,461	2,188,745
		51,943,128	37,694,740
22.	**LONG TERM LOANS TO EMPLOYEES**		
	Considered good:		
	Loans to employees - interest free and unsecured (Note 22.1)	3,919,266	983,333
	Less: Current portion shown under current assets (Note 25)	934,166	200,004
		2,985,100	783,329

22.1 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.

	2023 Rupees	2022 Rupees
23. STOCK-IN-TRADE		
Lubricants and parts (Note 23.1)	292,185,127	1,507,889,971
Less: Provision for slow moving and damaged inventory items (Note 23.2)	27,068,373	14,105,219
	265,116,754	1,493,784,752
Petroleum products		
- Stock in hand (Note 23.3 and Note 23.4)	139,978,203	712,760,727
- Stock in pipeline system (Note 23.5)	638,125,434	606,798,070
	778,103,637	1,319,558,797
Dispensing pumps and other installations (Note 23.6)	59,701,394	55,554,249
	1,102,921,785	2,868,897,798

23.1 This includes stock-in-transit of Rupees Nil (2022: Rupees 52.121 million) and stock amounting to Rupees 70.612 million (2022: Rupees 80.690 million) lying at customs bonded warehouse.

	2023 Rupees	2022 Rupees
23.2 Provision for slow moving and damaged inventory items:		
Opening balance	14,105,219	8,562,589
Add: Provision recognized during the year	12,963,154	10,678,666
Less: Reversal of provision during the year	-	5,136,036
	12,963,154	5,542,630
Closing balance	27,068,373	14,105,219

23.3 This includes stock of petroleum products in transit of Rupees Nil (2022: Rupees 264.996 million).

23.4 This include stock of petroleum products in possession of third parties as follows:

	2023 Rupees	2022 Rupees
Askar Oil Services (Private) Limited	2,425,987	2,122,499
Be Energy Limited	36,668,049	12,662,319
Al-Rahim Trading Company (Private) Limited	459,393	317,134,268
Gas and Oil Pakistan Limited	3,410,459	476,791
Karachi Hydrocorban Terminal Limited	4,756,350	6,672,428
	47,720,238	339,068,305

23.5 This represents the Company's share of pipeline stock of High Speed Diesel and Petroleum Motor Gasoline amounting to Rupees 469.131 million (2022: Rupees 454.427 million) and Rupees 168.995 million (2022: Rupees 152.371 million) respectively held by Pak-Arab Pipeline Company Limited.

23.6 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.

	2023 Rupees	2022 Rupees
24. TRADE DEBTS		
Unsecured:		
Considered good	194,822,885	141,195,587
Less: Allowance for expected credit losses (Note 24.2)	35,583,191	34,976,606
	159,239,694	106,218,981

24.1 As at the reporting date, trade debts of Rupees 70.957 million (2022: Rupees 66.909 million) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The ageing analysis of trade debts is as follows:

	2023 Rupees	2022 Rupees
Neither past due nor impaired	123,866,261	74,286,516
Past due but not impaired		
1 to 6 months	36,546,749	52,462,723
6 to 12 months	34,409,839	14,446,348
	70,956,588	66,909,071
24.2 Allowance for expected credit losses		
Opening balance	34,976,606	37,348,463
Add: Recognized during the year (Note 35)	606,585	-
Less: Reversal of allowance for expected credit losses (Note 36)	-	2,371,857
Closing balance	35,583,191	34,976,606

24.3 The maximum aggregate amount receivable from Hi-Tech Blending (Private) Limited at the end of any month during the year was Rupees 121.330 million (2022: Rupees 0.897 million).

	2023 Rupees	2022 Rupees
25 LOANS AND ADVANCES		
Considered good, unsecured:		
Loans to employees - interest free and against salaries:		
- Executives	8,623,129	562,500
- Other employees	2,809,835	2,398,352
	11,432,964	2,960,852
Short term loan to subsidiary company (Note 25.1)	485,500,000	-
Advances to employees against expenses	3,363,189	9,400,944
Current portion of long term loans to employees (Note 22)	934,166	200,004
Advances to suppliers (Note 25.2)	106,280,314	162,147,799
Margin against bank guarantees	17,500,000	17,500,000
	625,010,633	192,209,599

25.1 This represents unsecured short term loan given to Hi-Tech Blending (Private) Limited - subsidary company to meet the working capital requirements and is repayable on demand. This carries mark-up at the rate of 3 month KIBOR plus 1.5 % per annum. The effective rate of mark-up charged during the year on outstanding balance ranged from 17.21% to 23.58% (2022: Nil) per annum.

		2023 Rupees	2022 Rupees
25.2	**Advances to suppliers**		
	Unsecured:		
	Considered good	106,280,314	162,147,799
	Considered doubtful	1,228,802	2,980,936
		107,509,116	165,128,735
	Less: Provision for doubtful advances to suppliers (Note 25.2.1)	1,228,802	2,980,936
		106,280,314	162,147,799
25.2.1	**Provision for doubtful advance to supplier**		
	Opening balance	2,980,936	96,218
	Add: Recognized during the year (Note 35)	-	2,980,936
	Less: Advances to suppliers written off against provision	749,933	96,218
	Less: Reversal of provision during the year (Note 36)	1,002,201	-
	Closing balance	1,228,802	2,980,936
26.	**SHORT TERM DEPOSITS AND PREPAYMENTS**		
	Current portion of long term security deposits (Note 21)	16,865,461	2,188,745
	Short term security deposits	2,197,595	5,377,256
	Prepaid expenses	827,406	1,090,441
	Prepaid insurance	6,040,676	10,902,449
	Prepaid rent	6,406,350	4,750,546
		32,337,488	24,309,437
27.	**OTHER RECEIVABLES**		
	Receivable from MAS Associates (Private) Limited - associated company (Note 27.1)	444,154	292,753
	Receivable from SK Enmove Co., Ltd. (Formerly SK Lubricants Co., Ltd.) - related party (Note 27.2)	-	-
	Sales tax receivable	167,526,359	401,491,544
	Inland freight equalization mechanism	16,760,468	35,764,376
	Others	3,661,085	2,516,745
		188,392,066	440,065,418

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 0.754 million (2022: Rupees 0.306 million).

27.2 The maximum aggregate amount receivable from SK Enmove Co., Ltd. (Formerly SK Lubricants Co., Ltd.) - principal supplier and long term partner at the end of any month during the year was Rupees 181.400 million (2022: Rupees 112.191 million).

		2023 Rupees	2022 Rupees
28.	**ACCRUED INTEREST**		
	On bank deposits	9,013	11,678
	On short term loan to subsidary company (Note 28.1)	45,954,988	-
	On term deposit receipt	7,023,972	558,904
		52,987,973	570,582

28.1 It is neither past due nor impaired. The maximum aggregate amount receivable from subsidiary company at the end of any month during the year was Rupees 51.965 million (2022: Rupees Nil).

		2023 Rupees	2022 Rupees
29.	**SHORT TERM INVESTMENTS**		
	Equity instruments (Note 29.1)	222,582,946	226,804,412
29.1	**Equity instruments**		
	Fair value through profit or loss		
	Quoted - other than related party:		
	Engro Fertilizer Limited		
	49,500 (2022: 49,500) fully paid ordinary shares of Rupees 10 each	4,387,680	3,478,365
	First Habib Cash Fund		
	2,125,858.6099 (2022: 2,175,445.5276) units	214,608,551	218,935,967
	NBP Islamic Daily Dividend Fund		
	37,955.7549 (2022: 33,248.6961) units	379,557	332,486
	UBL Liquidity Plus Fund - Class 'C'		
	20,187.0219 (2022: 17,634.4689) units	2,045,041	1,781,484
	MCB Cash Management Optimizer		
	4,378.7994 (2022: 3,832.6873) units	443,593	386,950
	Meezan Rozana Amdani Fund		
	6,812.5239 (2022: 5,977.4662) units	340,625	298,872
		222,205,047	225,214,124
	Unrealized gain on remeasurement of investments at fair value through profit or loss - net	377,899	1,590,288
		222,582,946	226,804,412

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

	2023 Rupees	2022 Rupees
30. CASH AND BANK BALANCES		
Cash in hand	1,771,008	557,306
Cash at banks:		
Saving accounts (Note 30.1)	7,873,895	225,076,032
Current accounts	54,766,817	231,508,458
	62,640,712	456,584,490
	64,411,720	457,141,796
Term deposit receipt (Note 30.3)	175,000,000	200,000,000
	239,411,720	657,141,796

30.1 Saving accounts carry profit at the rates ranging from 12.25% to 21.80% (2022: 5.49% to 12.25%) per annum.

30.2 Bank balances (including term deposit receipt) of Rupees 177.401 million (2022: Rupees 218.438 million) and short term investments of Rupees 218.497 million (2022: Rupees 222.272 million) represents un-utilized proceeds of the initial public offer.

30.3 This term deposit receipt issued by banking company having maturity period of three months and carrying interest at 19.50% (2022: 12.75%) per annum. Effective rate of interest on term deposit receipt during the year ranges from 10.93% to 19.50% (2022: 5.50% to 12.75%) per annum.

	2023 Rupees	2022 Rupees
31. GROSS REVENUE FROM CONTRACTS WITH CUSTOMERS		
Lubricants	9,155,331,178	12,589,198,927
Petroleum products	8,212,223,924	8,326,346,060
Others (Note 31.1)	156,374,178	40,877,084
	17,523,929,280	20,956,422,071
31.1 Others		
Packing material, spare parts and base oil (Note 31.1.1)	121,140,414	-
Dispensing pumps	3,629,355	11,666,956
Franchise and joining fee	31,604,409	29,210,128
	156,374,178	40,877,084

31.1.1 This represents sale of packing material, spare parts and base oil to Hi-Tech Blending (Private) Limited - subsidary company amounting to Rupees 121.140 million (2022: Rupees Nil).

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 53.511 million included in contract liabilities (Note 10) at 30 June 2022 has been recognised as revenue during the year ended 30 June 2023.

		2023 Rupees	2022 Rupees
32.	**COST OF SALES**		
	Opening stock of lubricants and other items	1,563,444,220	352,142,799
	Lubricants and other items purchased during the year	4,666,083,490	8,906,620,122
		6,229,527,710	9,258,762,921
	Closing stock of lubricants and other items	339,876,354	1,563,444,220
	Cost of lubricants and other items sold	5,889,651,356	7,695,318,701
	Opening stock of petroleum products	1,319,558,797	534,969,344
	Petroleum products purchased during the year	6,127,519,591	7,658,133,726
	Petroleum development levy	1,226,148,575	279,772,083
	Inland freight equalization margin	63,358,500	170,510,183
		7,417,026,666	8,108,415,992
	Closing stock of petroleum products	778,103,637	1,319,558,797
	Cost of petroleum products sold	7,958,481,826	7,323,826,539
	Cost of packing material, spare parts and base oil sold to subsidary company	96,850,228	-
	Total	13,944,983,410	15,019,145,240
33.	**DISTRIBUTION COST**		
	Salaries and other benefits (Note 33.1)	495,521,402	463,727,334
	Sales promotion and advertisements - net (Note 33.2)	13,880,511	162,869,339
	Freight outward	37,689,754	44,528,934
	Rent, rates and taxes	3,555,668	2,431,494
	Travelling and conveyance	64,844,779	55,802,098
	Insurance	23,965,207	15,079,420
	Utilities	18,399,959	14,290,121
	Repair and maintenance	20,400,104	25,057,872
	Vehicles' running and maintenance	67,717,670	37,054,006
	Communication	9,516,412	10,928,547
	Entertainment	11,931,447	7,761,182
	Depreciation on fixed assets (Note 16.1.2)	104,919,540	108,603,515
	Depreciation on right-of-use assets (Note 17)	127,079,971	107,690,769
	Hospitality charges	8,607,862	10,359,959
	Printing and stationery	1,642,903	877,631
	Miscellaneous	33,834,870	25,360,918
		1,043,508,059	1,092,423,139

33.1 Salaries other benefits include provident fund contribution of Rupees 13.128 million (2022: Rupees 11.157 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 181.400 million (2022: Rupees 112.191 million) from SK Enmove Co., Ltd. (Formerly SK Lubricants Co., Ltd.) - principal supplier and long term partner.

	2023 Rupees	2022 Rupees
34. ADMINISTRATIVE EXPENSES		
Salaries, wages and other benefits (Note 34.1)	499,139,804	402,804,392
Rates and taxes	921,314	835,750
Travelling and conveyance	41,708,009	11,181,074
Insurance	16,906,277	13,080,307
Vehicles' running and maintenance	33,070,608	16,775,193
Utilities	9,768,100	7,998,816
Repair and maintenance	7,038,228	8,364,988
Fee and subscription	15,208,543	13,812,126
Printing and stationery	1,450,359	1,719,066
Communication	5,040,966	4,379,186
Entertainment	16,790,197	8,911,541
Legal and professional	29,955,690	28,647,014
Auditor's remuneration (Note 34.2)	4,842,926	4,200,350
Depreciation on fixed assets (Note 16.1.2)	31,308,784	34,230,735
Amortization on intangible assets (Note 18)	4,176,196	4,812,832
Miscellaneous	1,405,054	1,747,159
	718,731,055	563,500,529

34.1 Salaries, wages and other benefits include provident fund contribution of Rupees 12.3 million (2022: Rupees 9.645 million) by the Company.

	2023 Rupees	2022 Rupees
34.2 Auditor's remuneration		
Annual audit fee	2,213,680	1,976,500
Certifications	1,005,592	897,850
Half year review	1,263,654	1,046,500
Reimbursable expenses	360,000	279,500
	4,842,926	4,200,350
35. OTHER EXPENSES		
Allowance for expected credit losses (Note 24.2)	606,585	-
Provision for slow moving and damaged inventory items - net (Note 23.2)	12,963,154	5,542,630
Provision for doubtful advances to suppliers	-	2,980,936
Long term security deposit written off	325,000	-
Other receivables written off	-	905,691
Fixed assets written off	-	3,039,221
Stock-in-trade written off (Note 23.7)	-	192,155
Charities and donations (Note 35.1)	22,037,093	18,454,422
Workers' welfare fund	-	14,988,402
Workers' profit participation fund	-	19,292,825
Exchange loss - net	150,553	166,271,121
Miscellaneous	60,138	4,387,588
	36,142,523	236,054,991

35.1 These include amount of Rupees 18 million (2022: Rupees 18 million) paid to Sabra Hamida Trust, 1-A, Danepur Road, GOR-1, Lahore, in which Mr. Hassan Tahir - Chief Executive, Mr. Shaukat Hassan - Director, Mr. Tahir Azam - Director and Mr. Ali Hassan - Director are trustees.

	2023 Rupees	2022 Rupees
36. OTHER INCOME		
Income from financial assets:		
Dividend income (Note 36.1)	295,937,019	282,796,867
Profit on bank deposits and term deposit receipt	29,275,783	22,171,572
Interest on short term loan to subsidiary company	90,341,241	-
Gain on disposal of short term investments	338,180	50,996
Unrealized gain on remeasurement of investments at fair value through profit or loss - net	377,899	1,590,287
Credit balances written back	10,541,826	-
Reversal of allowance for expected credit losses (Note 24.2)	-	2,371,857
Income from non-financial assets:		
Gain on disposal of operating fixed assets (Note 16.1.1)	6,793,259	432,673
Fair value gain on investment property (Note 19)	5,000,000	36,250,000
Gain on termination of leases	5,548,712	789,208
Amortization of deferred income - Government grant (Note 9)	361,618	4,741,767
Income from handling and storage services	19,261,960	-
Reversal of provision for doubtful advances to suppliers (Note 25.2.1)	1,002,201	-
Common facility charges	521,400	1,056,214
Scrap sales	1,260,451	-
Insurance claim	3,421,000	-
Miscellaneous	4,725,419	2,791,270
Others:		
Rental income from HTL Express Centres	30,397,750	27,760,000
	505,105,718	382,802,711

36.1 This includes Rupees 260 million (2022: Rupees 260 million) received from Hi-Tech Blending (Private) Limited - subsidiary company.

	2023 Rupees	2022 Rupees
37. FINANCE COST		
Mark-up on long term financing	550,955	7,601,321
Mark-up on short term borrowings	396,895,791	131,748,690
Interest expense on lease liabilities (Note 6.1)	66,160,324	50,390,079
Bank charges and commission	7,620,034	5,775,957
Interest on workers' profit participation fund	3,389,750	-
	474,616,854	195,516,047

	2023 Rupees	2022 Rupees
38. TAXATION		
For the year:		
Current - For the year (Note 38.1)	72,119,069	159,359,537
- Prior year adjustment	(6,413,223)	(205,564)
Deferred tax	(153,477,452)	118,123,967
	(87,771,606)	277,277,940

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

	2023 Rupees	2022 Rupees
Relationship between tax expense and accounting profit		
(Loss) / profit before taxation	(181,184,128)	1,015,199,932
Tax at the applicable rate of 29% (2022: 29%)	(52,543,397)	294,407,980
Tax effect due to adjustment of brought forward losses	-	(40,929,290)
Tax effect of minimum tax on turnover taxed at lower rate	77,658,460	(68,998,059)
Tax effect of dividend income taxed at a lower rate	5,390,535	3,419,512
Tax effect of capital gain taxed at a lower rate	94,642	27,064
Tax effect of change in prior year's tax	(6,413,223)	(205,564)
Tax effect of group taxation adjustments	(11,024,569)	(21,358,892)
Tax effect of super tax	-	69,867,375
Tax effect arising as a consequence of recognition of deferred income tax	(153,477,452)	118,123,967
Tax effect of inadmissible income	52,543,397	-
Others	-	(77,076,153)
	(87,771,606)	277,277,940

39. (LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED

	2023	2022
There is no dilutive effect on the basic earnings per share which based on:		
(Loss) / profit after taxation attributable to ordinary shareholders (Rupees)	(93,412,522)	737,921,992
Weighted average number of shares (Number)	139,204,800	139,204,800
(Loss) / earnings per share - basic and diluted (Rupees)	(0.67)	5.30

		2023 Rupees	2022 Rupees
40.	**CASH GENERATED FROM / (USED IN) OPERATIONS**		
	(Loss) / profit before taxation	(181,184,128)	1,015,199,932
	Adjustments for non-cash charges and other items:		
	Depreciation on operating fixed assets	136,228,324	142,834,250
	Depreciation on right-of-use assets	127,079,971	107,690,769
	Amortization on intangible assets	4,176,196	4,812,832
	Amortization of deferred income - Government grant	(361,618)	(4,741,767)
	Allowance for expected credit losses	606,585	2,371,857
	Provision for slow moving and damaged inventory items - net	12,963,154	5,542,630
	Provision for doubtful advances to suppliers	-	2,980,936
	Gain on disposal of operating fixed assets	(6,793,259)	(432,673)
	Dividend income	(295,937,019)	(282,796,867)
	Profit on bank deposits and term deposit receipt	(29,275,783)	(22,171,572)
	Interest income on short term loan to subsidiary company	(90,341,241)	-
	Fair value gain on investment property	(5,000,000)	(36,250,000)
	Gain on disposal of short term investments	(338,180)	(50,996)
	Unrealized (gain) / loss on remeasurement of investments carried at fair value through profit or loss - net	(377,899)	(1,590,287)
	Fixed assets written off	-	3,039,221
	Reversal of provision for doubtful advances to suppliers	(1,002,201)	-
	Stock-in-trade written off	-	192,155
	Credit balances written back	(10,541,826)	-
	Long term security deposits written off	325,000	-
	Other receivables written off	-	905,691
	Gain on termination of lease	(5,548,712)	(789,208)
	Exchange loss - net	150,553	166,271,121
	Finance cost	474,616,854	195,516,047
	Working capital changes (Note 40.1)	377,161,587	(1,349,852,926)
		506,606,358	(51,318,855)
40.1	**Working capital changes**		
	Decrease / (increase) in current assets:	1,753,012,859	(1,995,890,874)
	Stock-in-trade	(53,627,298)	(5,365,490)
	Trade debts	54,635,333	(105,272,077)
	Loans and advances	(22,704,767)	(6,603,867)
	Short term deposits and prepayments	251,673,352	(299,590,055)
	Other receivables	1,982,989,479	(2,412,722,363)
	(Decrease) / increase in trade and other payables	(1,605,827,892)	1,062,869,437
		377,161,587	(1,349,852,926)

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

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

	2022				
	Liabilities from financing activities				
	Long term financing	Lease liabilities	Short term borrowings	Unclaimed dividend	Total
	Rupees				
Balance as at 01 July 2021	138,452,041	401,664,079	461,180,637	6,326,546	1,007,623,303
Finance obtained	-	-	13,335,914,608	-	13,335,914,608
Repayment of financing	(95,703,612)	-	(12,302,876,466)	-	(12,398,580,078)
Acquisitions - finance leases	-	243,183,235	-	-	243,183,235
Other change - non-cash movement	4,741,767	58,545,867	-	-	63,287,634
Repayment of lease liabilities	-	(107,111,273)	-	-	(107,111,273)
Dividend declared	-	-	-	482,576,498	482,576,498
Dividend paid	-	-	-	(483,147,527)	(483,147,527)
Balance as at 30 June 2022	47,490,196	596,281,908	1,494,218,779	5,755,517	2,143,746,400

	2023 Rupees	2022 Rupees
40.3 Non-cash financing activities		
Acquisition of right-of-use assets	137,363,481	243,183,235

41. PROVIDENT FUND

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

42. TRANSACTIONS WITH RELATED PARTIES

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

Relationship	Nature of transaction	2023 Rupees	2022 Rupees
Subsidiary company			
Hi-Tech Blending (Private) Limited	Sale of lubricants	103,023,346	1,039,426
	Sale of packing material and parts	18,117,068	
	Purchase of lubricants	4,305,440,690	8,089,849,202
	Dividend received	260,000,120	260,000,120
	Lease rentals paid	3,000,000	3,000,000
	Short term loan given	1,093,656,544	-
	Short term loan repaid	608,156,544	-
	Interest received on short term loan	44,386,254	-
Associated companies			
MAS Associates (Private) Limited	Share of common expenses	1,452,548	1,056,214
Other related parties			
SK Enmove Co., Ltd.	Purchase of lubricants	333,138,787	598,118,600
(Formerly SK Lubricants Co., Ltd.)	Incentive	181,400,000	112,190,906
	Dividend paid	1,986,660	2,927,012
	Bonus Share Issued	-	1,655,550
Provident fund trust	Contribution	25,429,262	20,802,292
Sabra Hamida Trust	Donations	18,000,000	18,000,000
Directors of the Company			
Mr. Shaukat Hassan	Dividend paid	721,200	1,062,568
	Bonus shares issued	-	601,000
Mr. Ali Hassan	Dividend paid	18,000,720	26,521,061
	Bonus shares issued	-	15,000,600
Mr. Hassan Tahir	Dividend paid	18,000,720	26,521,061
	Bonus shares issued	-	15,000,600
Ms. Mavira Tahir	Dividend paid	12,000,360	17,680,530
	Bonus shares issued	-	10,000,300
Mr. Tahir Azam	Dividend paid	721,200	987,568
	Bonus shares issued	-	601,000
Mr. Faraz Akhtar Zaidi	Dividend paid	1,200	1,643
	Bonus shares issued	-	1,000
Dr. Safdar Ali Butt	Dividend paid	1,200	1,643
	Bonus shares issued	-	1,000
Mr. Shafiq Ur Rehman	Dividend paid	1,200	1,643
	Bonus shares issued	-	1,000
Mr. Syed Asad Abbas Hussain	Dividend paid	1,200	1,331
	Bonus shares issued	-	1,000

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

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

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

43. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	2023				2022			
		Directors				Directors		
	Chief Executive	Executives	Non-Executives	Executives	Chief Executive	Executives	Non-Executives	Executives
	Rupees							
Managerial remuneration	15,180,645	13,645,161	45,161,292	133,306,711	11,845,161	10,451,613	30,967,740	91,326,161
Bonus	2,765,000	2,475,000	-	17,750,265	3,010,646	2,656,452	-	14,766,994
Allowances								
House rent	6,831,290	6,140,322	20,322,581	59,988,020	5,330,322	4,703,226	13,935,483	41,096,773
Medical	1,518,065	1,364,516	4,516,129	13,330,671	1,184,516	1,045,161	3,096,774	9,132,616
Travelling	3,000,000	3,000,000	10,000,000	891,950	2,000,000	2,000,000	4,000,000	439,300
Others incentives	6,157,513	6,137,513	2,000,000	77,884,355	22,468,028	22,468,028	-	61,143,201
Contribution to provident fund trust	-	-	-	11,336,955	-	-	-	7,321,643
Leave fare assistance	-	-	-	8,321,586	-	-	-	5,056,037
	35,452,513	32,762,512	82,000,002	322,810,513	45,838,674	43,324,480	51,999,997	230,282,725
	1	**1**	**4**	**64**	**1**	**1**	**4**	**49**

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

43.2 Aggregate amount charged in these financial statements for meeting fee to three directors (2022: four directors) is Rupees 6.1 million (2022: Rupees 4 million).

44. NUMBER OF EMPLOYEES

	2023		2022	
	Permanent	Contractual	Permanent	Contractual
Total number of employees as on 30 June	363	115	410	120
Average number of employees during the year	395	113	402	117

45. CAPACITY AND PRODUCTION

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

	Storage Capacity Metric Tons		
Description	**SKO**	**PMG**	**HSD**
Sahiwal depot	198	2,040	1,860
Nowshera depot	-	1,401	1,551

46. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

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

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

Recurring fair value measurements at 30 June 2022	Level 1	Level 2	Level 3	Total
	Rupees			
Financial assets				
Financial assets at fair value through profit or loss	226,804,412	-	-	226,804,412

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

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

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

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

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

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

(ii) Valuation techniques used to determine fair values

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

47. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

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

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

At 30 June 2022	Level 1	Level 2	Level 3	Total
		Rupees		
Freehold land	-	1,224,136,500	-	1,224,136,500
Investment property - land	-	130,000,000	-	130,000,000
	-	1,354,136,500	-	1,354,136,500

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

Valuation processes

The Company engages external, independent and qualified valuer to determine the fair value of the Company's freehold land and investment property at the end of every financial year. As at 30 June 2023, the fair value of the investment property 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.

48. FINANCIAL RISK MANAGEMENT

48.1 Financial risk factors

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

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

(a) Market risk

(i) Currency risk

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

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

HTL LIMITED
Hi-Tech Lubricants Ltd

	2023 USD	2022 USD
Trade and other payables	188,771	4,104,289

The following significant exchange rates were applied during the year:

	2023	2022
	Rupees per US Dollar	
Average rate	253.08	179.89
Reporting date rate	287.10	203.50

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 loss after taxation for the year would have been Rupees 2.710 million higher / lower (2022: profit after taxation for the year would have been Rupees 22.551 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 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 loss after taxation (2022: profit after taxation) for the year. The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Company's equity instruments moved according to the historical correlation with the index:

Index	Impact on (loss) / profit after taxation	
	2023 Rupees	2022 Rupees
PSX 100 (5% increase)	(204,262)	219,384
PSX 100 (5% decrease)	204,262	(219,384)

(iii) Interest rate risk

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

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

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

	2023 Rupees	2022 Rupees
Fixed rate instruments		
Financial assets		
Term deposit receipt	175,000,000	200,000,000
Financial liabilities		
Long term financing	-	47,490,196
Lease liabilities	487,010,986	470,172,580
Floating rate instruments		
Financial assets		
Bank balances - saving accounts	7,873,895	225,076,032
Financial liabilities		
Lease liabilities	155,870,335	126,109,328
Short term borrowings	1,851,556,185	1,494,218,779
	2,007,426,520	1,620,328,107

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, loss after taxation for the year would have been Rupees 19.996 million higher / lower (2022: profit after taxation for the year would have been Rupees 7.534 million lower / higher), mainly as a result of higher / lower interest expense on lease liabilities and short term borrowings. This analysis is prepared assuming the amounts of assets and liabilities outstanding at reporting dates were outstanding for the whole year.

(b) Credit risk

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

	2023 Rupees	2022 Rupees
Long term security deposits	13,939,150	11,783,595
Long term loans to employees	3,919,266	983,333
Short term deposits	2,197,595	5,377,256
Trade debts	159,239,694	106,218,981
Loans and advances	514,432,964	20,460,852
Other receivables	20,865,707	38,573,874
Accrued interest	52,987,973	570,582
Short term investments	222,582,946	226,804,412
Bank balances	237,640,712	656,584,490
	1,227,806,007	1,067,357,375

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			2023	2022
	Short term	Long term	Agency	Rupees	Rupees
Short term investments					
Engro Fertilizer Limited	A1+	AA	PACRA	4,085,235	4,387,680
First Habib Cash Fund	AA +(f)		VIS	215,290,591	219,614,489
NBP Islamic Mahana Amdani Fund	A(f)		PACRA	-	-
NBP Islamic Daily Dividend Fund	AA+(f)		PACRA	379,557	332,486
UBL Liquidity Plus Fund - Class 'C'	AA+(f)		VIS	2,042,658	1,782,636
MCB Cash Management Optimizer	AA+(f)		PACRA	444,282	388,249
Meezan Rozana Amdani Fund	AA+(f)		VIS	340,625	298,872
				222,582,948	226,804,412
Banks					
Bank Alfalah Limited	A1+	AA+	PACRA	8,411,749	230,380,858
Bank AL Habib Limited	A1+	AAA	PACRA	1,542,468	10,415,706
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	175,559,977	203,542,683
MCB Bank Limited	A1+	AAA	PACRA	12,753,161	7,481,402
National Bank of Pakistan	A1+	AAA	PACRA	1,195,805	2,617,952
The Bank of Punjab	A1+	AA+	PACRA	115,450	115,450
Habib Bank Limited	A-1+	AAA	VIS	42,302	19,169,981
Askari Bank Limited	A1+	AA+	PACRA	848,155	940,289
United Bank Limited	A-1+	AAA	VIS	4,928,558	50,747,325
JS Bank Limited	A1+	AA-	PACRA	287,110	289,410
Al-Baraka Bank (Pakistan) Limited	A-1	A+	VIS	238,399	238,399
Meezan Bank Limited	A-1+	AAA	VIS	26,280,201	92,997,972
Dubai Islamic Bank Pakistan Limited	A-1+	AA	VIS	108,520	30,020,342
Faysal Bank Limited	A1+	AA	PACRA	4,671,404	6,905,523
Summit Bank Limited	A-3	BBB-	VIS	7,246	7,246
Soneri Bank Limited	A1+	AA-	PACRA	-	850
Samba Bank Limited	A-1	AA	VIS	650,207	713,102
				237,640,712	656,584,490
				460,223,660	883,388,902

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

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

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

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2023 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 2023 and 30 June 2022 was determined as follows:

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

	Sales		
	Expected loss rate	**Trade debts**	**Loss allowance**
	%	Rupees	
At 30 June 2022			
Up to 30 days	6.63%	74,286,516	4,924,623
30 to 180 days	24.23%	48,138,801	11,661,975
181 to 360 days	91.21%	4,323,922	3,943,660
Above 360 days	100.00%	14,446,348	14,446,348
		141,195,587	34,976,606
Trade debts against which collateral is held		-	-
		141,195,587	34,976,606

(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 2023, the Company had Rupees 362.328 million (2022: Rupees 1,305.781 million) available borrowing limits from financial institutions and Rupees 239.412 million (2022: Rupees 657.142 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 2023:

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

Contractual maturities of financial liabilities as at 30 June 2022:

	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	47,490,196	48,031,389	48,031,389	-	-	-
Lease liabilities	596,281,908	833,718,736	88,070,049	92,019,875	151,016,624	502,612,188
Long term deposits	17,000,000	17,000,000	-	-	-	17,000,000
Trade and other payables	2,481,632,943	2,481,632,943	2,481,632,943	-	-	-
Unclaimed dividend	5,755,517	5,755,517	5,755,517	-	-	-
Accrued mark-up	38,150,124	38,150,124	38,150,124	-	-	-
Short term borrowings	1,494,218,779	1,655,851,504	492,007,183	1,163,844,321	-	-
	4,680,529,467	5,080,140,213	3,153,647,205	1,255,864,196	151,016,624	519,612,188

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark-up rates effective as at 30 June. The rates of interest / mark up have been disclosed in note 6 and note 12 to these financial statements.

48.2 Financial instruments by categories

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

	2022 At amortized cost	2022 At fair value through profit or loss	2022 Total
	Rupees		
Financial assets			
Long term security deposits	11,783,595	-	11,783,595
Long term loan to an employee	983,333	-	983,333
Short term security deposits	5,377,256	-	5,377,256
Trade debts	106,218,981	-	106,218,981
Loans and advances	20,460,852	-	20,460,852
Other receivables	38,573,874	-	38,573,874
Accrued interest	570,582	-	570,582
Short term investments	-	226,804,412	226,804,412
Cash and bank balances	657,141,796	-	657,141,796
	841,110,269	226,804,412	1,067,914,681

	At Amortized Cost	
	2023 Rupees	2022 Rupees
Financial liabilities		
Long term financing	-	47,490,196
Lease liabilities	642,881,321	596,281,908
Long term deposits	16,500,000	17,000,000
Trade and other payables	743,479,878	2,481,632,943
Short term borrowings	1,851,556,185	1,494,218,779
Accrued mark-up	81,019,923	38,150,124
Unclaimed dividend	5,830,744	5,755,517
	3,341,268,051	4,680,529,467

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

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

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

	2022		
	Financial assets	Non-financial assets	Assets as per statement of financial position
		Rupees	
Assets			
Long term security deposits	11,783,595	25,911,145	37,694,740
Long term loans to employees	783,329	-	783,329
Short term deposits and prepayments	5,377,256	18,932,181	24,309,437
Trade debts	106,218,981	-	106,218,981
Loans and advances	20,460,852	171,748,747	192,209,599
Other receivables	38,573,874	401,491,544	440,065,418
Accrued interest	570,582	-	570,582
Short term investments	226,804,412	-	226,804,412
Cash and bank balances	657,141,796	-	657,141,796
	1,067,714,677	618,083,617	1,685,798,294

	2022		
	Financial liabilities	Non-financial liabilities	Liabilities as per statement of financial position
		Rupees	
Liabilities			
Long term financing	47,490,196	-	47,490,196
Lease liabilities	596,281,908	-	596,281,908
Long term deposits	17,000,000	-	17,000,000
Trade and other payables	2,481,632,943	244,125,095	2,725,758,038
Short term borrowings	1,494,218,779	-	1,494,218,779
Accrued mark-up	38,150,124	-	38,150,124
Unclaimed dividend	5,755,517	-	5,755,517
	4,680,529,467	244,125,095	4,924,654,562

48.3 Offsetting financial assets and financial liabilities

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

49. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

	Description	Note	2023 Rupees	2022 Rupees
i)	**Loans / advances obtained as per Islamic mode:**			
	Advances	10	56,684,948	63,104,103
ii)	**Shariah complaint bank deposits / bank balances:**			
	Bank balances		31,298,524	123,256,713
iii)	**Profit earned from shariah complaint bank deposits / bank balances**		-	-
iv)	**Revenue earned from a shariah complaint business segment**		15,531,692,055	17,739,037,167
v)	**Gain / (loss) or dividend earned from shariah complaint investments:**			
	Dividend income		88,805	1,461,021
	Gain on sale of investments		-	-
vi)	**Exchange loss**	35	150,553	166,271,121
vii)	**Mark up paid on Islamic mode of financing**		-	-
viii)	**Profits earned or interest paid on any conventional loan or advance:**			
	Profit earned		90,341,241	-
	Interest paid on loans		351,357,848	110,204,393

ix) Relationship with shariah compliant banks:

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

50. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. Consistent with others in the industry, and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent long term financing, lease liabilities and short term borrowings obtained by the Company as referred to in note 5, note 6 and note 12 to the financial statements. Total capital employed includes 'total equity' as shown in the statement of financial position plus 'borrowings'.

		2023	2022
Borrowings	Rupees	2,007,426,520	1,668,179,921
Total equity	Rupees	3,822,945,384	4,142,546,756
Total capital employed	Rupees	5,830,371,904	5,810,726,677
Gearing ratio	Percentage	34.43%	28.71%

The increase in gearing ratio is mainly due to increase in short term borrowings and lease liabilities.

51. UNUTILIZED CREDIT FACILITIES

	Non-funded		**Funded**	
	2023	2022	**2023**	2022
	Rupees	Rupees	**Rupees**	Rupees
Total facilities	1,576,500,000	1,052,503,435	2,213,500,000	2,847,496,565
Utilized at the end of the year	558,710,663	735,469,868	1,851,171,790	1,541,715,344
Unutilized at the end of the year	1,017,789,337	317,033,567	362,328,210	1,305,781,221

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

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

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

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

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

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

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

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

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

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

	Rupees
Un-utilized IPO proceeds as at 01 July 2022	440,709,519
Add: Profit on term deposit receipts	18,853,185
Add: Profit on bank deposits	964,945
Add: Dividend on investments in mutual funds	35,367,650
Add: Gain on disposal of investment in mutual fund	338,180
Add: Unrealised gain on investments in mutual funds	377,899
Less: Payments made relating to OMC Project	(92,343,369)
Less: Withholding tax on profit	(2,972,720)
Less: Withholding tax on dividend from mutual funds	(5,305,148)
Less: Withholding tax on disposal of mutual funds	(84,545)
Less: Bank charges	(7,240)
Un-utilized IPO proceeds as at 30 June 2023	395,898,356

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

53. SEGMENT INFORMATION

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

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

	LUBRICANTS		PETROLEUM PRODUCTS		UNALLOCATED		TOTAL - COMPANY	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
	Rupees							
Revenue from contracts with customers - net	7,381,321,745	9,795,466,357	8,150,370,310	7,943,570,810	-	-	15,531,692,055	17,739,037,167
Cost of sales	(6,027,947,711)	(7,743,962,275)	(7,917,035,699)	(7,275,182,965)	-	-	(13,944,983,410)	(15,019,145,240)
Gross profit	1,353,374,034	2,051,504,082	233,334,611	668,387,845	-	-	1,586,708,645	2,719,891,927
Distribution cost	(733,880,046)	(810,941,789)	(309,628,013)	(281,481,350)	-	-	(1,043,508,059)	(1,092,423,139)
Administrative expenses	(699,188,326)	(550,198,689)	(19,542,729)	(13,301,840)	-	-	(718,731,055)	(563,500,529)
Other expenses	(24,886,258)	(205,023,654)	(11,256,265)	(31,031,337)	-	-	(36,142,523)	(236,054,991)
	(1,457,954,630)	(1,566,164,132)	(340,427,007)	(325,814,527)	-	-	(1,798,381,637)	(1,891,978,659)
Other income	403,195,451	319,948,534	101,910,267	62,854,177	-	-	505,105,718	382,802,711
Profit / (loss) from operations	298,614,855	805,288,484	(5,182,129)	405,427,495	-	-	293,432,726	1,210,715,979
Finance cost	(376,034,509)	(141,663,810)	(98,582,345)	(53,852,237)	-	-	(474,616,854)	(195,516,047)
Profit / (loss) before taxation	(77,419,654)	663,624,674	(103,764,474)	351,575,258	-	-	(181,184,128)	1,015,199,932
Taxation	-	-	-	-	87,771,606	(277,277,940)	87,771,606	(277,277,940)
Profit / (loss) after taxation	(77,419,654)	663,624,674	(103,764,474)	351,575,258	87,771,606	(277,277,940)	(93,412,522)	737,921,992

		LUBRICANTS		PETROLEUM PRODUCTS		TOTAL - COMPANY	
		2023	2022	**2023**	2022	**2023**	2022
		Rupees					
53.1	**Reconciliation of reportable segment assets and liabilities:**						
	Total assets for reportable segments	2,770,492,791	3,245,446,841	3,947,956,772	2,744,899,707	6,718,449,563	5,990,346,548
	Unallocated assets					676,568,277	3,147,094,724
	Total assets as per statement of financial position					7,395,017,840	9,137,441,272
	Total liabilities for reportable segments	456,486,909	2,279,865,705	233,897,003	986,284,130	690,383,912	3,266,149,835
	Unallocated liabilities					2,881,688,544	1,728,744,681
	Total liabilities as per statement of financial position					3,572,072,456	4,994,894,516

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

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

54. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors has proposed a cash dividend for the year ended 30 June 2023 of Rupees Nil per share (2022: Rupees 2 per share) at their meeting held on 22 September 2023. However, this event has been considered as non-adjusting event under IAS 10 'Events after the Reporting Period' and has not been recognized in these financial statements.

55. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 22 September 2023 by the Board of Directors of the Company.

56. CORRESPONDING FIGURES

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

57. GENERAL

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

Chief Executive | Director | Chief Financial Officer

CONSOLIDATED **FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2023

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 2023, 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 summary of significant accounting policies 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 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following are the Key audit matters:

Sr. No.	Key audit matters	How the matter was addressed in our audit
1	**Revenue recognition** The Group recognized net revenue of Rupees 15,610.395 million for the year ended 30 June 2023. 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: - Summary of significant accounting policies, Revenue recognition note 2.26 to the consolidated financial statements. - Net revenue from contracts with customers as shown on the face of consolidated statement of profit or loss.	Our procedures included, but were not limited to: • We obtained an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue. • We compared a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents. • We compared a sample of revenue transactions recorded around the year-end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period. • We tested the effectiveness of the Group's internal controls over the calculation and recognition of discounts. • We assessed whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers'. • We also considered the appropriateness of disclosures in the consolidated financial statements

Sr. No.	Key audit matters	How the matter was addressed in our audit
2	**Stock-in-trade existence and valuation** Stock-in-trade as at 30 June 2023 amounted to Rupees 3,210.734 million and represented a material position in the consolidated statement of financial position. The business is characterized by high volume and the valuation and existence of stock-in-trade are significant to the business. Therefore, considered as one of the key audit matters. Stock-in-trade is stated at lower of cost and net realizable value. Cost is determined as per accounting policy disclosed in note 2.11.2 to the consolidated financial statements. At year end, the valuation of stock-in-trade is reviewed by management and the cost of stock-in-trade is reduced where stock-in-trade is forecast to be sold below cost. For further information on stock-in-trade, refer to the following - Summary of significant accounting policies, Stock-in-trade note 2.11.2 to the consolidated financial statements. - Stock-in-trade note 21 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.
3	**Capital expenditures** The Subsidiary Company [Hi-Tech Blending (Private) Limited] is investing significant amounts in its operations and there are a number of areas where management judgement impacts the carrying value of fixed assets and its respective depreciation profile. These include among other the decision to capitalize or expense costs; and review of useful life of the assets including the impact of changes in the Group's strategy. We focused on this area since the amounts have a signif¬icant impact on the financial position of the Group and there is significant management judgment required that has significant impact on the reporting of the financial position for the Group. Therefore, considered as one of the key audit matters. For further information, refer to the following: - Summary of significant accounting policies, fixed assets and deprecation note 2.3 to the consolidated financial statements. - Fixed assets note 14 to the consolidated financial statements.	Our procedures included, but were not limited to: • We tested operating effectiveness of controls in place over the fixed assets cycle including the controls over whether costs incurred on activities is capi¬tal or operating in nature. • We evaluated the appropriateness of capitalization policies and depreciation rates. • We performed tests of details on costs capitalized. • We verified the accuracy of management's calculation used for the impairment testing.

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 Atif Anjum.

RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore

Date: 25 September 2023

UDIN: AR202310132emtFg74NE

CONSOLIDATED STATEMENT OF
FINANCIAL POSITION
As at 30 June 2023

	Note	**2023 Rupees**	2022 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
150,000,000 (2022: 150,000,000) ordinary shares of Rupees 10 each		1,500,000,000	1,500,000,000
Issued, subscribed and paid-up share capital	3	1,392,048,000	1,392,048,000
Reserves	4	4,651,660,024	4,862,359,734
Total equity		6,043,708,024	6,254,407,734
LIABILITIES			
Non-current liabilities			
Long term financing	5	596,988,256	516,628,587
Lease liabilities	6	487,911,254	485,619,223
Long term deposits	7	16,500,000	17,000,000
Deferred liabilities	8	321,124,507	491,141,485
		1,422,524,017	1,510,389,295
Current liabilities			
Trade and other payables	9	1,926,226,196	2,732,417,755
Accrued mark-up	10	124,519,872	57,121,494
Short term borrowings	11	2,406,866,985	1,897,577,032
Current portion of non-current liabilities	12	233,041,322	222,398,052
Unclaimed dividend		5,830,744	5,755,517
		4,696,485,119	4,915,269,850
Total liabilities		6,119,009,136	6,425,659,145
Contingencies and commitments	13		
TOTAL EQUITY AND LIABILITIES		12,162,717,160	12,680,066,879
ASSETS			
Non–current assets			
Fixed assets	14	6,439,774,188	5,959,670,743
Right-of-use assets	15	635,782,031	590,982,038
Intangible assets	16	20,260,771	21,760,517
Investment property	17	135,000,000	130,000,000
Long term security deposits	18	63,700,448	55,221,660
Long term loan to an employee	19	2,985,100	783,329
		7,297,502,538	6,758,418,287
Current assets			
Stores	20	129,169,374	88,306,846
Stock-in-trade	21	3,210,734,081	3,941,260,793
Trade debts	22	233,969,194	109,026,521
Loans and advances	23	342,094,549	261,017,419
Short term deposits and prepayments	24	40,379,947	35,074,806
Other receivables	25	213,788,973	441,316,465
Advance income tax - net of provision for taxation	26	210,385,009	157,841,148
Accrued interest	27	7,032,985	570,582
Short term investments	28	222,582,946	226,804,412
Cash and bank balances	29	255,077,564	660,429,600
		4,865,214,622	5,921,648,592
TOTAL ASSETS		12,162,717,160	12,680,066,879

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 2023

	Note	**2023 Rupees**	2022 Rupees
Gross Revenue From Contracts With Customers	30	17,616,699,583	20,962,350,807
Discounts		(339,727,263)	(750,430,803)
Sales tax		(1,666,576,970)	(2,467,951,364)
Net Revenue From Contracts With Customers		15,610,395,350	17,743,968,640
Cost of sales	31	(13,183,693,709)	(14,006,515,076)
Gross profit		2,426,701,641	3,737,453,564
Distribution cost	32	(1,075,020,746)	(1,142,378,955)
Administrative expenses	33	(900,037,654)	(692,612,432)
Other expenses	34	(230,619,927)	(538,247,003)
		(2,205,678,327)	(2,373,238,390)
Other income	35	178,456,916	141,898,783
Profit from operations		399,480,230	1,506,113,957
Finance cost	36	(721,939,877)	(288,242,707)
(Loss) / Profit before taxation		(322,459,647)	1,217,871,250
Taxation	37	75,477,287	(600,425,532)
(Loss) / Profit after taxation		(246,982,360)	617,445,718
Earnings per share - basic and diluted	38	(1.77)	4.44

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 2023

	2023 Rupees	2022 Rupees
(Loss) / Profit after taxation	(246,982,360)	617,445,718
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Surplus on revaluation of freehold land	314,692,250	1,783,101,998
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the year	314,692,250	1,783,101,998
Total comprehensive income for the year	67,709,890	2,400,547,716

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 2023

HTL LIMITED
Hi-Tech Lubricants Ltd

	Share capital	Reserves				Total reserves	Total equity
		Capital reserve			Revenue reserve		
		Share premium	Surplus on revaluation of freehold land	Sub Total	Un-appropriated Profit		
	Rupees						
Balance as at 30 June 2021	1,160,040,000	1,441,697,946	-	1,441,697,946	1,734,698,570	3,176,396,516	4,336,436,516
Transactions with owners:							
Final dividend for the year ended 30 June 2021							
@ Rupees 2 per share	-	-	-	-	(232,008,000)	(232,008,000)	(232,008,000)
Issue of 01 bonus share for every 05 ordinary							
shares for the year ended 30 June 2022	232,008,000	-	-	-	(232,008,000)	(232,008,000)	-
Interim dividend for the year ended 30 June 2022							
@ Rupees 1.80 per share	-	-	-	-	(250,568,498)	(250,568,498)	(250,568,498)
	232,008,000	-	-	-	(714,584,498)	(714,584,498)	(482,576,498)
Profit for the year ended 30 June 2022	-	-	-	-	617,445,718	617,445,718	617,445,718
Other comprehensive income for the year ended 30 June 2022	-	-	1,783,101,998	1,783,101,998	-	1,783,101,998	1,783,101,998
Total comprehensive income for the year ended							
30 June 2022	-	-	1,783,101,998	1,783,101,998	617,445,718	2,400,547,716	2,400,547,716
Balance as at 30 June 2022	1,392,048,000	1,441,697,946	1,783,101,998	3,224,799,944	1,637,559,790	4,862,359,734	6,254,407,734
Transaction with owners:							
Final dividend for the year ended 30 June 2023							
@ Rupees 2 per share	-	-	-	-	(278,409,600)	(278,409,600)	(278,409,600)
Loss for the year ended 30 June 2023	-	-	-	-	(246,982,360)	(246,982,360)	(246,982,360)
Other comprehensive income for the year ended 30 June 2023	-	-	314,692,250	314,692,250	-	314,692,250	314,692,250
Total comprehensive income for the year ended 30 June 2023	-	-	314,692,250	314,692,250	(246,982,360)	67,709,890	67,709,890
Balance as at 30 June 2023	1,392,048,000	1,441,697,946	2,097,794,248	3,539,492,194	1,112,167,830	4,651,660,024	6,043,708,024

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 2023

	Note	2023 Rupees	2022 Rupees Restated
Cash flows from operating activities			
Cash generated from operations	39	591,261,161	314,129,552
Finance cost paid		(631,626,365)	(225,230,429)
Income tax paid		(125,901,296)	(207,826,265)
Net increase in long term loans to employees		(2,935,933)	(983,333)
Net decrease / (increase) in long term security deposits		11,642,528	(16,383,460)
Decrease in long term deposits		(500,000)	-
Net cash used in operating activities		(158,059,905)	(136,293,935)
Cash flows from investing activities			
Capital expenditure on operating fixed assets		(487,133,452)	(970,020,788)
Capital expenditure on intangible assets		(8,700,000)	(13,038,106)
Initial direct cost incurred on right-of-use assets		-	(4,513,000)
Proceeds from disposal of operating fixed assets		59,997,696	7,536,955
Short term investments - net		4,937,545	220,880,116
Dividends received		35,936,899	22,796,747
Profit on bank deposits and term deposit receipts received		22,813,380	21,991,452
Net cash used in investing activities		(372,147,932)	(714,366,624)
Cash flows from financing activities			
Short term borrowings - net		509,289,953	1,289,582,928
Dividend paid		(278,334,373)	(483,147,527)
Proceeds from long term financing		97,417,000	543,682,938
Repayment of long term financing		(63,004,463)	(111,806,112)
Repayment of lease liabilities		(140,512,316)	(114,969,329)
Net cash from financing activities		124,855,801	1,123,342,898
Net (decrease) / increase in cash and cash equivalents		(405,352,036)	272,682,339
Cash and cash equivalents at beginning of the year		660,429,600	387,747,261
Cash and cash equivalents at end of the year		255,077,564	660,429,600

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.

1.2 Hi-Tech Blending (Private) Limited

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

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

Business units	Address
Registered and head office	1-A, Danepur Road, GOR-1, Lahore.
Regional office – Karachi	C-6 /1, Street No. 3, Bath Island, Clifton, Karachi.
Regional office – Islamabad	Suite No. 1402, 14th Floor, Green Trust Tower, Jinnah Avenue, Blue Area, Islamabad.
Regional office – Multan	House No. 95, Block C, Phase III, Model Town, Multan.
Regional office – Peshawar	Office No. 280, 3rd Floor, Deans Trade Centre, Islamia Road, Peshawar.
Customs bonded warehouse	7-KM, Sundar Raiwind Road, Bhai Kot, Lahore
Warehouse	Property No. 35 A/M, Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore.
Blending plant and warehouse	7-KM, Sundar Raiwind Road, Bhai Kot, Lahore.
Oil Depot – OMC Project	Mouza No. 107/9L, Tehsil and District Sahiwal.
OMC Project office	Plot No. 2, Block K, Main Boulevard Gulberg-II, Lahore.
Oil Depot – OMC Project	Mouza Aza Khel Bala, Tehsil and District Nowshera.
Oil Depot – Extension	Mouza Aza Khel Payan, Nowshera
HTL Express Centre	Block F, Gulshan-e-Ravi, Lahore
HTL Express Centre	Dharampura, Lahore
HTL Express Centre	Garden Town, Lahore
HTL Express Centre	Johar Town, Lahore
HTL Express Centre	Phase II, DHA, Karachi
HTL Express Centre	Gulistan-e-Johar, Karachi
HTL Express Centre	Pakistan Employees Cooperative Housing Society, Karachi
HTL Express Centre	Askari XIV Sector – A, Rawalpindi

Business units	Address
Oil Boy Energy Limited	Mouza Neel Kot, Head Muhammad Road, Multan
Lali Sons Filling Station	Faisalabad Road, Lalian
Punjab Filling Station	Main Satyana Road, Faisalabad
Green Fuel CNG	1-KM, G.T. Road, Lalamusa
A.B. Petroleum Filling Station	Tehsil Liaqatpur, Rahim Yar Khan
Jillani CNG	Lehtrar Road, Islamabad
Dasti Filling Station	Jampur Road, Dera Ghazi Khan
Rehman Filling Station	Chistian Road, Hasilpur
Al-Fazal Filling Station	Sargodha Road, Jhang
Ibrahim Petroleum	Sialkot Road, Gujranwala
Karma Wala-1 Filling Station	Shahkot Road, Jaranwala
Raja Adeel Filling Station	Arifwala Road, Arifwala
Gondal Filling Station	Daska Road, Wazirabad
City Filling Station	Hujra Shah Muqeem, Okara
Al Karam Filling Station	Shamkey Bhattian, Lahore
Green City Fuel Station	Hasilpur Road, Bahalwalpur
Khokhar Fuel Station	Small Industrial Estate, Jinnah Road, Gujranwala
Minhas CNG	Multan Road, Lahore
One Stop	Main Ferozepur Road, Lahore
S&S	Toba Road, Jhang
Al Yousaf CNG	Khanewal Road, Multan
Rana Petroleum	Faisalabad Road, Okara
Mudassir Zulfiqar Filling Station	Vehari Road, Multan
Shahid & Company	Daska Road, Gujranwala
Benzina II Filling Station	Benazir Road, Okara
Nambardar Filling Station	Rawalpindi Road, Chakwal
Iftikhar Nadeem & Company	Mouza Jhawary, Dhamial Road, Rawalpindi Cantt.
Suntrust CNG	Millat Road, Faisalabad
Meezan Filling Station	Jhang Road, Toba Tek Singh

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

a) Statement of compliance

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

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

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

b) Accounting convention

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

c) Critical accounting estimates and judgments

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

Income Tax

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

Useful lives, pattern of economic benefits and impairment

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

Inventories

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

Allowance for expected credit losses

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

Revenue from contracts with customers involving sale of goods

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

Provisions

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

Classification of investments

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

Contingencies

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

Revaluation of freehold land and investment property

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

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

Following amendments to published approved accounting standards are mandatory for the Group's accounting periods beginning on or after 01 July 2022:

- Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before Intended Use'.
- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts – Cost of Fulfilling a Contract which amended IAS 1 'Presentation of Financial Statements'.
- Annual improvements to IFRS standards 2018-2020 which amended IFRS 9 'Financial Instruments' and IFRS 16 'Leases'.
- 'Reference to the Conceptual Framework (Amendments to IFRS 3)' published by the International Accounting Standards Board (IASB) with amendments to IFRS 3 'Business Combinations'.

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

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

There are amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2022 but are considered not to be relevant or do not have any significant impact on the Group's financial statements and are therefore not detailed in these financial statements.

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

Following amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 01 July 2023 or later periods:

Classification of liabilities as current or non-current (Amendments to IAS 1 'Presentation of Financial Statements') effective for the annual period beginning on or after 01 January 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

Disclosure of Accounting Policies (Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgement') effective for annual periods beginning on or after 01 January 2023. These amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements. Earlier, IAS 1 states that an entity shall disclose its 'significant accounting policies' in their financial statements. These amendments shall assist the entities to disclose their 'material accounting policies' in their financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 'Income taxes') effective for annual periods beginning on or after 01 January 2023. These amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations.

Change in definition of Accounting Estimate (Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors) effective for annual periods beginning on or after 01 January 2023. This change replaced the definition of Accounting Estimate with a new definition, intended to help entities to distinguish between accounting policies and accounting estimates.

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

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

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

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

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

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

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

2.2 Consolidation

Subsidiary

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

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

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

2.3 Fixed assets

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

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

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

Depreciation

Depreciation is charged to consolidated statement of profit or loss by applying the reducing balance method whereby cost of an asset is written off over its estimated useful life at the rates given in Note 14.1. 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 on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

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

2.6 Lease liabilities

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

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

2.7 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 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 statement of profit or loss.

2.8 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.

2.9 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.

2.10 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.

2.11 Inventories

2.11.1 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.

2.11.2 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.

2.12 Investments and other financial assets

a) Classification

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

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

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

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

b) Measurement

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

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

Debt instruments

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

Amortized cost

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

Fair value through other comprehensive income (FVTOCI)

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

Fair value through profit or loss (FVTPL)

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

Equity instruments

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

Fair value through other comprehensive income (FVTOCI)

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

Fair value through profit or loss

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

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

2.13 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.

2.14 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.

2.15 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.

2.16 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.

2.17 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.

2.18 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.

2.19 Provisions

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

2.20 Taxation

2.20.1 Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or the tax rates expected to apply to the profit for the year if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

2.20.2 Deferred

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

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

Group taxation adjustments

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

2.21 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.

2.22 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.

2.23 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.

2.24 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.

2.25 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.

2.26 Revenue from contracts with customers

(a) Sale of goods

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

(b) Interest

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

(c) Dividend

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

(d) Rental income

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

2.27 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.

2.28 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.

2.29 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.

2.30 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.

2.31 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.

2.32 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

2.33 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.

2.34 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.

2.35 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.

2.36 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.

2.37 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.

2.38 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.

2.39 Segment reporting

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

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

The Group has following reportable business segments:

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

3. ISSUED, SUBSCRIBED AND PAID–UP SHARE CAPITAL

2023	2022		2023	2022
(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 3.2)	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

3.1 993,330 (2022: 993,330) ordinary shares of the Holding Company are held by SK Enmove Co., Ltd. (Formerly SK Lubricants Co., Ltd.) - principal supplier and long term partner.

3.2 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.

3.3 The principal shareholders of the Holding Company and SK Enmove Co., Ltd. (Formerly SK Lubricants Co., Ltd.) have a shareholders agreement in place. The parties to the agreement have agreed on certain board of directors’ unanimous resolution items such as direct or indirect engagement in lubricant products under the brand name of the Holding Company or any other party other than SK Enmove Co., Ltd. (Formerly SK Lubricants 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.

	2023	2022
	Rupees	Rupees
4. RESERVES		
Capital reserve		
Share premium (Note 4.1)	1,441,697,946	1,441,697,946
Surplus on revaluation of freehold land		
As at 01 July	1,783,101,998	-
Add: Surplus on revaluation of freehold land	314,692,250	1,783,101,998
As at 30 June	2,097,794,248	1,783,101,998
Revenue reserve		
Un-appropriated profit	1,112,167,830	1,637,559,790
	4,651,660,024	4,862,359,734

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

	2023 Rupees	2022 Rupees
5. LONG TERM FINANCING		
From banking company - secured		
Holding company		
Bank Alfalah Limited - Loan under State Bank of Pakistan (SBP) Refinance Scheme (Note 5.1)	-	47,490,196
Subsidiary company		
Bank Al-Habib Limited (Note 5.2)	632,150,056	529,564,139
	632,150,056	577,054,335
Less: Current portion shown under current liabilities (Note 12)	35,161,800	60,425,748
	596,988,256	516,628,587

5.1 This term finance facility, aggregating to Rupees 189.986 million (2022: Rupees 189.986 million) was obtained by the Holding Company under SBP Refinance Scheme for payment of wages and salaries to workers and employees of business concerns. This facility was secured against first charge of Rupees 254 million over plant and machinery of Holding Company's fuel storage depot located at Sahiwal and Nowshera and personal guarantees of all sponsor directors of the Holding Company. This finance facility was payable in 8 equal quarterly installments commenced from 01 January 2021 and ended on 01 October 2022. Mark-up was paid quarterly at the rate of SBP refinance rate plus 3.00% per annum. This loan was recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustments were recognized at discount rates ranged from 8.67% to 10.04% per annum (2022: 8.67% to 10.04% per annum).

	LENDER	2023	2022	RATE OF INTEREST	NUMBER OF INSTALLMENTS	INTEREST REPRICING	INTEREST PAYABLE	SECURITY
5.2	**Long term loans**							
	Subsidary Company							
	Bank Al-Habib Limited (Note 5.2.1)	-	7,968,836	SBP rate for refinance scheme for payment of salaries and wages + 3.00%	Thirty two unequal quarterly installments commenced from 11 January 2021 and ended on 23 October 2022.	-	Quarterly	First parri passu hypothecation charge for Rupees 1,067 million over current assets and Rupees 610 million over plant and machinery of the Subsidiary Company, first parri passu mortgage charge of Rupees 400 million over land and building of the Subsidiary Company, trust receipt, personal guarantee of all directors of the Subsidiary Company and corporate guarantee of Holding Company amounting to Rupees 2,000 million.
	Bank Al-Habib Limited (Note 5.2.2)	307,990,338	298,575,154	SBP rate for TERF + 2.00% and 3.00%	Two hundred and fourty nine unequal quarterly installments commenced from 08 May 2023 and ending on 01 November 2031.	-	Quarterly	
	Bank Al-Habib Limited (Note 5.2.2)	162,593,026	155,761,330	SBP rate for TERF + 4.00%	Two hundred and ten unequal qaurterly installments commencing from 13 October 2023 and ending on 16 December 2031.	-	Quarterly	
		470,583,364	462,305,320					
	Bank Al-Habib Limited (Note 5.2.3)	39,566,692	42,675,819	SBP rate for renewable energy financing scheme + 2.50%	Ninety six unequal quarterly installments commenced from 20 July 2022 and ending on 03 June 2032.	-	Quarterly	Exclusive charge for Rupees 80 million over plant and machinery of solar power plant, personal guarantee of all directors of the Subsidiary Company and corporate guarantee of Holding Company amounting to Rupees 2,000 million.
	Bank Al-Habib Limited (Note 5.2.4)	122,000,000	24,583,000	3 months KIBOR + 1.25% per annum	Twenty equal quarterly installments commenced from 23 May 2023 and ending on 23 February 2028.	Quarterly	Quarterly	Exclusive charge for Rupees 122 million over imported plant and machinery of the Subsidiary Company and personal guarantees of all directors of the Subisdiary Company.
		632,150,056	529,564,139					

5.2.1 This loan was obtained by the Subsidiary Company under SBP Refinance Scheme for payment of wages and salaries to workers. It was recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment was recognized at discount rate ranged from 8.17% to 9.68% (2022: 8.17% to 9.68%) per annum.

5.2.2 This loan has been obtained by the Subsidiary Company under SBP Temporary Economic Refinance Facility (TERF). It is recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment is recognized at discount rates ranging from 8.85% to 13.39% (2022: 8.85% to 13.39%) per annum.

5.2.3 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% (2022: 11.93% to 16.52%) per annum.

5.2.4 Effective rate of mark-up charged during the year ranged from 16.40% to 23.33% (2022: 16.40%) per annum.

HTL LIMITED
Hi-Tech Lubricants Ltd

		2023 Rupees	2022 Rupees
6.	**LEASE LIABILITIES**		
	Total lease liabilities	662,217,503	624,517,326
	Less: Current portion shown under current liabilities (Note 12)	(174,306,249)	(138,898,103)
		487,911,254	485,619,223
6.1	**Reconciliation of lease liabilities is as follows:**		
	Opening balance	624,517,326	381,624,955
	Add: Additions during the year	142,903,481	299,315,835
	Add: Impact of lease modifications during the year	69,703,493	51,024,040
	Add: Interest accrued during the year (Note 36)	66,903,337	66,644,586
	Less: Impact of lease termination during the year	(30,608,025)	(8,098,721)
	Less: Payments made during the year	(211,202,109)	(165,993,369)
		662,217,503	624,517,326
	Less: Current portion shown under current liabilities (Note 12)	(174,306,249)	(138,898,103)
		487,911,254	485,619,223
6.2	**Maturity analysis of lease liabilities is as follows:**		
	Upto 6 months	107,389,212	95,807,814
	6-12 months	102,513,217	99,801,391
	1-2 years	176,329,452	172,249,802
	More than 2 years	329,201,160	478,667,230
		715,433,041	846,526,237
	Less: Future finance cost	53,215,538	222,008,911
	Present value of lease liabilities	662,217,503	624,517,326
6.3	**Amounts recognised in the consolidated statement of profit or loss**		
	Interest accrued during the year (Note 36)	69,703,493	51,024,040
	Expense relating to short term leases (included in administrative expenses)	1,144,332	876,660
	Expense relating to leases of low-value assets (included in distribution cost)	1,961,644	1,882,221
	Total amount recognised in consolidated statement of profit or loss	72,809,469	53,782,921

6.4 Implicit rates against lease liabilities range from 11.98% to 23.62% (2022: 7.40% to 17.12%) per annum.

6.5 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 67.402 million (2022: Rupees 40.632 million).

7. LONG TERM DEPOSITS

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

		2023 Rupees	2022 Rupees
8.	**DEFFERED LIABILITIES**		
	Deferred income tax liability (Note 8.1)	227,617,267	376,451,989
	Deferred income - Government grant (Note 8.2)	93,507,240	114,689,496
		321,124,507	491,141,485
8.1	**Deferred income tax liability**		
	The liability for deferred taxation comprises taxable / (deductible) temporary differences relating to:		
	Deferred income tax liabilities		
	Accelerated tax depreciation and amortization	399,782,874	407,550,413
	Right-of-use assets	188,988,142	200,675,121
		588,771,016	608,225,534
	Deferred income tax assets		
	Available unused tax losses	(102,279,334)	-
	Unabsorbed tax depreciation	(41,202,898)	-
	Allowance for expected credit losses	(10,319,125)	(11,542,280)
	Provision for doubtful advances to suppliers	(793,171)	(1,562,789)
	Provision for slow moving and obsolete store items	(873,614)	(1,159,013)
	Provision for slow moving and obsolete stock-in-trade	(8,115,499)	(4,957,037)
	Lease liabilities	(197,570,108)	(212,552,426)
		(361,153,749)	(231,773,545)
	Net deferred income tax liability	227,617,267	376,451,989

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

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

	2022		
	Opening Balance	**Recognised in Statement of Profit or Loss**	**Closing Balance**
		Rupees	
Accelerated tax depreciation and amortization	267,802,727	139,747,686	407,550,413
Right-of-use assets	104,195,069	96,480,052	200,675,121
Available unused tax losses	(133,420,516)	133,420,516	-
Minimum tax carry forward	(93,480,100)	93,480,100	-
Allowance for expected credit losses	(10,831,054)	(711,226)	(11,542,280)
Provision for doubtful advances to suppliers	(381,640)	(1,181,149)	(1,562,789)
Provision for slow moving and obsolete store items	(392,681)	(766,332)	(1,159,013)
Provision for slow moving and obsolete stock-in-trade	(2,561,660)	(2,395,377)	(4,957,037)
Lease liabilities	(116,482,583)	(96,069,843)	(212,552,426)
	14,447,562	362,004,427	376,451,989

	2023	2022
	Rupees	Rupees
8.2 Deferred income - Government grant		
Opening balance	137,763,697	29,334,035
Add: Recognized during the year	2,231,950	129,288,581
Less: Amortized during the year (Note 35)	22,915,134	20,858,919
Closing balance	117,080,513	137,763,697
Less: Current portion shown under current liabilities (Note 12)	23,573,273	23,074,201
	93,507,240	114,689,496

8.2.1 The State Bank of Pakistan (SBP), through its Circular No. 06 of 2020 dated 10 April 2020 introduced a temporary Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns (the Refinance Scheme). The Refinance Scheme was funded by SBP. Borrowers could obtain loans from the banks and ease their cash flow constraints to avoid layoffs. One of the key feature of the Refinance Scheme 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 Group obtained this loan as disclosed in note 5 to the consolidated financial statements. In accordance with IFRS 9 'Financial Instruments', loan obtained under the Refinance Scheme was initially recognised at its 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 was measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received. This benefit was accounted for and presented as deferred grant in accordance with IAS 20. The grant has been amortised in the consolidated statement of profit or loss, in line with the recognition of interest expense the grant is compensating. There were no unfulfilled conditions or contingencies attached to this grant.

8.2.2 The State Bank of Pakistan (SBP), through its Circular No. 01 and 02 of 2020 dated 17 March 2020 introduced a Temporary Economic Refinance Facility (TERF) and Islamic Temporary Economic Refinance Facility (ITERF) 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 5 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.

	2023 Rupees	2022 Rupees
9. TRADE AND OTHER PAYABLES		
Creditors (Note 9.1)	1,040,828,062	1,732,001,509
Accrued liabilities (Note 9.2)	107,058,662	113,147,482
Infrastructure cess payable (Note 9.3)	175,002,601	172,436,755
Contract liabilities - unsecured	57,014,208	62,633,752
Retention money payable	22,861,709	17,838,575
Customs duty and other charges payable	278,828,890	109,125,169
Income tax deducted at source	28,663,904	14,989,310
Payable to employees' provident fund trust	4,979,216	4,076,630
Workers' profit participation fund payable (Note 9.4)	170,106,672	140,754,939
Workers' welfare fund payable (Note 9.5)	40,882,272	40,417,056
Sales tax payable	-	324,996,578
	1,926,226,196	2,732,417,755

9.1 These include Rupees 617.034 million (2022: Rupees 625.358 million) payable to SK Enmove Co., Ltd. (Formerly SK Lubricants Co., Ltd.) - principal supplier and long term partner.

9.2 These include Rupees Nil (2022: Rupees 2.384 million) on account of remuneration payable to directors of the Holding Company.

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

	2023 Rupees	2022 Rupees
Opening balance	172,436,755	147,212,835
Add: Provision made during the year	2,565,846	25,223,920
Closing balance	175,002,601	172,436,755
9.4 Workers' profit participation fund		
Balance as on 01 July	140,754,939	76,482,973
Add: Allocation for the year (Note 34)	-	52,799,520
Add: Interest for the year (Note 36)	29,351,733	11,472,446
Balance as on 30 June	170,106,672	140,754,939

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

	2023 Rupees	2022 Rupees
9.5 Workers' welfare fund		
Opening balance	40,417,056	9,483,059
Add: Allocation for the year (Note 34)	465,216	30,933,997
Closing balance	40,882,272	40,417,056
10. ACCRUED MARK-UP		
Long term financing	13,897,859	7,714,584
Short term borrowings	110,622,013	49,406,910
	124,519,872	57,121,494

	2023 Rupees	2022 Rupees
11. SHORT TERM BORROWINGS		
From banking companies - secured		
- Holding Company		
Short term finances (Note 11.1 and Note 11.2)	1,851,556,185	1,494,218,779
- Subsidiary Company		
Short term finances (Note 11.3 and Note 11.4)	555,310,800	403,358,253
	2,406,866,985	1,897,577,032

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 Holding Company, personal guarantees of sponsor directors of the Holding Company and hypothecation charge over land, building and plant and machinery of Subsidiary Company.

11.2 The effective rates of mark-up ranged from 14.14% to 23.24% (2022: 8.01% to 16.02%) per annum.

11.3 These finances are obtained from banking companies under mark-up arrangements. These short term borrowings and long term financing of Subsidiary Company are secured against trust receipts of the Subsidiary Company, first pari passu hypothecation 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 guarantee of the Holding Company amounting to Rupees 2,000 million.

11.4 The effective rates of mark-up ranged from 12.89% to 23.17% (2022: 8.45% to 16.00%) per annum.

	2023 Rupees	2022 Rupees
12. CURRENT PORTION OF NON-CURRENT LIABILITIES		
Long term financing (Note 5)	35,161,800	60,425,748
Lease liabilities (Note 6)	174,306,249	138,898,103
Deferred income - Government grant (Note 8.2)	23,573,273	23,074,201
	233,041,322	222,398,052

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

13.1.1 On 19 December 2018, the Holding Company filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] against the order of Deputy Commissioner Inland Revenue (DCIR). 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. 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 which is still pending for adjudication. 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.

13.1.2 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 creating a demand of Rupees 18.207 million against the Holding Company. The Holding Company, being aggrieved, filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)], who decided the case in favor of the Holding Company reducing the total demand to Rupees 0.191 million. However, Income Tax Department has filed an appeal against the order of CIR(A) before the Appellate Tribunal Inland Revenue (ATIR) which is pending adjudication. No provision against the original tax demand has been recognized in these consolidated financial statements, as the management, based on advice of the tax advisor, is confident of favorable outcome of litigation.

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

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

13.1.5 On 24 March 2022, the Deputy Commissioner Inland Revenue (DCIR) has issued an amended assessment order against the Holding Company 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 Commissioner Inland Revenue (Appeals) [CIR(A)]. On 29 August 2022, CIR(A) vacated the entire tax demand. However, in respect of various issues, the matter has been remanded back to the department for fresh consideration. Against the order of CIR(A), the Holding Company has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR), which is pending for hearing. The management, based on the advice of the tax advisor, is confident of favourable outcome of the matter. Therefore, no provision has been recognized in these consolidated financial statements.

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

13.1.7 During the year ended 30 June 2020, Deputy Commissioner Inland Revenue (DCIR) issued a notice against the Holding Comapny 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 Commissioner Inland Revenue (Appeals) [CIR(A)]. On 25 February 2022, CIR(A) remanded back the case to department for fresh consideration. However, these remand back proceedings have not been initiated yet. The management, based on advise of the tax advisor, is confident of favourable outcome of the matter. Therefore, no provision has been recognized in these consolidated financial statements.

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

13.1.9 On 15 March 2022, Deputy Commissioner Inland Revenue (DCIR) issued an order against the Holding Comapany 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 Commissioner Inland Revenue (Appeals) [CIR(A)]. On 31 May 2022, CIR(A) provided partial relief to the Holding Company. However, sales tax default in respect of certain issues was upheld by CIR(A). Being aggrieved with the order of CIR(A), the Holding Company and tax deparment filed appeals before Appellate Tribunal Inland Revenue (ATIR). On 07 December 2022, ATIR accepted the Holding Company's stance in respect of all matters except for imposition of penalty and default surcharge relating to late filing of sales tax returns and late payment of due sales tax liability. However appeal filed by the tax department is yet to be heard. The management, based on advise of the tax advisor, is confident of favourable outcome of the matter. Therefore, no provision has been recognized in these consolidated financial statements.

13.1.10 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. The Holding Company filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] against the order of DCIR which is pending adjudication. The management, based on advise of the tax advisor, is confident of favourable outcome of the matter. Therefore, no provision has been recognized in these consolidated financial statements.

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

13.1.12 On 04 February 2022, Deputy Commissioner Inland Revenue (DCIR) passed an order under section 11 of the Sales Tax Act, 1990 for the tax periods November 2019 and March 2020 creating a demand of Rupees 2.046 million on account of disallowance of input sales tax on building materials alongwith default surcharge and penalty against the Subsidiary Company. The Subsidiary Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] against the order of DCIR. CIR(A) through its order dated 31 May 2022 upheld the decision of DCIR. Being aggrieved with the order of CIR(A), the Subsidiary Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) 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. The management, based on the advice of its legal counsel, has strong grounds to believe that the case will be decided in favor of the Subsidiary Company. Therefore, no provision has been made in these consolidated financial statements.

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

13.1.14 The Subsidiary Company has identified certain sales tax invoices relating to tax periods July 2020 and July 2021 wherein the Subsidiary Company has duly discharged the liabilities in respect of input sales tax at the time of imports amounting to Rupees 12.766 million. However, the same input sales tax has not been adjusted against the output sales tax of the respective tax period due to the tax department's system mal-functioning. The Subsidiary Company has filed application to the department to condone the time limits regarding the above explained matter as the Subsidiary Company's stance is verifiable from the department's record. Based on the advice of the tax advisor, the management expects favorable outcome of the matter. Hence, no provision has been made in these consolidated financial statements.

13.1.15 Corporate guarantees of Rupees 2,967.5 million (2022: Rupees 2,633 million) have been given by the Holding Company to the banks in respect of financing to Subsidiary Company.

13.1.16 Guarantees of Rupees 123 million (2022: Rupees 123 million) are given by the bank of the Group to Director Excise and Taxation, Karachi against disputed amount of infrastructure cess.

13.1.17 Guarantees of Rupees 66 million (2021: Rupees 66 million) are given by the bank of the Group to Chairman, Punjab Revenue Authority, Lahore against disputed amount of infrastructure cess.

13.1.17 Guarantees of Rupees 17.700 million (2022: Rupees 16.400 million) and Rupees 2.25 million (2022: Rupees 2.25 million) are given by the banks of the Group to Total Parco Pakistan Limited and Pakistan State Oil Company Limited respectively against fuel cards obtained by the Group for its employees.

		2023 Rupees	2022 Rupees
13.2	**Commitments**		
13.2.1	For capital expenditures	46,143,062	185,502,342
13.2.2	Letters of credit other than capital expenditures	493,096,138	605,168,892

14. FIXED ASSETS

	2023 Rupees	2022 Rupees
Operating fixed assets (Note 14.1)	6,309,226,999	5,716,441,584
Capital work-in-progress (Note 14.2)	130,547,189	243,229,159
	6,439,774,188	5,959,670,743

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

Description	Freehold land	Buildings on freehold land	Buildings on leasehold land	Plant and machinery	Tanks and pipelines	Dispensing pumps	Electric installation	Furniture and fittings	Moulds	Vehicles	Leasehold improvements	Office equipment	Computers	Total
	Categories													
	Rupees													
At 30 June 2021														
Cost	696,923,502	1,108,787,215	209,343,830	1,150,143,448	178,896,135	16,758,747	79,227,389	38,082,415	-	292,871,204	4,463,125	169,338,170	47,945,832	3,992,781,012
Accumulated depreciation	-	(164,989,812)	(74,877,438)	(244,682,062)	(19,478,997)	(1,905,927)	(28,148,810)	(17,391,293)	-	(188,084,081)	(333,121)	(44,344,301)	(27,987,579)	(812,223,419)
Net book value	696,923,502	943,797,403	134,466,392	905,461,386	159,417,138	14,852,820	51,078,579	20,691,123	-	104,787,123	4,130,004	124,993,868	19,958,253	3,180,557,592
Year ended 30 June 2022														
Opening net book value	696,923,502	943,797,403	134,466,392	905,461,386	159,417,138	14,852,820	51,078,579	20,691,123	-	104,787,123	4,130,004	124,993,868	19,958,253	3,180,557,592
Additions	623,500	45,458,644	8,899,690	701,228,474	71,740,070	19,353,204	87,107,663	2,762,563	-	6,628,304	-	22,738,699	14,444,071	980,984,882
Revaluation surplus	1,783,101,998	-	-	-	-	-	-	-		-	-	-	-	1,783,101,998
Transferred from right-of-use assets:														
Cost	-	-	-	-	-	-	-	-	-	5,976,770	-	-	-	5,976,770
Accumulated depreciation	-	-	-	-	-	-	-	-	-	(4,189,689)	-	-	-	(4,189,689)
	-	-	-	-	-	-	-	-	-	1,787,081	-	-	-	1,787,081
Disposals:														
Cost	-	-	-	-	-	-	-	-	-	(10,871,105)	-	-	(3,753,442)	(14,624,547)
Accumulated depreciation	-	-	-	-	-	-	-	-	-	7,605,500	-	-	2,414,557	10,020,057
	-	-	-	-	-	-	-	-	-	(3,265,605)	-	-	(1,338,885)	(4,604,490)
Writen-off:														
Cost	-	-	-	(186,000)	-	-	-	(1,600,052)	-	(107,189)	-	(3,307,537)	(3,559,509)	(8,760,287)
Accumulated depreciation	-	-	-	65,802	-	-	-	761,062	-	80,319	-	1,672,409	3,033,247	5,612,839
	-	-	-	(120,198)	-	-	-	(838,990)	-	(26,870)	-	(1,635,128)	(526,262)	(3,147,448)
Depreciation	-	(60,728,540)	(32,614,787)	(56,560,483)	(18,046,178)	(1,988,610)	(5,914,383)	(2,175,657)	-	(21,892,275)	(826,001)	(13,384,891)	(8,106,227)	(222,238,032)
Closing net book value	2,480,649,000	928,527,507	110,751,295	1,550,009,179	213,111,030	32,217,414	132,271,859	20,439,039	-	88,017,758	3,304,003	132,712,548	24,430,950	5,716,441,583
At 30 June 2022														
Cost / revalued amount	2,480,649,000	1,154,245,859	218,243,520	1,851,185,922	250,636,205	36,111,951	166,335,052	39,244,926	-	294,497,984	4,463,125	188,769,332	55,076,952	6,739,459,828
Accumulated depreciation	-	(225,718,352)	(107,492,225)	(301,176,743)	(37,525,175)	(3,894,537)	(34,063,193)	(18,805,888)	-	(206,480,226)	(1,159,122)	(56,056,783)	(30,646,002)	(1,023,018,244)
Net book value	2,480,649,000	928,527,507	110,751,295	1,550,009,179	213,111,030	32,217,414	132,271,859	20,439,038	-	88,017,758	3,304,003	132,712,549	24,430,950	5,716,441,584
Year ended 30 June 2023														
Opening net book value	2,480,649,000	928,527,507	110,751,295	1,550,009,179	213,111,030	32,217,414	132,271,859	20,439,038	-	88,017,758	3,304,003	132,712,549	24,430,950	5,716,441,582
Additions	-	120,363,492	42,056,824	286,908,016	3,409,167	20,156,420	45,183,722	1,242,535	12,667,000	51,157,053	-	3,571,830	13,099,363	599,815,422
Revaluation surplus	314,692,250	-	-	-	-	-	-	-	-	-	-	-	-	314,692,250
Transferred from right-of-use assets:														
Cost	-	-	-	-	-	-	-	-	-	3,862,420	-	-	-	3,862,420
Accumulated depreciation	-	-	-	-	-	-	-	-	-	(2,287,712)	-	-	-	(2,287,712)
	-	-	-	-	-	-	-	-	-	1,574,708	-	-	-	1,574,708
Disposals:														
Cost	-	-	-	-	-	-	-	-	-	(60,066,853)	-	-	(1,789,076)	(61,855,929)
Accumulated depreciation	-	-	-	-	-	-	-	-	-	7,515,935	-	-	1,150,395	8,666,330
	-	-	-	-	-	-	-	-	-	(52,550,918)	-	-	(638,681)	(53,189,599)
Depreciation	-	(59,395,963)	(31,875,898)	(95,197,739)	(17,162,522)	(4,922,728)	(16,467,889)	(2,143,200)	(2,271,775)	(17,495,193)	(660,801)	(13,506,673)	(9,006,985)	(270,107,366)
Closing net book value	2,795,341,250	989,495,036	120,932,221	1,741,719,456	199,357,675	47,451,106	160,987,692	19,538,373	10,395,225	70,703,408	2,643,202	122,777,706	27,884,647	6,309,226,997
At 30 June 2023														
Cost / revalued amount	2,795,341,250	1,274,609,351	260,300,344	2,138,093,938	254,045,372	56,268,371	211,518,774	40,487,461	12,667,000	289,450,604	4,463,125	192,341,162	66,387,239	7,595,973,991
Accumulated depreciation	-	(285,114,315)	(139,368,123)	(396,374,482)	(54,687,697)	(8,817,265)	(50,531,082)	(20,949,088)	(2,271,775)	(218,747,196)	(1,819,923)	(69,563,456)	(38,502,592)	(1,286,746,992)
Net book value	2,795,341,250	989,495,036	120,932,221	1,741,719,456	199,357,675	47,451,106	160,987,692	19,538,373	10,395,225	70,703,408	2,643,202	122,777,706	27,884,647	6,309,226,999
Annual rate of depreciation (%)		5 - 10	10	5 - 10	8	10	10	10	33	20	20	10	30	

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

Particulars	Quantity Nos.	Cost	Accumulated depreciation	Net book value	Consideration	Gain	Mode of disposal	Particulars of purchasers
		Rupees	Rupees	Rupees	Rupees	Rupees		
Vehicles								
Toyota Corolla LE-18-4982	1	2,298,498	1,493,545	804,953	2,533,333	1,728,380	Group's policy	Mr. Arshad Zaidi, Company's employee
Honda City LE-18-6289	1	1,878,070	1,145,138	732,932	1,800,000	1,067,068	Group's policy	Mr. Anwar Sajjad, Company's employee
Toyota Corolla LEE-17-7219	1	2,060,740	1,440,998	619,742	1,994,667	1,374,925	Group's policy	Mr. Muhammad Ashraf, Company's employee
Mercedez Benz APP-22-095	1	49,555,995	-	49,555,995	49,555,995	-	Sale and lease back	Bank Al-Habib Limited
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000		6,062,626	4,586,649	1,475,977	4,113,701	2,637,724		
		61,855,929	8,666,330	53,189,599	59,997,696	6,808,097		

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

	2023	2022
	Rupees	Rupees
Cost of sales (Note 31.1)	111,351,042	67,377,551
Distribution cost (Note 32)	104,919,540	108,603,515
Administrative expenses (Note 33)	53,836,784	46,256,966
	270,107,366	222,238,032

14.1.3 Land and building of the Subsidiary Company amounting to Rupees 752.57 million (2022: Rupees 400 million) and plant and machinery of the Subsidiary Company amounting to Rupees 610 million (2022: Rupees 610 million) have been mortgaged in favour of the lender of Holding Company.

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

Location	Usage of Immovable Property	Total area of land	Covered area of buildings
		Acres	Square feet
Holding Company			
Property No. 35 A / M, Quaid-e- Azam Industrial Estate, Kot Lakhpat, Lahore	Warehouse	0.69	21,965
Mouza No. 107/9L, Tehsil and District Sahiwal	Oil depot	6.70	199,513
Mouza Aza Khel Bala, Tehsil and District Nowshera	Oil depot	7.55	9,257
Mouza Ali Murad Kalhoro, Indus Highway, Shikarpur (under construction)	Oil depot	8.50	56,307
Plot No. 2, Block K, Main Boulevard Gulberg-II, Lahore	OMC project office	0.39	1,847
Mouza Aza Khel Payan, Tehsil and District Nowshera	Oil depot extension	1.34	-
7-KM, Sundar Raiwind Road, Bhai Kot, Lahore	Warehouse - 1	-	49,658
7-KM, Sundar Raiwind Road, Bhai Kot, Lahore	Warehouse - 2	-	53,348
Oil Boy Energy Limited - Mouza Neel Kot, Head Muhammad Wala Road, Multan	Dealer of retail outlet	-	2,818
Lali Sons Filling Station - Faisalabad Road, Lalian	Dealer of retail outlet	-	3,274
Punjab Filling Station - Main Satiana Road, Faisalabad	Dealer of retail outlet	-	2,821
Green Fuel CNG - 1-KM, G.T. Road, Lalamusa	Dealer of retail outlet	-	4,981
A.B. Petroleum Filling Station - Tehsil Liaqatpur, Rahim Yar Khan	Dealer of retail outlet	-	3,054
Jillani CNG - Lehtrar Road, Islamabad	Dealer of retail outlet	-	2,650
Dasti Filling Station - Jampur Road, Dera Ghazi Khan	Dealer of retail outlet	-	1,815

Location	Usage of Immovable Property	Total area of land	Covered area of buildings
		Acres	Square feet
Rehman Filling Station - Chistian Road, Hasilpur	Dealer of retail outlet	-	2,525
Al-Fazal Filling Station - Sargodha Road, Jhang	Dealer of retail outlet	-	2,121
Ibrahim Petroleum - Sialkot Road, Gujranwala	Dealer of retail outlet	-	3,185
Karma Wala-1 Filling Station - Shahkot Road, Jaranwala	Dealer of retail outlet	-	2,059
Raja Adeel Filling Station - Arifwala Road, Arifwala	Dealer of retail outlet	-	2,892
Gondal Filling Station - Daska Road, Wazirabad	Dealer of retail outlet	-	1,493
City Filling Station - Hujra Shah Muqeem, Okara	Dealer of retail outlet	-	962
Al Karam Filling Station - Shamkay Bhattian, Lahore	Dealer of retail outlet	-	6,633
Green City Fuel Station - Hasilpur Road, Bahawalpur	Dealer of retail outlet	-	1,289
Khokhar Fuel Station - Small Industrial Estate, Jinnah Road, Gujranwala	Dealer of retail outlet	-	1,175
Minhas CNG - Multan Road, Lahore	Dealer of retail outlet	-	841
One Stop - Main Ferozepur Road, Lahore	Dealer of retail outlet	-	1,970
S&S - Toba Road, Jhang	Dealer of retail outlet	-	3,310
Al Yousaf CNG - Khanewal Road, Multan	Dealer of retail outlet	-	1,793
Rana Petroleum - Faisalabad Road, Okara	Dealer of retail outlet	-	2,633
Mudassir Zulfiqar Filling Station - Vehari Road, Multan	Dealer of retail outlet	-	8,084
Shahid & Company - Daska Road, Gujranwala	Dealer of retail outlet	-	6,396
Benzina II Filling Station - Benazir Road, Okara	Dealer of retail outlet	-	4,709
Nambardar Filling Station - Rawalpindi Road, Chakwal	Dealer of retail outlet	-	5,875
Iftikhar Nadeem & Company - Mouza Jhawary, Dhamyal Road, Rawalpindi Cantt.	Dealer of retail outlet	-	5,162
Suntrust CNG - Millat Road, Faisalabad	Dealer of retail outlet	-	4,086
Meezan Filling Station - Jhang Road, Toba Tek Singh	Dealer of retail outlet	-	6,227
Haji Muhammad Nawaz Filling Station, Darban Road, Syed Nager, Dera Ismail Khan (under construction)	Dealer of retail outlet	-	3,694
Big Khan Filling Station - University Road, Chakdara (under construction)	Dealer of retail outlet	-	4,872
Imdad Mir Filling Station - Mouza Ghanda, Nawab Road, Mansehra (under construction)	Dealer of retail outlet	-	3,384
Dharampura, Lahore	HTL Express Centre	-	1,436
Garden Town, Lahore	HTL Express Centre	-	1,789
Gulshan-e-Ravi, Lahore	HTL Express Centre	-	2,444
Johar Town, Lahore	HTL Express Centre	-	4,500
Defence Housing Authority, Phase II, Karachi	HTL Express Centre	-	812
Gulistan-e-Johar, Karachi	HTL Express Centre	-	3,149
PECHS, Karachi	HTL Express Centre	-	2,700
Askari XIV, Sector A, Rawalpindi	HTL Express Centre	-	881
Subsidiary Company			
7-KM, Sundar Raiwind Road, Bhai Kot, Lahore.	Manufacturing unit and office	22.30	180,839

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

Name of retail outlets	Categories							
	Buildings on leasehold land	Tanks and pipelines	Dispensing pumps	Machinery	Furniture and fittings	Office equipment	Computers	Total
	Rupees							
Oil Boy Energy Limited - Mouza Neel Kot, Head Muhammad Wala Road, Multan	3,180,469	1,608,000	1,911,655	-	-	-	-	6,700,124
Lali Sons Filling Station - Faisalabad Road, Lalian	3,834,385	1,926,050	-	-	-	-	-	5,760,435
Punjab Filling Station - Main Satiana Road, Faisalabad	2,898,584	877,100	2,001,106	-	-	-	-	5,776,790
Ittehad Filling Station - Circular Road, Daska	-	877,100	-	-	-	-	-	877,100
Green Fuel CNG - 1-KM G.T. Road, Lalamusa	2,725,893	1,132,550	-	-	-	-	-	3,858,443
A.B. Petroleum Filling Station - Tehsil Liaqatpur, Rahim Yar Khan	4,623,288	1,480,589	1,958,750	-	-	-	-	8,062,627
Jillani CNG - Lehtrar Road, Islamabad	7,147,011	1,386,830	842,830	-	-	-	-	9,376,671
Dasti Filling Station - Jampur Road, Dera Ghazi Khan	1,919,332	808,290	2,754,484	-	-	-	-	5,482,106
Rehman Filling Station - Chistian Road, Hasilpur	2,013,421	-	-	-	-	-	-	2,013,421
Al-Fazal Filling Station - Sargodha Road, Jhang	3,163,859	-	2,227,102	-	-	-	-	5,390,961
Ibrahim Petroleum - Sialkot Road, Gujranwala	1,962,962	-	-	-	-	-	-	1,962,962
Karma Wala-1 Filling Station - Shahkot Road, Jaranwala	2,532,005	-	-	-	-	-	-	2,532,005
Raja Adeel Filling Station - Arifwala Road, Arifwala	1,853,000	-	-	-	-	-	-	1,853,000
Gondal Filling Station - Daska Road, Wazirabad	2,204,744	-	1,421,968	-	-	-	-	3,626,712
City Filling Station - Hujra Shah Muqeem, Okara	1,504,906	-	-	-	-	-	-	1,504,906
Al Karam Filling Station - Shamkay Bhattian, Lahore	3,556,882	-	3,244,171	-	-	-	-	6,801,053
Green City Fuel Station - Hasilpur Road, Bahawalpur	9,954,398	1,377,706	1,911,655	-	-	-	-	13,243,759
Khokhar Fuel Station - Small Industrial Estate, Jinnah Road, Gujranwala	2,101,400	1,377,706	3,212,099	-	-	-	-	6,691,205
Minhas CNG - Multan Road, Lahore	4,749,486	-	1,421,968	-	-	-	-	6,171,454
One Stop - Main Ferozepur Road, Lahore	17,757,318	2,102,230	2,482,580	-	-	-	-	22,342,128
S&S - Toba Road, Jhang	2,549,650	-	-	-	-	-	-	2,549,650
Al Yousaf CNG - Khanewal Road, Multan	1,651,843	578,690	1,558,512	-	-	-	-	3,789,045
Rana Petroleum - Faisalabad Road, Okara	2,439,500	-	-	-	-	-	-	2,439,500
Mudassir Zulfiqar Filling Station - Vehari Road, Multan	2,176,375	-	-	-	-	-	-	2,176,375
Shahid & Company - Daska Road, Gujranwala	1,828,249	-	4,722,091	-	-	-	-	6,550,340
Benzina II Filling Station - Benazir Road, Okara	2,318,142	3,037,269	8,036,682	-	-	-	-	13,392,093
Nambardar Filling Station - Rawalpindi Road, Chakwal	926,830	-	-	-	-	-	-	926,830
Iftikhar Nadeem & Company - Mouza Jhawary, Dhamyal Road, Rawalpindi Cantt.	1,571,303	2,763,529	4,477,015	-	-	-	-	8,811,847
Suntrust CNG - Millat Road, Faisalabad	40,743,349	3,409,167	4,937,988	-	-	-	-	49,090,504
Meezan Filling Station - Jhang Road, Toba Tek Singh	1,313,475	-	-	-	-	-	-	1,313,475
"Haji Muhammad Nawaz Filling Station, Darban Road, Syed Nager, Dera Ismail Khan (under construction)"	3,274,200	1,269,700	-	-	-	-	-	4,543,900
Big Khan Filling Station - University Road, Chakdara (under construction)	4,284,160	3,950,869	-	-	-	-	-	8,235,029
Imdad Mir Filling Station - Mouza Ghanda, Nawab Road, Mansehra (under construction)	7,781,399	-	-	-	-	-	-	7,781,399
Gasoline Fuel Station - Ferozpur Road, Kasur (under construction)	-	2,272,778	-	-	-	-	-	2,272,778
Toru Fuel Station - Mardan Road , Nowshera (under construction)	-	2,859,022	-	-	-	-	-	2,859,022
Abro CNG - Kurdiawala, Faisalabad (under construction)	-	2,859,022	-	-	-	-	-	2,859,022
Gojra Filling Station - Near M-4 Interchange, Jhang (under construction)	-	1,136,389	-	-	-	-	-	1,136,389
Al - Sheikh Filling Station - Gujrat (under construction)	-	2,014,337	-	-	-	-	-	2,014,337
Moon CNG - GT Road opposite DHA, Islamabad (under construction)	-	1,136,389	-	-	-	-	-	1,136,389
Kohala Filling Station - Muzaffarabad Murree Road, Bagh (under construction)	-	3,445,266	-	-	-	-	-	3,445,266
Ghuman Fuel Station - Gurumangat Road, Lahore (under construction)	-	2,600,581	-	-	-	-	-	2,600,581
Attock Fuel Station - Iqbal Chowk, Attock (under construction)	-	877,948	-	-	-	-	-	877,948
Shah Sardar Filling Station - Murree Road, Abbotabad (under construction)	-	877,948	-	-	-	-	-	877,948
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 - Gulshan-e-Ravi, Lahore	16,220,083	-	-	5,308,603	56,796	2,602,702	14,040	24,202,224
HTL Express Centre - Johar Town, Lahore	16,713,760	-	-	7,727,402	153,621	-	24,000	24,618,783
HTL Express Centre - DHA, Karachi	7,085,936	-	-	4,019,037	669,727	97,044	-	11,871,744
HTL Express Centre - Gulistan-E-Johar, Karachi	11,978,196	-	-	6,117,945	1,115,829	811,290	-	20,023,260
HTL Express Centre - PECHS, Karachi	20,357,427	-	-	1,524,751	126,500	841,438	-	22,850,116
HTL Express Centre - Askari XIV, Sector A, Rawalpindi	9,133,147	-	-	4,419,000	854,206	2,808,753	-	17,215,106
	269,044,050	50,043,055	49,122,656	34,786,023	3,178,906	9,381,156	38,040	415,593,886

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

	2023 Rupees	2022 Rupees
14.2 Capital work-in-progress		
Civil works	44,199,846	83,539,912
Plant and machinery	-	5,489,540
Tanks and pipelines	50,594,702	20,799,838
Dispensing pumps	8,681,790	20,752,020
Electric and other installations	-	8,356,162
Advance for purchase of apartment (Note 14.2.2)	25,976,750	25,976,750
Advances for capital expenditures	-	73,033,614
Mobilization advance	1,094,101	5,281,323
	130,547,189	243,229,159

14.2.1 Movement in capital work in progress is as follows:

	Categories									
	Civil works	Plant and machinery	Tanks and pipelines	Dispensing pumps	Electric and other installations	Advance against purchase of apartment	Advances for capital expenditures	Mobilization advance	Unallocated expenditures	Total
	Rupees									
At 30 June 2021	26,860,047	63,943,014	-	29,396,100	-	25,226,750	101,550,777	5,069,766	2,146,800	254,193,254
Add: Additions during the year	133,858,818	546,610,401	67,572,489	5,813,200	81,356,162	750,000	77,851,580	6,330,015	-	920,142,665
Add / (Less): Adjustments made during the year	(22,820,619)	88,809,793	24,967,419	-	12,725,465	-	(101,535,258)	-	(2,146,800)	-
Add: Transferred from inventory during the year	-	-	-	4,895,924	-	-	-	-	-	4,895,924
Less: Mobilization advances adjusted during the year	-	-	-	-	-	-	-	(6,118,458)	-	(6,118,458)
Less: Transferred to operating fixed assets during the year	54,358,334	693,873,668	71,740,070	19,353,204	85,725,465	-	4,833,485			929,884,226
At 30 June 2022	83,539,912	5,489,540	20,799,838	20,752,020	8,356,162	25,976,750	73,033,614	5,281,323	-	243,229,159
Add: Additions during the year	123,080,250	193,514,924	33,204,031	2,770,000	31,109,652	-	23,555,995	-	-	407,234,852
Add / (Less): Adjustments made during the year	-	42,940,298	-	-	4,093,316	-	(47,033,614)	-	-	-
Add: Transferred from inventory during the year	-	-	-	5,316,190	-	-	-	-	-	5,316,190
Less: Mobilization advances adjusted during the year	-	-	-	-	-	-	-	4,187,222	-	4,187,222
Less: Transferred to operating fixed assets during the year	162,420,316	241,944,762	3,409,167	20,156,420	43,559,130	-	49,555,995	-	-	521,045,790
At 30 June 2023	44,199,846	-	50,594,702	8,681,790	-	25,976,750	-	1,094,101	-	130,547,189

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

15 . RIGHT-OF-USE ASSETS

	Land	Buildings	Vehicles	Total
		Rupees		
At 30 June 2021	210,203,088	73,029,064	57,713,630	340,945,782
Add: Additions during the year	142,365,608	2,174,557	159,288,670	303,828,835
Less: Impact of lease modification	64,414,175	2,230,411	-	66,644,586
Less: Impact of lease termination	7,309,513	-	-	7,309,513
Less: Book value of assets transferred to operating fixed assets - during the year	-	-	1,787,081	1,787,081
Less: Depreciation expense for the year (Note 15.2)	56,215,487	30,808,270	24,316,814	111,340,571
At 30 June 2022	353,457,871	46,625,762	190,898,405	590,982,038
Add: Additions during the year	18,557,113	45,328,092	77,658,685	141,543,890
Add: Impact of lease modifications	(1,845,647)	69,122,276	-	67,276,629
Less: Impact of lease termination	25,059,314	-	-	25,059,314
Less: Book value of assets transferred to operating fixed assets - during the year	-	-	1,574,708	1,574,708
Less: Depreciation expense for the year (Note 15.2)	60,162,403	34,768,030	42,456,071	137,386,504
At 30 June 2023	284,947,620	126,308,100	224,526,311	635,782,031

Lease of land

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

Lease of buildings

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

Lease of vehicles

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

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

	2023 Rupees	2022 Rupees
15.2 Depreciation charge for the year has been allocated as follows:		
Distribution cost (Note 32)	125,856,800	106,467,597
Administrative expenses (Note 33)	11,529,704	4,872,974
	137,386,504	111,340,571

16 INTANGIBLE ASSETS

Opening net book value	21,760,517	10,713,375
Add: Cost of additions during the year	8,700,000	19,703,106
Less: Amortization charged during the year (Note 33)	10,199,746	8,655,964
Closing net book value	20,260,771	21,760,517

		2023 Rupees	2022 Rupees
16.2	Cost as at 30 June	74,985,740	66,285,739
	Accumulated amortization	(54,724,969)	(44,525,222)
	Net book value as at 30 June	20,260,771	21,760,517

16.3 Intangible assets - computer softwares have been amortized at the rate of 30% (2022: 30%) per annum.

16.4 Intangible assets costing Rupees 31.637 million (2022: Rupees 30.762 million) are fully amortized and are still in use of the Group.

		2023 Rupees	2022 Rupees
17.	**INVESTEMENT PROPERTY**		
17.1	**Land - at fair value**		
	Opening book value	130,000,000	93,750,000
	Fair value gain (Note 35)	5,000,000	36,250,000
	Closing book value	135,000,000	130,000,000

17.2 The fair value of investment property has been determined by an independent valuer M/s Anderson Consulting (Private) Limited as at 30 June 2023. Forced sale value of investment property as at 30 June 2023 is Rupees 114.750 million (2022: Rupees 110.500 million).

17.3 Particulars of investment property (i.e. land) are as follows:

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

		2023 Rupees	2022 Rupees
18.	**LONG TERM SECURITY DEPOSITS**		
	Security deposits against leased assets	67,401,559	40,632,010
	Security deposits - other	18,933,950	16,778,395
		86,335,509	57,410,405
	Less: Current portion shown under current assets (Note 24)	22,635,061	2,188,745
		63,700,448	55,221,660
19	**LONG TERM LOANS TO EMPLOYEES**		
	Considered good:		-
	Loans to employees - interest free and unsecured	3,919,266	983,333
	Less: Current portion shown under current assets (Note 23)	934,166	200,004
		2,985,100	783,329

19.1 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.

		2023 Rupees	2022 Rupees
20.	**STORES**		
	Stores	132,181,836	91,819,006
	Less: Provision for slow moving and obsolete store items (Note 20.1)	3,012,462	3,512,160
		129,169,374	88,306,846
20.1	**Provision for slow moving and obsolete store items:**		
	Opening balance	3,512,160	1,354,073
	Add: Provision made during the year (Note 34)	-	5,089,785
	Less: Reversal of provision during the year (Note 35)	499,698	-
	Less: Stores written off against provision during the year	-	2,931,698
	Closing balance	3,012,462	3,512,160
21	**STOCK-IN-TRADE**		
	Raw materials (Note 21.1)	1,650,353,383	1,170,447,477
	Work-in-process	94,122,182	49,019,068
		1,744,475,565	1,219,466,545
	Lubricants and parts (Note 21.2)	656,437,964	1,361,702,527
	Less: Provision for slow moving and damaged stock items (Note 21.3)	27,984,479	15,021,325
		628,453,485	1,346,681,202
	Petroleum products		
	- Stock in hand (Note 21.4 and Note 21.5)	139,978,203	712,760,727
	- Stock in pipeline system (Note 21.6)	638,125,434	606,798,070
		778,103,637	1,319,558,797
	Dispensing pumps and other installations (Note 21.7)	59,701,394	55,554,249
		3,210,734,081	3,941,260,793

21.1 These includes raw materials in transit amounting to Rupees 121.813 million (2022: Rupees 497.564 million) and raw materials amounting to Rupees 1,119.587 million (2022: Rupees 236.161 million) lying at customs bonded warehouse.

21.2 This includes stock-in-transit of Rupees Nil (2022: Rupees 52.121 million) and stock amounting to Rupees 70.612 million (2022: Rupees 80.69 million) lying at customs bonded warehouse.

	2023 Rupees	2022 Rupees
21.3 Provision for slow moving and damaged stock items		
Opening balance	15,021,325	8,833,309
Add: Provision recognized during the year	12,963,154	11,594,772
Less: Reversal of provision during the year	-	5,136,036
	12,963,154	6,458,736
Less: Stock written off against provision during the year	-	270,720
Closing balance	27,984,479	15,021,325

21.4 This includes stock of petroleum products in transit of Rupees Nil (2022: Rupees 264.996 million).

21.5 This include stock of petroleum products in possession of third parties as follows:

	2023 Rupees	2022 Rupees
Askar Oil Services (Private) Limited	2,425,987	2,122,499
Be Energy Limited	36,668,049	12,662,319
Al-Rahim Trading Company (Private) Limited	459,393	317,134,268
Gas and Oil Pakistan Limited	3,410,459	476,791
Karachi Hydrocorban Terminal Limited	4,756,350	6,672,428
	47,720,238	339,068,305

21.6 This represents the Holding Company's share of pipeline stock of High Speed Diesel and Petroleum Motor Gasoline amounting to Rupees 469.131 million (2022: Rupees 454.427 million) and Rupees 168.995 million (2022: Rupees 152.371 million) respectively held by Pak-Arab Pipeline Company Limited.

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

	2023 Rupees	2022 Rupees
22. TRADE DEBTS		
Unsecured:		
Others - considered good	269,552,385	144,003,127
Less: Allowance for expected credit losses (Note 22.2)	35,583,191	34,976,606
	233,969,194	109,026,521

22.1 As at the reporting date, trade debts of Rupees 103.351 million (2022: Rupees 66.909 million) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The ageing analysis of trade debts is as follows:

	2023 Rupees	2022 Rupees
Neither past due nor impaired	166,201,403	77,094,056
Past due but not impaired		
1 to 6 months	68,941,107	52,462,723
6 to 12 months	34,409,839	14,446,348
	103,350,946	66,909,071

		2023 Rupees	2022 Rupees
22.2	**Allowance for expected credit losses**		
	Opening balance	34,976,606	37,348,463
	Add: Recognized during the year (Note 34)	606,585	-
	Less: Reversal of allowance for expected credit losses (Note 35)	-	2,371,857
	Closing balance	35,583,191	34,976,606

23. LOANS AND ADVANCES

	2023 Rupees	2022 Rupees
Considered good, unsecured		
Loans to employees - interest free against salaries		
- Executives	8,623,129	973,705
- Other employees	3,793,641	3,423,331
	12,416,770	4,397,036
Current portion of long term loans to employees (Note 19)	934,166	200,004
Advances to employees against expenses	3,363,189	9,933,012
Advances to suppliers (Note 23.1)	197,896,120	205,260,264
Advances against letter of credits	1,056,362	2,477,103
Margin against letter of credits	87,677,942	-
Margin against bank guarantees	38,750,000	38,750,000
	342,094,549	261,017,419

		2023 Rupees	2022 Rupees
23.1	**Advances to suppliers**		
	Unsecured:		
	Considered good	197,896,120	205,260,264
	Considered doubtful	2,735,072	4,735,725
	Less : Provision for doubtful advances to suppliers (Note 23.1.1)	2,735,072	4,735,725
		197,896,120	205,260,264
23.1.1	**Provision for doubtful advances to suppliers**		
	Opening balance	4,735,725	1,316,002
	Add: Provision recognized during the year (Note 34)	-	4,735,725
	Less: Reversal of provision during the year (Note 35)	1,250,720	-
	Less: Advances to suppliers written off against provision	749,933	1,316,002
	Closing balance	2,735,072	4,735,725

24. SHORT TERM DEPOSITS AND PREPAYMENTS

	2023 Rupees	2022 Rupees
Current portion of long term security deposits (Note 18)	22,635,061	2,188,745
Short term deposits	2,449,880	10,071,391
Prepaid expense	827,406	1,090,441
Prepaid insurance	8,061,250	16,973,683
Prepaid rent	6,406,350	4,750,546
	40,379,947	35,074,806

25. OTHER RECEIVABLES

	2023 Rupees	2022 Rupees
Receivable from MAS Associates (Private) Limited - associated company (Note 25.1)	444,154	292,753
Receivable from SK Enmove Co., Ltd. (Formerly SK Lubricants Co., Ltd.) - principal supplier and long term partner (Note 25.2)	-	-
Sales tax receivable	192,923,266	401,491,544
Inland freight equalization margin	16,760,468	35,764,376
Others	3,661,085	3,767,792
	213,788,973	441,316,465

25.1 It is neither past due nor impaired. The maximum aggregate amount receivable from associated company at the end of any month during the year was Rupees 0.754 million (2022: Rupees 0.306 million).

25.2 The maximum aggregate amount receivable from SK Enmove Co., Ltd. (Formerly SK Lubricants Co., Ltd.) - principal supplier and long term partner at the end of any month during the year was Rupees 181.400 million (2022: Rupees 112.191 million).

	2023 Rupees	2022 Rupees
26. ADVANCE INCOME TAX - NET OF PROVISION FOR TAXATION		
Advance income tax	293,922,163	396,262,253
Provision for taxation	(83,537,154)	(238,421,105)
	210,385,009	157,841,148

26.1 The Group has opted for group taxation as one fiscal unit under section 59AA of the Income Tax Ordinance, 2001.

	2023 Rupees	20212 Rupees
27. ACCRUED INTEREST		
On bank deposits	9,013	11,678
On term deposit receipts	7,023,972	558,904
	7,032,985	570,582
28. SHORT TERM INVESTMENTS		
Equity instruments (Note 28.1)	222,582,946	226,804,412
28.1 Equity instruments		
At fair value through profit or loss		
Quoted - other than related party:		-
Engro Fertilizer Limited		
49,500 (2022: 49,500) fully paid ordinary shares of Rupees 10 each	4,387,680	3,478,365
First Habib Cash Fund		
2,125,858.6099 (2022: 2,175,445.5276) units	214,608,551	218,935,967
NBP Islamic Daily Dividend Fund		
37,955.7549 (2022: 33,248.6961) units	379,557	332,486
UBL Liquidity Plus Fund - Class 'C'		
20,187.0219 (2022: 17,634.4689) units	2,045,041	1,781,484
MCB Cash Management Optimizer		
4,378.7994 (2022: 3,832.6873) units	443,593	386,950
Meezan Rozana Amdani Fund		
6,812.5239 (2022: 5,977.4662) units	340,625	298,872
	222,205,047	225,214,124
Unrealized gain on remeasurement of investments at fair value through profit or loss - net	377,899	1,590,287
	222,582,946	226,804,411

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

	2023 Rupees	2022 Rupees
29. CASH AND BANK BALANCES		
Cash in hand	2,000,551	1,643,135
Cash at banks:		
Saving accounts (Note 29.1)	7,873,895	225,076,032
Current accounts	70,203,118	233,710,433
	78,077,013	458,786,465
Term deposit receipt (Note 29.3)	175,000,000	200,000,000
	255,077,564	660,429,600

29.1 Saving accounts carry profit at the rates ranging from 12.25% to 21.80% (2022: 5.49% to 12.25%) per annum.

29.2 Bank balances (including term deposit receipt) of Rupees 177.401 million (2022: Rupees 218.438 million) and short term investments of Rupees 218.497 million (2022: Rupees 222.272 million) represents un-utilized proceeds of the initial public offer of Holding Company.

29.3 This term deposit receipt issued by banking company having maturity period of three months and carrying interest at 19.50% (2022: 12.75%) per annum. Effective rate of interest on term deposit receipt during the year ranges from 10.93% to 19.50% (2022: 5.50% to 12.75%) per annum.

	2023 Rupees	2022 Rupees
30. GROSS REVENUE FROM CONTRACTS WITH CUSTOMERS		
Lubricants	9,153,605,779	12,588,325,699
Petroleum products	8,212,223,924	8,326,346,060
Others (Note 30.1)	250,869,880	47,679,048
	17,616,699,583	20,962,350,807
30.1 Others		
Dispensing pumps	3,629,355	11,666,956
Franchise and joining fee	31,604,409	29,210,128
Others	215,636,116	6,801,964
	250,869,880	47,679,048

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

30.3 The amount of Rupees 53.511 million included in contract liabilities (note 9) at 30 June 2022 has been recognised as revenue during the year ended 30 June 2023.

		2023 Rupees	2022 Rupees
31.	**COST OF SALES**		
	Cost of sales - lubricants and other items (Note 31.1)	5,225,211,883	6,682,688,537
	Cost of sales - petroleum products (Note 31.2)	7,958,481,826	7,323,826,539
		13,183,693,709	14,006,515,076
31.1	**Cost of sales - lubricants and other items**		
	Raw materials consumed (Note 31.1.1)	3,616,609,767	5,973,802,192
	Packing materials consumed	100,154,900	207,944,967
	Salaries and other benefits (Note 31.1.2)	140,811,349	105,414,730
	Fuel and power	40,425,735	50,241,151
	Repair and maintenance	46,879,415	22,577,779
	Insurance	9,305,060	7,481,744
	Security charges	8,250,409	7,132,492
	Telephone	308,620	270,390
	Depreciation on operating fixed assets (Note 14.1.2)	111,351,042	67,377,551
	Miscellaneous	25,598,087	22,121,072
		4,099,694,384	6,464,364,068
	Work-in-process		
	Opening stock	49,019,068	24,280,043
	Closing stock	(94,122,182)	(49,019,068)
		(45,103,114)	(24,739,025)
	Cost of goods manufactured	4,054,591,270	6,439,625,043
	Finished goods		
	Opening stock	1,417,256,776	843,549,350
	Add: Lubricants and other items purchased for resale	457,493,028	816,770,920
	Closing stock	(704,129,191)	(1,417,256,776)
		1,170,620,613	243,063,494
		5,225,211,883	6,682,688,537
31.1.1	**Raw materials consumed**		
	Opening stock	1,170,447,477	562,888,981
	Add: Purchased during the year	4,096,515,673	6,581,360,688
		5,266,963,150	7,144,249,669
	Less: Closing stock	1,650,353,383	1,170,447,477
		3,616,609,767	5,973,802,192

31.1.2 Salaries, wages and other benefits include provident fund contribution of Rupees 3.995 million (2021: Rupees 2.876 million) by the Group.

		2023 Rupees	2022 Rupees
31.2	**Cost of sales - petroleum products**		
	Opening stock of petroleum products	1,319,558,797	534,969,344
	Petroleum products purchased during the year	6,127,519,591	7,658,133,726
	Petroleum development levy	1,226,148,575	279,772,083
	Inland freight equalization margin	63,358,500	170,510,183
		7,417,026,666	8,108,415,992
	Closing stock of petroleum products	778,103,637	1,319,558,797
		7,958,481,826	7,323,826,539

32. DISTRIBUTION COST

		2023 Rupees	2022 Rupees
	Salaries and other benefits (Note 32.1)	499,141,943	463,727,334
	Sales promotion and advertisements - net (Note 32.2)	13,880,511	162,869,339
	Freight outward	37,689,754	44,528,934
	Rent, rates and taxes	3,555,668	2,431,494
	Travelling and conveyance	65,328,659	55,802,098
	Insurance	23,965,207	15,079,420
	Utilities	18,399,959	14,290,121
	Repair and maintenance	20,400,104	25,057,872
	Vehicles' running and maintenance	67,815,577	37,054,006
	Communication	9,620,312	10,928,547
	Entertainment	12,122,167	7,761,182
	Ijara rentals	-	-
	Depreciation on fixed assets (Note 14.1.2)	104,919,540	108,603,515
	Depreciation on right-of-use assets (Note 15.2)	125,856,800	106,467,597
	Hospitality charges	8,607,862	10,359,959
	Printing and stationery	1,642,903	877,631
	Miscellaneous	33,834,870	25,360,918
	Royalty (Note 32.3 and 32.4)	28,238,910	51,178,988
		1,075,020,746	1,142,378,955

32.1 Salaries other benefits include provident fund contribution of Rupees 13.240 million (2022: Rupees 11.157 million) by the Group.

32.2 These are net off incentives in the shape of reimbursement against sales promotion expenses and advertisements amounting to Rupees 181.400 million (2022: Rupees 112.191 million) from SK Enmove Co., Ltd. (Formerly SK Lubricants Co., Ltd.) - principal supplier and long term partner.

32.3 Particulars of royalty are as follows:

Name	Address	Relationship with the Group or directors	2023 Rupees	2022 Rupees
SK Enmove Co., Ltd. (Formerly SK Lubricants Co., Ltd.)	26, Jong-ro, Jongno-gu, Seoul 03188, Republic of Korea	Principal supplier and long term partner	28,238,910	51,178,988

32.4 Royalty expense relates to sale of certain products of Rupees 707.160 million (2022: Rupees 1,119.631 million) manufactured during the year by the Company under the "Brand License Agreement" with SK Enmove Co., Ltd. (Formerly SK Lubricants Co., Ltd.) - principal supplier and long term partner..

33. ADMINISTRATIVE EXPENSES

	2023 Rupees	2022 Rupees
Salaries, wages and other benefits (Note 33.1)	552,250,110	445,169,302
Consultancy charges	10,680,121	16,408,676
Rent, rates and taxes	2,184,731	1,712,410
Travelling and conveyance	61,872,459	16,932,614
Insurance	21,031,550	15,932,809
Vehicles' running and maintenance	37,404,502	21,494,201
Utilities	9,768,100	7,998,816
Repair and maintenance	9,602,290	10,869,005
Fee and subscription	21,929,524	24,111,585
Printing and stationery	2,115,132	1,975,091
Communication	6,001,728	5,251,120
Entertainment	35,161,252	17,138,125
Legal and professional	38,596,440	31,805,281
Auditor's remuneration (Note 33.2)	6,660,556	5,987,540
Depreciation on operating fixed assets (Note 14.1.2)	53,836,784	46,256,966
Depreciation on right-of-use assets (Note 15.2)	11,529,704	4,872,974
Amortization on intangible assets (Note 16.1)	10,199,746	8,655,964
Miscellaneous	9,212,925	10,039,953
	900,037,654	692,612,432

33.1 Salaries and other benefits include provident fund contribution of Rupees 13.240 million (2022: Rupees 10.660 million) by the Group.

		2023 Rupees	2022 Rupees
33.2	**Auditor's remuneration**		
	Annual audit fee	3,593,680	3,356,500
	Certifications	1,311,032	1,172,850
	Half year review	1,263,654	1,046,500
	Reimbursable expenses	492,190	411,690
		6,660,556	5,987,540

34. OTHER EXPENSES

	2023 Rupees	2022 Rupees
Allowance for expected credit losses (Note 22.2)	606,585	-
Exchange loss - net	189,224,984	409,968,890
Charities and donations (Note 34.1)	22,737,093	19,254,422
Long term security deposit written off	325,000	-
Other receivables written off	-	905,691
Stock-in-trade written off (Note 21.8)	-	192,155
Fixed assets written off	-	3,147,448
Workers' profit participation fund (Note 9.4)	-	52,799,520
Workers' welfare fund (Note 9.5)	465,216	30,933,997
Provision for doubtful advances to suppliers (Note 23.1.1)	-	4,735,725
Provision for slow moving and obsolete store items (Note 20.1)	-	5,089,785
Provision for slow moving and damaged stock items (Note 21.3)	12,963,154	6,458,736
Penalty	4,237,757	373,046
Miscellaneous	60,138	4,387,588
	230,619,927	538,247,003

34.1 These include amount of Rupees 18 million (2022: Rupees 18 million) paid to Sabra Hamida Trust, 1-A, Danepur Road, GOR-1, Lahore, in which Mr. Hassan Tahir - Chief Executive, Mr. Shaukat Hassan - Director, Mr. Tahir Azam - Director and Mr. Ali Hassan - Director of the Holding Company are trustees.

	2023 Rupees	2022 Rupees
35. OTHER INCOME		
Income from financial assets:		
Dividend income	35,936,899	22,796,747
Profit on bank deposits and short term investments	29,275,783	22,171,572
Gain on disposal of short term investment	338,180	50,996
Unrealized gain on remeasurement of investment at fair value through profit or loss - net	377,899	1,590,287
Credit Balances Written Back	10,541,826	479,248
Reversal of allowance for expected credit losses (Note 22.2)	-	2,371,857
Income from non-financial assets:		
Gain on disposal of operating fixed assets (Note 14.1.1)	6,808,097	2,932,465
Fair value gain on investment property (Note 17.1)	5,000,000	36,250,000
Testing Fee	35,460	-
Gain on termination of leases	5,548,712	789,208
Reversal of provision for slow moving and obsolete store items (Note 20.1)	499,698	-
Reversal against provision for doubtful advances to supplier (Note 23.2)	1,250,720	-
Amortization of deferred income - Government grant (Note 8.2)	22,915,134	20,858,919
Income from handling and storage services	19,261,960	-
Common facility charges	521,400	1,056,214
Scrap sales	1,260,451	-
Insurance claim	3,421,000	-
Miscellaneous	5,065,947	2,791,270
Others:		
Rental income from HTL Express Centres	30,397,750	27,760,000
	178,456,916	141,898,783
36. FINANCE COST		
Mark-up on long term financing	70,004,854	43,346,372
Mark-up on short term borrowings	541,787,387	173,004,004
Interest expense on lease liabilities (Note 6.1)	69,703,493	51,024,040
Interest on workers' profit participation fund (Note 9.4)	29,351,733	11,472,446
Bank charges and commission	11,092,410	9,395,845
	721,939,877	288,242,707

	2023 Rupees	2022 Rupees
37. TAXATION		
For the year		
Current - For the year (Note 37.1)	83,537,154	238,087,362
- Prior year adjustment	(10,179,719)	333,743
Deferred tax	(148,834,722)	362,004,427
	(75,477,287)	600,425,532

37.1 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:

	2023 Rupees	2022 Rupees
Relationship between tax expense and accounting profit		
(Loss) / profit before taxation	(322,459,647)	1,217,871,250
Tax at the applicable rate of 29% (2022: 29%)	(93,513,298)	353,182,662
Tax effect due to adjustment of brought forward losses	-	(40,929,290)
Tax effect of minimum tax on turnover taxed at lower rate	78,051,977	(96,055,322)
Tax effect of dividend income taxed at a lower rate	5,390,535	3,419,512
Tax effect of capital gain taxed at a lower rate	94,642	27,064
Tax effect of inadmissible income	93,513,298	-
Tax effect of change in prior year's tax	(10,179,719)	333,743
Tax effect of super tax	-	96,991,506
Tax effect arising as a consequence of recognition of deferred income tax	(148,834,722)	362,004,427
Others	-	(78,548,770)
	(75,477,287)	600,425,532

	2023	2022
38. (LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED		
There is no dilutive effect on the basic earnings per share which based on:		
(Loss) / profit after taxation attributable to ordinary shareholders (Rupees)	(246,982,360)	617,445,718
Weighted average number of shares (Number)	139,204,800	139,204,800
(Loss) / earnings per share - basic and diluted (Rupees)	(1.77)	4.44

	2023 Rupees	2022 Rupees
39. CASH GENERATED FROM OPERATIONS		
(Loss) / profit before taxation	(322,459,647)	1,217,871,250
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	270,107,366	222,238,032
Depreciation on right-of-use assets	137,386,504	111,340,571
Amortization of intangible assets	10,199,746	8,655,964
Amortization of deferred income - Government grant	(22,915,134)	(20,858,919)
Allowance for expected credit losses	606,585	-
Provision for slow moving and damaged stock items	12,963,154	6,458,736
(Reversal of provision) / provision for slow moving and obsolete store items	(499,698)	5,089,785
(Reversal of provision) / provision for doubtful advances to suppliers	(1,250,720)	4,735,725
Credit balances written back	(10,541,826)	(479,248)
Gain on disposal of operating fixed assets	(6,808,097)	(2,932,465)
Dividend income	(35,936,899)	(22,796,747)
Profit on bank deposits and term deposit receipt	(29,275,783)	(22,171,572)
Unrealized gain on remeasurement of investments carried at fair value through profit or loss - net	(377,899)	(1,590,287)
Gain on disposal of short term investments	(338,180)	(50,996)
Fair value gain on investment property	(5,000,000)	(36,250,000)
Gain on termination of leases	(5,548,712)	(789,208)
Finance cost	721,939,877	288,242,707
Exchange loss - net	189,224,984	409,968,890
Provision for workers' profit participation fund	-	52,799,520
Provision for workers' welfare fund	465,216	30,933,997
Fixed assets written off	-	3,147,448
Stock-in-trade written off	-	192,155
Long term security deposits written off	325,000	-
Other receivables written off	-	905,691
Working capital changes (Note 39.1)	(311,004,676)	(1,940,531,477)
	591,261,161	314,129,552

	2023 Rupees	2022 Rupees
39.1 Working capital changes		
Decrease / (increase) in current assets:		
Stores	(40,362,830)	(30,050,049)
Stock-in-trade	717,563,558	(1,990,865,120)
Trade debts	(125,549,258)	(5,908,173)
Loans and advances	(79,092,248)	(122,533,706)
Short term deposits and prepayments	(25,751,457)	(1,061,371)
Other receivables	227,527,492	(300,841,102)
	674,335,257	(2,451,259,521)
(Decrease) / Increase in trade and other payables	(985,339,933)	510,728,044
	(311,004,676)	(1,940,531,477)

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

	2023				
	Liabilities from financing activities				
	Long term financing	Lease liabilities	Short term borrowings	Unclaimed dividend	Total
	Rupees				
Balance as at 01 July 2022	577,054,335	624,517,326	1,897,577,032	5,755,517	3,104,904,210
Financing obtained	97,417,000	-	16,658,225,431	-	16,755,642,431
Repayment of financing	(63,004,463)	-	(16,148,935,478)	-	(16,211,939,941)
Acquisitions - finance leases	-	142,903,481	-	-	142,903,481
Other change - non-cash movement	20,683,184	35,119,062	-	-	55,802,246
Repayment of lease liabilities	-	(140,322,366)	-	-	(140,322,366)
Dividend declared	-	-	-	278,409,600	278,409,600
Dividend paid	-	-	-	(278,334,373)	(278,334,373)
Balance as at 30 June 2023	632,150,056	662,217,503	2,406,866,985	5,830,744	3,707,065,288

	2022				
	Liabilities from financing activities				
	Long term financing	Lease liabilities	Short term borrowings	Unclaimed dividend	Total
	Rupees				
Balance as at 01 July 2021	253,611,941	381,624,955	607,994,104	6,326,546	1,249,557,546
Financing obtained	543,682,938	-	15,566,336,490	-	16,110,019,428
Repayment of financing	(111,806,112)	-	(14,276,753,562)	-	(14,388,559,674)
Acquisitions - finance leases	-	299,315,835	-	-	299,315,835
Other change - non-cash movement	(108,434,432)	58,545,867	-	-	(49,888,565)
Repayment of lease liabilities	-	(114,969,331)	-	-	(114,969,331)
Dividend declared	-	-	-	482,576,498	482,576,498
Dividend paid	-	-	-	(483,147,527)	(483,147,527)
Balance as at 30 June 2022	577,054,335	624,517,326	1,897,577,032	5,755,517	3,104,904,210

	2023 Rupees	2022 Rupees
39.3 Non-cash financing activities		
Acquisition of right-of-use assets	142,903,481	299,315,835

40. 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.

41. PLANT CAPACITY AND ACTUAL PRODUCTION

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

	Storage Capacity		
	Metric Tons		
Description	**SKO**	**PMG**	**HSD**
Sahiwal depot	198	2,040	1,860
Nowshera depot	-	1,401	1,551

The plant capacity and actual production of Subsidiary Company is as follows:

		2023		2022	
	Unit of measurement	Capacity	Production	Capacity	Production
Blending division:					
Bottles	Numbers	16,420,800	2,867,062	19,042,941	6,675,072
Caps	Numbers	23,760,000	2,292,438	29,700,000	6,721,693
Filling	Litres	94,274,800	6,284,595	67,890,000	14,782,027
Blending	Litres	30,000,000	1,730,213	30,000,000	2,722,022
Polymer division:					
Bottles	Numbers	4,368,000	2,784,808	-	-
Caps	Numbers	5,940,000	3,015,336	-	-
Injection moulding parts	Numbers	198,000	114,514	-	-

Under utilization of available capacity is mainly due to limited sales orders.

42. 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	2023 Rupees	2022 Rupees
Associated companies			
MAS Associates (Private) Limited	Share of common expenses	1,452,548	1,056,214
Other related parties			
SK Enmove Co., Ltd. (Formerly SK Lubricants Co., Ltd.)	Purchase of lubricants	3,176,714,890	5,304,607,818
	Incentives	181,400,000	112,190,906
	Dividend paid	1,986,660	2,927,012
	Bonus shares issued	-	1,655,550
Hi-Tech Lubricants Limited Employees Provident Fund Trust	Contribution	25,429,262	20,802,292
Hi-Tech Blending (Private) Limited Employees Provident Fund Trust	Contribution	5,046,647	3,890,655
Sabra Hamida Trust	Donations	18,000,000	18,000,000
Directors of Holding Company			
Mr. Shaukat Hassan	Dividend paid	721,200	1,062,568
	Bonus shares issued	-	601,000
Mr. Ali Hassan	Dividend paid	18,000,720	26,521,061
	Bonus shares issued	-	15,000,600
Mr. Hassan Tahir	Dividend paid	18,000,720	26,521,061
	Bonus shares issued	-	15,000,600
Ms. Mavira Tahir	Dividend paid	12,000,360	17,680,530
	Bonus shares issued	-	10,000,300
Mr. Tahir Azam	Dividend paid	721,200	987,568
	Bonus shares issued	-	601,000
Mr. Faraz Akhtar Zaidi	Dividend paid	1,200	1,643
	Bonus shares issued	-	1,000
Dr. Safdar Ali Butt	Dividend paid	1,200	1,643
	Bonus shares issued	-	1,000
Mr. Shafiq Ur Rehman	Dividend paid	1,200	1,643
	Bonus shares issued	-	1,000
Mr. Syed Asad Abbas Hussain	Dividend paid	1,200	1,331
	Bonus shares issued	-	1,000
Mr. Muhammad Tabassum Munir (Ex-director)	Dividend paid	-	1,768

42 .1 Following are the related parties with whom the Group had entered into transactions or have arrangements / agreements in place:

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

42 .2 Detail of compensation to key management personnel comprising of chief executive officer and executives is disclosed in note 43.

43. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	2023				2022			
		Directors				Directors		
	Chief Executive	Executives	Non-Executives	Executives	Chief Executive	Executives	Non-Executives	Executives
	Rupees							
Managerial remuneration	15,180,645	13,645,161	45,161,292	133,306,711	11,845,161	10,451,613	30,967,740	91,326,161
Bonus	2,765,000	2,475,000	-	17,750,265	3,010,646	2,656,452	-	14,766,994
Allowances								
House rent	6,831,290	6,140,322	20,322,581	59,988,020	5,330,322	4,703,226	13,935,483	41,096,773
Medical	1,518,065	1,364,516	4,516,129	13,330,671	1,184,516	1,045,161	3,096,774	9,132,616
Travelling	3,000,000	3,000,000	10,000,000	891,950	2,000,000	2,000,000	4,000,000	439,300
Other	6,157,513	6,137,513	2,000,000	77,884,355	22,468,028	22,468,028	-	61,143,201
Contribution to provident fund trust	-	-	-	11,336,955	-	-	-	7,321,643
Leave fare assistance	-	-	-	8,321,586	-	-	-	5,056,037
	35,452,513	32,762,512	82,000,002	322,810,513	45,838,673	43,324,480	51,999,997	230,282,725
	1	**1**	**4**	**64**	**1**	**1**	**4**	**49**

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

43.2 Aggregate amount charged in these consolidated financial statements for meeting fee to three directors (2022: four directors) is Rupees 6.1 million (2022: Rupees 4 million).

	2023		2022	
	Permanent	**Contractual**	Permanent	Contractual
44. NUMBER OF EMPLOYEES				
Total number of employees as on 30 June	576	115	595	120
Average number of employees during the year	592	113	573	117

45. 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 2023	Level 1	Level 2	Level 3	Total
		Rupees		
Financial assets				
Financial assets at fair value through profit or loss	222,582,946	-	-	222,582,946

Recurring fair value measurements at 30 June 2022	Level 1	Level 2	Level 3	Total
		Rupees		
Financial assets				
Financial assets at fair value through profit or loss	226,804,412	-	-	226,804,412

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.

46. SEGMENT INFORMATION

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

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

	LUBRICANTS		PETROLEUM PRODUCTS		POLYMER		UNALLOCATED		TOTAL - GROUP	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	Rupees									
Revenue from contracts with customers - net	7,276,934,978	9,800,397,830	8,150,370,310	7,943,570,810	183,090,062	-	-	-	15,610,395,350	17,743,968,640
Cost of sales	(5,096,241,527)	(6,731,332,111)	(7,917,035,700)	(7,275,182,965)	(170,416,482)	-	-	-	(13,183,693,709)	(14,006,515,076)
Gross profit	2,180,693,451	3,069,065,719	233,334,610	668,387,845	12,673,580	-	-	-	2,426,701,641	3,737,453,564
Distribution cost	(760,895,784)	(860,897,605)	(309,628,014)	(281,481,350)	(4,496,948)	-	-	-	(1,075,020,746)	(1,142,378,955)
Administrative expenses	(876,880,754)	(679,310,592)	(19,542,730)	(13,301,840)	(3,614,170)	-	-	-	(900,037,654)	(692,612,432)
Other expenses	(219,363,661)	(507,215,666)	(11,256,266)	(31,031,337)	-	-	-	-	(230,619,927)	(538,247,003)
	(1,857,140,199)	(2,047,423,863)	(340,427,010)	(325,814,527)	(8,111,118)	-	-	-	(2,205,678,327)	(2,373,238,390)
Other income	76,546,648	79,044,606	101,910,268	62,854,177	-	-	-	-	178,456,916	141,898,783
Profit / (loss) from operations	400,099,900	1,100,686,462	(5,182,132)	405,427,495	4,562,462	-	-	-	399,480,230	1,506,113,957
Finance cost	(536,838,907)	(234,390,470)	(98,582,346)	(53,852,237)	(86,518,624)	-	-	-	(721,939,877)	(288,242,707)
(Loss) / profit before taxation	(136,739,007)	866,295,992	(103,764,478)	351,575,258	(81,956,162)	-	-	-	(322,459,647)	1,217,871,250
Taxation	-	-	-	-	-	-	75,477,287	(600,425,532)	75,477,287	(600,425,532)
(Loss) / profit after taxation	(136,739,007)	866,295,992	(103,764,478)	351,575,258	(81,956,162)	-	75,477,287	(600,425,532)	(246,982,360)	617,445,718

46.1 Reconciliation of reportable segment assets and liabilities:

	LUBRICANTS		PETROLEUM PRODUCTS		POLYMER		TOTAL - GROUP	
	2023	2022	2023	2022	2023	2022	2023	2022
	Rupees							
Total assets for reportable segments	6,722,267,004	6,788,072,448	3,947,956,772	2,744,899,707	815,925,107	-	11,486,148,883	9,532,972,155
Unallocated assets							676,568,277	3,147,094,724
Total assets as per consolidated statement of financial position							12,162,717,160	12,680,066,879
Total liabilities for reportable segments	2,526,927,666	3,710,578,828	233,897,003	986,284,130	475,910,407	-	3,236,735,076	4,696,862,958
Unallocated liabilities							2,882,274,060	1,728,796,187
Total liabilities as per consolidated statement of financial position							6,119,009,136	6,425,659,145

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

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

47. FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

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

At 30 June 2023	Level 1	Level 2	Level 3	Total
		Rupees		
Freehold land	-	2,795,341,250	-	2,795,341,250
Investment property - land	-	135,000,000	-	135,000,000
	-	2,930,341,250	-	2,930,341,250

At 30 June 2022	Level 1	Level 2	Level 3	Total
		Rupees		
Freehold land	-	1,783,101,998	-	1,783,101,998
Investment property - land	-	130,000,000	-	130,000,000
	-	1,913,101,998	-	1,913,101,998

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 at least annually. At the end of reporting period, the management of the Group updates the assessment of the fair value of property, taking into account the most recent independent valuations. The management determines a property's value within a range of reasonable fair value estimate. The best evidence of fair value is current prices in an active market for similar lands.

Valuation processes

The Group engages external, independent and qualified valuers to determine the fair value of the Group's freehold land and investment property at the end of every financial year. As at 30 June 2023, the fair value of the investment property and freehold land has been determined by Al-Hadi Financial and Legal Consultants and Anderson Consulting (Private) Limited, independent valuers.

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

48. FINANCIAL RISK MANAGEMENT

48.1 Financial risk factors

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

Risk management is carried out by the Group's finance department. The Group's finance department has provided 'Risk Management Policy' covering specific areas such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity. All treasury related transactions are carried out within the parameters of this policy.

(a) Market risk

(i) Currency risk

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

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

	2023 USD	2022 USD
Trade and other payables	2,150,309	6,994,055

The following significant exchange rates were applied during the year:

	Rupees per US Dollar	
Average rate	253.08	179.89
Reporting date rate	287.10	203.50

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD with all other variables held constant, the impact on Group's loss after taxation for the year would have been Rupees 24.884 million higher / lower (2022: Group's profit after taxation for the year would have been Rupees 38.429 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 loss after taxation (2022: Profit after taxation) for the year. The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Group's equity instruments moved according to the historical correlation with the index:

	Impact on Group's profit / (loss) after taxation	
Index	**2023 Rupees**	2022 Rupees
PSX 100 (5% increase)	(204,262)	219,384
PSX 100 (5% decrease)	204,262	(219,384)

(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, term deposit receipt, 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:

	2023 Rupees	2022 Rupees
Fixed rate instruments		
Financial assets		
Term deposit receipt	175,000,000	200,000,000
Financial liabilities		
Long term financing	510,150,056	552,471,335
Lease liabilities	467,952,255	450,591,648
Floating rate instruments		
Financial assets		
Bank balances - saving accounts	7,873,895	225,076,032
Financial liabilities		
Long term financing	122,000,000	24,583,000
Lease liabilities	194,265,248	173,925,678
Short term borrowings	2,406,866,985	1,897,577,032
	2,723,132,233	2,096,085,710

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the reporting date, fluctuates by 1% higher / lower with all other variables held constant, Group's loss after taxation for the year would have been Rupees 26.610 million higher / lower (2022: Group's profit after taxation would have been Rupees 10.103 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:

	2023 Rupees	2022 Rupees
Long term security deposits	18,933,950	16,778,395
Long term loans to employees	3,919,266	983,333
Short term deposits	2,449,880	10,071,391
Trade debts	233,969,194	109,026,521
Loans and advances	138,844,712	43,147,036
Other receivables	20,865,707	39,824,921
Accrued interest	7,032,985	570,582
Short term investments	222,582,946	226,804,412
Bank balances	253,077,013	658,786,465
	901,675,653	1,105,993,056

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

	Rating Short term	Rating Long term	Agency	2023 Rupees	2022 Rupees
Short term investments					
Engro Fertilizer Limited	A1+	AA	PACRA	4,085,235	4,387,680
First Habib Cash Fund	AA+(f)		VIS	215,290,591	219,614,488
NBP Islamic Daily Dividend Fund	AA(f)		PACRA	379,557	332,487
UBL Liquidity Plus Fund - Class 'C'	AA+(f)		VIS	2,042,658	1,782,636
MCB Cash Management Optimizer	AA+(f)		PACRA	444,282	388,249
Meezan Rozana Amdani Fund	AA+(f)		VIS	340,625	298,872
				222,582,948	226,804,412
Banks					
Bank Alfalah Limited	A1+	AA+	PACRA	8,411,749	230,381,808
Bank AL Habib Limited	A1+	AAA	PACRA	16,028,254	11,557,478
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	175,559,977	203,672,750
MCB Bank Limited	A1+	AAA	PACRA	12,765,615	7,493,857
National Bank of Pakistan	A1+	AAA	PACRA	1,195,805	2,617,952
The Bank of Punjab	A1+	AA+	PACRA	115,450	115,450
Habib Bank Limited	A-1+	AAA	VIS	65,132	19,169,981
Askari Bank Limited	A1+	AA+	PACRA	848,155	940,289
United Bank Limited	A-1+	AAA	VIS	4,928,558	50,747,325
JS Bank Limited	A1+	AA-	PACRA	287,110	289,410
Albaraka Bank (Pakistan) Limited	A-1	A+	VIS	238,399	238,399
Meezan Bank Limited	A-1+	AAA	VIS	27,195,432	93,914,703
Dubai Islamic Bank Pakistan Limited	A-1+	AA	VIS	108,520	30,020,342
Faysal Bank Limited	A1+	AA	PACRA	4,671,404	6,905,523
Summit Bank Limited	A-3	BBB-	VIS	7,246	7,246
Soneri Bank Limited	A1+	AA-	PACRA	-	850
Samba Bank Limited	A-1	AA	VIS	650,207	713,102
				253,077,013	658,786,465
				475,659,961	885,590,877

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

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

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

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2023 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 2023 and 30 June 2022 was determined as follows:

	Sales		
	Expected loss rate	Trade debts	Loss allowance
	%	Rupees	
At 30 June 2023			
Up to 30 days	7.11%	11,358,580	807,735
30 to 180 days	68.50%	778,230	533,084
181 to 360 days	96.75%	5,154,272	4,986,669
Above 360 days	100.00%	29,255,603	29,255,603
		46,546,685	35,583,091
Trade debts which are not subject to risk of default		223,005,700	-
		269,552,385	35,583,091

	Sales		
	Expected loss rate	Trade debts	Loss allowance
	%	Rupees	
At 30 June 2022			
Up to 30 days	6.63%	74,286,516	4,924,623
30 to 180 days	24.23%	48,138,801	11,661,975
181 to 360 days	91.21%	4,323,922	3,943,660
Above 360 days	100.00%	14,446,348	14,446,348
		141,195,587	34,976,606
Trade debts which are not subject to risk of default		2,807,540	-
		144,003,127	34,976,606

(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 2023, the Group had Rupees 2,421.517 million (2022: Rupees 2,034.666 million) available borrowing limits from financial institutions and Rupees 255.078 million (2022: Rupees 660.430 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 2023:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 years
			Rupees			
Non-derivative financial liabilities:						
Long term financing	632,150,056	814,547,642	39,361,329	63,666,031	123,909,463	587,610,820
Lease liabilities	662,217,503	715,433,041	107,389,212	102,513,217	176,329,452	329,201,160
Long term deposits	16,500,000	16,500,000	-	-	-	16,500,000
Trade and other payables	1,170,748,433	1,170,748,433	1,170,748,433	-	-	-
Accrued mark-up	124,519,872	124,519,872	124,519,872	-	-	-
Short term borrowings	2,406,866,985	3,128,722,055	540,195,415	2,588,526,640	-	-
Unclaimed dividend	5,830,744	5,830,744	5,830,744	-	-	-
	5,018,833,593	5,976,301,787	1,988,045,005	2,754,705,888	300,238,915	933,311,980

Contractual maturities of financial liabilities as at 30 June 2022:

	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	577,054,335	854,214,238	75,141,131	22,452,218	88,165,199	668,455,690
Lease liabilities	624,517,326	846,526,237	95,807,814	99,801,391	172,249,802	478,667,230
Long term deposits	17,000,000	17,000,000	-	-	-	17,000,000
Trade and other payables	1,862,987,566	3,185,165,719	3,185,165,719	-	-	-
Accrued mark-up	57,121,494	57,121,494	57,121,494	-	-	-
Short term borrowings	1,897,577,032	2,106,324,833	618,305,245	1,488,019,588	-	-
Unclaimed dividend	5,755,517	5,755,517	5,755,517	-	-	-
	5,042,013,270	7,072,108,038	4,037,296,920	1,610,273,197	260,415,001	1,164,122,920

48.2 Financial instruments by categories

	2023		
	At amortized cost	At fair value through profit or loss	Total
		Rupees	
Financial assets			
Long term security deposits	18,933,950	-	18,933,950
Long term loans to employees	3,919,266	-	3,919,266
Short term deposits	2,449,880	-	2,449,880
Trade debts	233,969,194	-	233,969,194
Loans and advances	138,844,712	-	138,844,712
Other receivables	20,865,707	-	20,865,707
Accrued interest	7,032,985	-	7,032,985
Short term investments	-	222,582,946	222,582,946
Cash and bank balances	255,077,564	-	255,077,564
	681,093,258	222,582,946	903,676,204

	2022		
	At amortized cost	At fair value through profit or loss	Total
		Rupees	
Financial assets			
Long term security deposits	16,778,395	-	16,778,395
Long term loans to employees	983,333	-	983,333
Short term deposits	10,071,391	-	10,071,391
Trade debts	109,026,521	-	109,026,521
Loans and advances	43,147,036	-	43,147,036
Other receivables	39,824,921	-	39,824,921
Accrued interest	570,582	-	570,582
Short term investments	-	226,804,412	226,804,412
Cash and bank balances	660,429,600	-	660,429,600
	880,831,779	226,804,412	1,107,636,191

	At Amortized Cost	
	2023 Rupees	2022 Rupees
Financial liabilities		
Long term financing	632,150,056	577,054,335
Lease liabilities	662,217,503	624,517,326
Long term deposits	16,500,000	17,000,000
Trade and other payables	1,170,748,433	1,862,987,566
Short term borrowings	2,406,866,985	1,897,577,032
Accrued mark-up	124,519,872	57,121,494
Unclaimed dividend	5,830,744	5,755,517
	5,018,833,593	5,042,013,270

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

	2023		
	Financial assets	**Non-financial assets**	**Assets as per consolidated statement of financial position**
	Rupees		
Financial assets			
Long term security deposits	18,933,950	44,766,498	63,700,448
Long term loans to employees	3,919,266	-	3,919,266
Short term deposits and prepayments	2,449,880	37,930,067	40,379,947
Trade debts	233,969,194	-	233,969,194
Loans and advances	138,844,712	203,249,837	342,094,549
Other receivables	20,865,707	192,923,266	213,788,973
Accrued interest	7,032,985	-	7,032,985
Short term investments	222,582,946	-	222,582,946
Cash and bank balances	255,077,564	-	255,077,564
	903,676,204	478,869,668	1,382,545,872

	2023		
	Financial liabilities	**Non-financial liabilities**	**Liabilities as per consolidated statement of financial position**
	Rupees		
Liabilities			
Long term financing	632,150,056	-	632,150,056
Lease liabilities	662,217,503	-	662,217,503
Long term deposits	16,500,000	-	16,500,000
Trade and other payables	1,170,748,433	755,477,763	1,926,226,196
Short term borrowings	2,406,866,985	-	2,406,866,985
Accrued mark-up	124,519,872	-	124,519,872
Unclaimed dividend	5,830,744	-	5,830,744
	5,018,833,593	755,477,763	5,774,311,356

	2022		
	Financial assets	**Non-financial assets**	**Assets as per consolidated statement of financial position**
		Rupees	
Assets			
Long term security deposits	16,778,395	40,632,010	57,410,405
Long term loans to employees	983,333	-	983,333
Short term deposits and prepayments	10,071,391	22,814,670	32,886,061
Trade debts	109,026,521	-	109,026,521
Loans and advances	43,147,036	217,670,379	260,817,415
Other receivables	39,824,921	401,491,544	441,316,465
Accrued interest	570,582	-	570,582
Short term investments	226,804,412	-	226,804,412
Cash and bank balances	660,429,600	-	660,429,600
	1,107,636,191	682,608,603	1,790,244,794

	2022		
	Financial liabilities	**Non-financial liabilities**	**Liabilities as per consolidated statement of financial position**
		Rupees	
Liabilities			
Long term financing	577,054,335	-	577,054,335
Lease liabilities	624,517,326	-	624,517,326
Long term deposits	17,000,000	-	17,000,000
Trade and other payables	1,862,987,566	869,430,189	2,732,417,755
Short term borrowings	1,897,577,032	-	1,897,577,032
Accrued mark-up	57,121,494	-	57,121,494
Unclaimed dividend	5,755,517	-	5,755,517
	5,042,013,270	869,430,189	5,911,443,459

48.3 Offsetting financial assets and financial liabilities

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

49. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares. Consistent with others in the industry, and the requirements of the lenders, the Group monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent long term financing, lease liabilities and short term borrowings as referred to in note 5, 6 and 11 to the consolidated financial statements. Total capital employed includes 'total equity' as shown in the consolidated statement of financial position plus 'borrowings'.

		2023	2022
Borrowings	Rupees	3,350,362,802	2,786,320,742
Total equity	Rupees	6,043,708,024	6,254,407,734
Total capital employed	Rupees	9,394,070,826	9,040,728,476
Gearing ratio	Percentage	35.66%	30.82%

The increase in gearing ratio is mainly due to increase in short term borrowings.

50. UNUTILIZED CREDIT FACILITIES

	Non-funded		Funded	
	2023	2022	2023	2022
	Rupees	Rupees	Rupees	Rupees
Total facilities	3,479,200,000	2,201,266,175	6,069,836,740	4,731,882,565
Utilized at the end of the year	1,999,741,272	1,667,784,595	3,648,319,860	2,697,216,456
Unutilized at the end of the year	1,479,458,728	533,481,580	2,421,516,880	2,034,666,109

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

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

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

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

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

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

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

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

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

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

	Rupees
Un-utilized IPO proceeds as at 01 July 2022	440,709,519
Add: Profit on term deposit receipt	18,853,185
Add: Profit on bank deposits	964,945
Add: Dividend on investment in mutual funds	35,367,650
Add: Gain on disposal of investment in mutual fund	338,180
Add: Unrealised gain on investment in mutual funds	377,899
Less: Payments made relating to OMC Project	(92,343,369)
Less: Withholding tax on profit	(2,972,720)
Less: Withholding tax on dividend from mutual funds	(5,305,148)
Less: Withholding tax on disposal of mutual funds	(84,545)
Less: Bank charges	(7,240)
Un-utilized IPO proceeds as at 30 June 2022	395,898,356

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

52. DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue on 22 September 2023 by the Board of Directors of the Holding Company.

53. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, where necessary for the purpose of comparison. However, no significant re-arrangements of corresponding figures have been made in these consolidated financial statements.

54. GENERAL

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

Chief Executive	Director	Chief Financial Officer

بنیادی اور ابھرتے ہوئے خطرات میں تخفیف، اور بورڈ اور اعلیٰ انتظامیہ کو کمپنی کی مجموعی خطرے کی بھوک، رواداری اور حکمت عملی پر مشورہ دینا۔ بورڈ خطرے کی تشخیص، کارکردگی، اندرونی آڈٹ اور بیرونی آڈٹ رپورٹس سمیت مختلف آپریشنل اور مالیاتی رپورٹس کے ذریعے رسک مینجمنٹ اور رسک میں مادی تبدیلیوں کے بارے میں باقاعدگی سے اپ ڈیٹس حاصل کرتا ہے۔ انتظامیہ کنٹرول کو نافذ کرنے اور برقرار رکھنے کے لیے ذمہ دار ہے۔ بورڈ نے ان خطرات کی شناخت اور ان سے نمٹنے کے لیے ایک مضبوط خطرے کی تشخیص کا آغاز کیا ہے۔

اختتامی نوٹ:

مالی سال 2023، ایک مشکل سال ختم ہو گیا۔ حکومت مختلف سخت فیصلوں اور استحکام کے اقدامات کے ذریعے بیرونی اور مالیاتی شعبوں کی پائیداری کو یقینی بنانے میں کامیاب ہوئی۔ مالی سال 2024 میں، حکومت مختلف اقدامات جیسے کسان پیکیج، صنعتی تعاون، برآمدات کو فروغ دینے، آئی ٹی سیکٹر کی حوصلہ افزائی، اور وسائل کو متحرک کرنے وغیرہ کے ذریعے 3.5 فیصد کی اعلیٰ نمو حاصل کرنے کی طرف کمر بستہ ہے۔ اعلیٰ اور پائیدار معاشی نمو حاصل کرنے کے لیے، اسے دانشمندانہ اور موثر اقتصادی فیصلوں، سیاسی اور اقتصادی استحکام اور دوستانہ اقتصادی پالیسیوں کے تسلسل کے ساتھ ساتھ کافی زرمبادلہ کی مالی اعانت کی ضرورت ہوگی۔ اسٹینڈ بائی ارینجمنٹ کی حالیہ آئی ایم ایف کی منظوری اور دیگر دوطرفہ اور کثیر جہتی آمدن سے میکرو اکنامک ماحول اور اقتصادی ایجنٹوں کے اعتماد کو مزید بہتر بنانے کی راہ ہموار ہوگی۔

آخر میں، میں اس موقع پر اپنے قابل قدر کسٹمرز کا شکریہ ادا کرتا ہوں کہ وہ ہم پر جو بھروسہ رکھے ہوئے ہیں، انتظامیہ کی ٹیم اور ملازمین کا اس کی مخلصانہ کوششوں کے لیے، ان کی رہنمائی کے لیے بورڈ آف ڈائریکٹرز اور تمام اسٹیک ہولڈرز کا مسلسل تعاون کے لیے۔

شوکت حسن
چیئرمین

چیئرمین کا جائزہ

محترم اسٹیک ہولڈرز:

ہائی ٹیک لبریکنٹس گروپ (Hi-Tech Lubricants Limited) اور اس کی مکمل ملکیتی ذیلی کمپنی، (Hi-Tech Blending (Private) Limited) کی قدر پیدا کرنے کے اپنے وعدے کو پورا کرنے کے لیے آپ کی غیر متزلزل حمایت اور بڑھتے ہوئے اعتماد کے لیے آپ کا شکریہ۔

مالی سال 2023 کے دوران، پاکستان نے کثیر جہتی عوامل کے اتحاد سے پیدا ہونے والے زبردست اقتصادی چیلنجوں کی بے مثال صف کا سامنا کیا۔ ان چیلنجوں میں تباہ کن سیلاب، سیاسی غیر یقینی صورتحال اور عالمی طلب ورسد کی حرکیات میں وسیع رکاوٹیں شامل تھیں۔ یہ پیچیدگیاں روس اور یوکرین کے تنازعے کے نتیجے میں شروع ہونے والے ایک اجناس کے سپر سائیکل سے بڑھ گئیں، جس کا نتیجہ ملکی اور عالمی سطح پر افراط زر کے دباؤ کی صورت میں نکلا۔ پاکستان کی اپنی مہنگائی کی صورتحال اس بے مثال سیلاب کی وجہ سے بڑھ گئی تھی جس نے ملک بھر میں اپنی لپیٹ میں لے کر زراعت اور لائیو سٹاک کے شعبوں کو شدید نقصان پہنچایا تھا۔ اس تناظر میں، قوم نے مہنگائی کی شرح کو تاریخی بلندیوں تک پہنچنے کا مشاہدہ کیا، ہیڈ لائن کنزیومر پرائس انڈیکس (سی پی آئی) کی قومی افراط زر جون 2023 میں اوسطاً 29.4 فیصد رہی، جو گزشتہ مالی سال کے اسی عرصے کے دوران ریکارڈ کیے گئے 21.3 فیصد کے مقابلے میں قابل ذکر اضافہ ہے۔ ان خوفناک معاشی حالات کا پختہ جواب دیتے ہوئے، اسٹیٹ بینک آف پاکستان (SBP) کی مانیٹری پالیسی کمیٹی (MPC) نے پالیسی ریٹ میں بتدریج اضافہ کرتے ہوئے فعال اقدامات اٹھائے، جس کے نتیجے میں 825 بیسس پوائنٹس کا مجموعی اضافہ ہوا۔ جون 2023 تک، پالیسی کی شرح ایک بے مثال 22.00% تک پہنچ گئی، جو کہ ملک کی تاریخ میں سب سے زیادہ پالیسی شرح ہے۔ مزید برآں، قومی کرنسی کی قدر میں کمی، درآمدی لاگت پر اضافی دباؤ ڈالتی ہے، جس سے مہنگائی کے موجودہ ماحول میں مزید اضافہ ہوتا ہے۔

حکومت پاکستان نے میکرو اکنامک عدم توازن کے بارے میں گہری آگاہی کا مظاہرہ کرتے ہوئے، درآمدات کو معقول بنانے اور قومی معیشت کو مستحکم کرنے کے لیے پابندیوں کے اقدامات کرنے کا چیلنجنگ فیصلہ کیا۔ نتیجتاً، پاکستان کی جی ڈی پی کی نمو خاصی طور پر محدود تھی، جس نے سال کے دوران 0.3 فیصد کی معمولی شرح نمو کو محسوس کیا۔

بدقسمتی سے، ایک مستحکم بنیاد پر، آپ کے گروپ کو 247 ملین روپے کا خالص نقصان ہوا، جس کے نتیجے میں 1.77 روپے فی حصص کا نقصان ہوا۔ اس ناخوشگوار نتیجہ کو بنیادی طور پر ریونیو میں 12 فیصد کی خاطر خواہ کمی کی وجہ قرار دیا جا سکتا ہے، جو کہ گزشتہ مالی سال کے دوران آٹوموبائل سیکٹر میں دیکھنے میں آنے والی طویل سستی کی وجہ سے ہے۔ اس منفی رجحان کی وجہ کئی بیرونی عوامل بھی ہیں، جن میں مہنگائی کا مسلسل دباؤ، صارفین میں قوت خرید میں کمی اور پاکستان میں وسیع تر معاشی بدحالی کا سامنا ہے۔ اس بات پر زور دینا ضروری ہے کہ پالیسی ریٹ میں غیر معمولی اضافے کا ہمارے مالیاتی اخراجات پر گہرا اثر پڑا، جس کے نتیجے میں اسی سال کے مقابلے میں 434 ملین روپے کا اضافہ ہوا۔ مینجمنٹ ان پیچیدہ چیلنجوں کو نیویگیٹ کرنے اور آگے بڑھنے والے گروپ کی مالی لچک کو بڑھانے کے لیے سرگرم عمل ہے۔

سخت چیلنجوں کی ایک صف سے نشان زد ایک سال کے درمیان HTL ، نے لچک اور عزم کا مظاہرہ کیا کیونکہ اس نے ہائی ٹیک بلینڈنگ (پرائیویٹ) لمیٹڈ کے ذریعے اپنے پولیمر سیگمنٹ آپریشنز کا کامیابی کے ساتھ افتتاح کیا۔ کمپنی نے اس سٹریٹجک کوشش کا آغاز کیا، جس میں تنوع کے لیے عزم اور مشکلات کا سامنا کرتے ہوئے موافقت کا مظاہرہ کیا۔ یہ کامیابی ترقی کے مواقع کی نشاندہی کرنے کے لیے HTL کے فعال نقطہ نظر اور اس کے پورٹ فولیو اور مارکیٹ کی موجودگی کو بڑھانے کے لیے اس کی غیر متزلزل لگن کی نشاندہی کرتی ہے۔

سال کے دوران، کمپنی کو آئل اینڈ گیس ریگولیٹری اتھارٹی (OGRA) سے نوشہرہ، صوبہ خیبر پختونخواہ میں واقع اپنی جدید ترین اسٹوریج کی سہولت پر کام شروع کرنے کے لیے باضابطہ اجازت ملی۔ اس اہم پیش رفت کے علاوہ، اوگرا نے کمپنی کو پینتیس ایچ ٹی ایل فیول اسٹیشنوں کے نیٹ ورک کے ذریعے پیٹرولیم مصنوعات کی فروخت اور مارکیٹنگ شروع کرنے کی منظوری بھی دی۔ یہ ریگولیٹری منظوری پیٹرولیم سیکٹر کے اندر سخت تعمیل اور اسٹریٹجک توسیع کے لیے ہمارے عزم کو واضح کرتی ہیں۔ فی الحال، کمپنی کے پاس پنجاب، صوبہ میں انتیس ڈیلر کام کرنے والے HTL فیول اسٹیشن ہیں۔ اور رپورٹنگ کی تاریخ کے بعد، کمپنی نے صوبہ خیبر پختونخواہ میں نو ڈیلروں سے چلنے والے HTL فیول سٹیشنز کا آغاز کیا۔

بورڈ کی مجموعی کارکردگی:

کمپنی بورڈ آف ڈائریکٹرز (بورڈ) اور اس کی کمیٹیوں کی تشکیل، طریقہ کار اور میٹنگوں کے حوالے سے کمپنیز ایکٹ، 2017 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز ، 2019 میں بیان کردہ تمام تقاضوں کی تعمیل کرتی ہے۔ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز ،2019 کے تقاضوں کے مطابق، بورڈ کی کارکردگی کی سالانہ جانچ کے لیے طریقہ کار وضع کیا گیا ہے۔ اس مشق کا بنیادی مقصد انتظامیہ کی نگرانی کے لیے بورڈ اور اس کی کمیٹیوں کی کارکردگی کا جائزہ لینا اور کمپنی کی کامیابی کے لیے ایک مربوط ٹیم کے طور پر ایک موثر کردار ادا کرنا ہے۔ آنے والے سال کے لیے انتظامیہ کے لیے اسٹریٹجک اہداف مختص کیے گئے ہیں اور بورڈ کی تاثیر کو ایسے مقاصد کے حصول کے تناظر میں ماپا جاتا ہے۔ اس کے مطابق، سال 2023 کے لیے بورڈ کا سالانہ جائزہ اندرونی طور پر مکمل ہو گیا ہے اور مجھے یہ بتاتے ہوئے خوشی ہو رہی ہے کہ سال 2023 کے لیے مقرر کردہ معیار کی بنیاد پر مجموعی کارکردگی کا معیار تسلی بخش رہا۔ اس طرح کی تشخیص کارپوریٹ گورننس کے بہترین طریقوں کے مطابق بورڈ کی طرف سے مقرر کردہ معیارات پر مبنی تھی۔

بورڈ بجٹ سازی اور اسٹریٹجک منصوبہ بندی کے عمل میں مکمل طور پر شامل ہے اور اس نے کارپوریٹ گورننس کے طریقہ کار اور اخلاقی اقدار کو اچھی طرح سے متعین کیا ہے جو کارپوریٹ احتساب کو بڑھانے کے لیے بہت ضروری ہیں۔ تمام ڈائریکٹرز بشمول آزاد ڈائریکٹرز، بورڈ کے فیصلہ سازی کے عمل میں مکمل طور پر حصہ لیتے ہیں اور اپنا حصہ ڈالتے ہیں۔

رسک مینجمنٹ:

رسک مینجمنٹ بورڈ کی ذمہ داری ہے، جسے بورڈ کی رسک مینجمنٹ کمیٹی کی مدد حاصل ہے۔ رسک مینجمنٹ کمیٹی بورڈ کی اس کے خطرے کی نگرانی میں مدد کرنے کے لیے ذمہ دار ہے، بشمول جاری نگرانی، انتظام اور

پالیسیز پر عمل درآمد ممکن بنایا جا سکے۔

یہ تمام مذکورہ نظام کاروبار کے ہر کلیدی شعبے (جیسے مالی، سپلائی چین، پروکیورمنٹ، سیلز، ایچ آر، مارکیٹنگ، اوایم سی، ایچ ٹی ایل ایکسپریس) کے کاروباری امور کو بطریق احسن اور بلا تعطل چلانے میں یقینی معاونت فراہم کرتے ہیں علاوہ ازیں یہ نظام ملازمین اور بیرونی صارفین (جیسے ڈسٹری بیوٹرز، خدمات فراہم کرنے والے افراد/ ادارے اور کاروباری شراکت داروں) کو بھی ضروری معاونت فراہم کرتا ہے۔

کاروبار کو بلا تعطل جاری رکھنے کے لیے منصوبہ بندی (BCP)

اندرونی اور بیرونی صارفین کے لیے کاروباری لین دین کے وقت کو کم سے کم کرنے کے لیے ایک شفاف فیل آور سولوشن کا نفاذ عمل میں لایا گیا ہے۔ ہم نے مرکزی ڈیٹا سینٹر پر جدید ترین کلسٹر سروسز کو بروئے کار لاتے ہوئے، تمام بنیادی سرورز کو کلسٹر ماحول کا حصہ بناتے ہوئے خصوصی طور پر تشکیل دیا ہے تا کہ تمام مطلوبہ معلومات با آسانی اور بروقت دستیاب ہوں۔ ہماری جانب سے تمام سرورز کو خاص طور پر ان کے لیے تفویض کردہ ڈیٹا سینٹر میں ہوسٹنگ فراہم کی گئی ہے۔ یہ جدید ترین ڈیٹا سینٹر، ظاہری تحفظ، درجہ حرارت کے انضباط، پاور اور ربط سازی کے حوالے بہت بہتر کارکردگی کا حامل ہے۔ اس حوالے سے تربیت یافتہ اور پڑھے لکھے تجربہ کار افراد کو بھی ملازمت پر رکھا گیا ہے تا کہ بوقت ضرورت پیشہ ورانہ خدمات کے بروقت حصول کو ممکن بنایا جا سکے۔ سپائی ویئر، کمپیوٹر وائرس، مشکوک ایپلیکیشنز، ڈیٹا لیکج اور سرورز کو ہر طرح کے بیرونی خطرات سے بچانے کے لیے اور ہیڈ آفس سے آفات کی بحالی کی جگہ تک وی پی این کنیکشن کی تشکیل کے لیے خصوصی اور موثر نظام وضع کیا گیا ہے۔

آفات سے بحالی

ناگہانی صورتحال میں بھی انفارمیشن ٹیکنالوجی سے متعلقہ خدمات کی دستیابی کے لیے، ایک متبادل ڈیزاسٹر ریکوری سائٹ کا قیام عمل میں لایا گیا ہے۔ کسی بھی ناگہانی صورتحال/خرابی کے واقع ہونے پر ایچ ٹی ایل ایک بائیٹ ڈیٹا بھی کھونا نہیں چاہتا (زیرو ڈیٹا لوس)۔ ہماری سائٹ کسٹمر پورٹلز، ایچ آر سسٹمز اور اندرونی اور بیرونی کسٹمر کے لیے، تمام ڈیٹا کی ترسیل کے حوالے سے ہر وقت زیرو ڈیٹا لوس سیٹ اپ کو یقینی بناتی ہے۔

حصص داران کی ضروریات/ رائے کو سمجھنے کے لیے بورڈ کی کوششیں

تمام چھوٹے حصص داران کے حوالے سے بورڈ کو اپنی ذمہ داریوں کا بخوبی ادراک ہے۔ بورڈ اور مینجمنٹ ٹیم دونوں وقتاً فوقتاً اسٹاک مارکیٹ کے بڑے اداروں کے مالکان اور بروکریج ہاؤسز سے رابطے میں رہتے ہیں تا کہ حصص داران کے تقاضوں اور رائے کو سمجھا جا سکے۔ بورڈ آف ڈائریکٹرز کا ہدف اعلیٰ استعداد کے حامل ایسے حصص داران کی توجہ حاصل کرنا ہے کہ جو کمپنی کی حکمت عملی اور معاملات کو سمجھتے ہوں ۲۸ اکتوبر ۲۰۲۲ء کو منعقد ہونے والے عمومی سالانہ اجلاس میں بورڈ کے تمام اراکین نے طبعی اور الیکٹرانک ذریعے سے حصص داران سے ملاقات کی تا کہ کمپنی کے بارے میں ان حصص داران کی رائے حاصل کی جا سکے اور اس برس بھی عمومی سالانہ اجلاس، جسے طبعی اور آن لائن دونوں طریقوں سے منعقد کرنے کا منصوبہ ہے، کے دوران ایسا کیا جائے گا۔ کمپنی ۳۰ جون ۲۰۲۳ء کو ختم ہونے والے مالی سال کے سالانہ تنقیح شدہ مالیاتی گوشواروں کی بنیاد پر، پی ایس ایکس کی اجازت کے مطابق آنے والے عمومی سالانہ اجلاس کے ایک ماہ کے دوران، کم از کم ایک کارپوریٹ بریفنگ سیشن (سی بی ایس) منعقد کرنے کا ارادہ رکھتی ہے۔

کمپنی کا سٹاف اور صارفین

ہم اپنے تمام ملازمین کی ان تھک محنت اور کمپنی کے مقاصد کو حاصل کرنے کے لیے ان کی پر عزم کوششوں کو خراج تحسین پیش کرتے ہیں اور اور ملکی معیشت کے لیے اس مشکل ترین سال کے دوران بھی بہترین نتائج حاصل کرنے پر ہم ان کے تہہ دل سے شکر گزار ہیں۔ ہم اپنے صارفین اور حصص داران کا بھی شکریہ ادا کرتے ہیں کہ ہماری خدمات اور مصنوعات پر انہوں نے اپنے اعتماد کو برقرار رکھا۔

کمپنی کی ویب سائٹ

قانونی / ریگولیٹری تقاضوں کو پورا کرنے کے لیے تمام متعلقہ معلومات کی کمپنی کی ویب سائٹ پر دستیابی ناگزیر ہے لہٰذا تمام معلو مات کو با ضابطہ اندا ز میں کمپنی کی ویب سائٹ www.hitechlubricants.com پر رکھ دیا گیا ہے۔

حسن طاہر	شوکت حسن
(چیف ایگزیکٹو آفیسر)	(چیئرمین)

لاہور، ۲۲ ستمبر ۲۰۲۳ء

☆ ڈائریکٹران کے عوضانہ کے تعین کے لیے تمام مروجہ ومتعلقہ قوانین،ضوابط اور قواعد پر عمل درآمد یقینی بنانا۔

پالیسی کو ترتیب دیتے وقت مندرجہ ذیل امور کو ملحوظ خاطر رکھا گیا:

☆ کمپنی کی حکمت عملی سے متعلقہ اہداف اور مقاصد کی تکمیل۔

☆ بطور کاروباری ادارے، کمپنی پر عائد ہونے والی رفاعِ عامہ، کی ذمہ داریوں کی انجام دہی۔

☆ کمپنی کے کاروبار سے متعلق بنیادی فلسفہ عمل کی سالمیت کا خیال رکھنا۔

☆ مطلوبہ عہدے کے لیے مارکیٹ کی صورت حال۔

کارکردگی میں اضافے، سوچ کی وسعت اور مطلوبہ کاروباری اہداف کے لیے تحریک کے ضامن سازگار دفتری ماحول کی تشکیل اور پاکستان میں ملتے جلتے کاروباری اداروں اور مساوی کاروباری حجم کی حامل کمپنیوں میں عوضانہ کے مروجہ ڈھانچے سے موازنہ ڈائریکٹران کو دی جانے والی بنیادی تنخواہ کی زیادہ سے زیادہ حد اور دیگر مراعات کی منظوری کمپنی کے بورڈ دے چکے ہیں۔

تاہم انفرادی سطح پر کسی ڈائریکٹر کے عوضانہ کو طے کرتے ہوئے مندرجہ ذیل امور کا خیال رکھا جاتا ہے:

☆ خصوصی اہلیت، متعلقہ تجربہ ڈائریکٹر کی ذاتی قابلیت۔

☆ اس کی اہلیت کی مارکیٹ میں موجودہ قدر۔

☆ ڈائریکٹر اور کمپنی کے درمیان کاروباری تعلق کی نوعیت، یعنی وہ کس طرح کی ڈائریکٹر شپ پر فائز ہے۔

☆ آزاد ڈائریکٹران کا مشاہرہ صرف بورڈ/کمیٹی / حصص داران کے اجلاسوں کی فیس تک محدود ہے۔

ڈائریکٹران کے مختلف درجات کے حوالے سے مشاہرہ کا خلاصہ کچھ یوں ہے:

	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 تنخواہ اور کارکردگی کی بنیاد پر بونس کا تعین ایچ آر آر سی/ بورڈ آف ڈائریکٹرز کے ہر رکن کی جانب سے انفرادی طور پر منظوری کے بعد، بورڈ کی طے کردہ حدود میں رہتے ہوئے کیا جاتا ہے۔

بورڈ کا ''آفات سے بازیابی اور کاروباری تسلسل کا منصوبہ'' کا جائزہ

HTL کے سیٹ اپ میں انفارمیشن ٹیکنالوجی اور ایم آئی ایس کلیدی کردار ادا کرتی ہے۔ انفارمیشن ٹیکنالوجی ڈیپارٹمنٹ ادارے کے کمپیوٹنگ سسٹمز کو جدید دور کے عین مطابق، دستیاب اور مؤثر رکھنے میں مدد دیتا ہے۔ HTL کی انفارمیشن ٹیکنالوجی کی ٹیم بزنس یونٹس کو معاونت فراہم کرتے ہوئے نیٹ ورک اور آپریٹنگ سسٹمز کے استعمال کے دوران معلومات کے تبادلے کے ضمن میں، تحفظ کے اعلیٰ معیارات اور

☆جناب شفیق الرحمن (نان ایگزیکٹیو انڈیپنڈنٹ ڈائریکٹر)

☆جناب سینگیوک سیو (ایس کے انموو کمپنی لمیٹڈ فارملی ایس کے لبریکنٹس کمپنی لمیٹڈ کے موجودہ نامزد)
(نان ایگزیکٹیو ڈائریکٹر)

ڈائریکٹرز رپورٹ کے وقت بورڈ کی تشکیل

ڈائریکٹرز رپورٹ کے وقت بورڈ کی تشکیل مندرجہ ذیل ہے:

مندرجہ ذیل کے مطابق ڈائریکٹرز کی کل تعداد دس ہے:

مرد: ۹

خاتون: ۱

ڈائیریکٹرشپ کی قسم کے مطابق بورڈ کی تشکیل مندرجہ ذیل ہے:

الف) انڈیپنڈنٹ ڈائریکٹرز: ۳

ب) دیگر نان ایگزیکٹیو ڈائریکٹرز: ۵ (بشمول ایک خاتون ڈائریکٹر)

پ) ایگزیکٹیو ڈائریکٹرز: ۲

بورڈ کی کمیٹیاں

بورڈ نے اپنے مختلف امور میں مدد کے لئے مندرجہ ذیل کمیٹیاں تشکیل کی ہیں۔

بورڈ کی آڈٹ کمیٹی کے اراکین کے نام:

☆جناب صفدر علی بٹ (بورڈ کی آڈٹ کمیٹی کے چیئرمین)

☆جناب شوکت حسن (بورڈ کی آڈٹ کمیٹی کے رکن)

☆جناب طاہر اعظم (بورڈ کی آڈٹ کمیٹی کے رکن)

☆جناب فراز اختر زیدی (بورڈ کی آڈٹ کمیٹی کے رکن)

☆جناب شفیق الرحمن (بورڈ کی آڈٹ کمیٹی کے رکن)

بورڈ کی انسانی وسائل ومشاہرہ کمیٹی کے اراکین کے نام:

☆جناب صفدر علی بٹ (بورڈ کی انسانی وسائل ومشاہرہ کمیٹی کے چیئرمین)

☆جناب شوکت حسن (بورڈ کی انسانی وسائل ومشاہرہ کمیٹی کے رکن)

☆جناب طاہر اعظم (بورڈ کی انسانی وسائل ومشاہرہ کمیٹی کے رکن)

☆مس ماوراء طاہر (بورڈ کی انسانی وسائل ومشاہرہ کمیٹی کی رکن)

بورڈ کی نامزدگی کمیٹی کے اراکین کے نام:

☆جناب صفدر علی بٹ (بورڈ کی نامزدگی کمیٹی کے چیئرمین)

☆جناب شوکت حسن (بورڈ کی نامزدگی کمیٹی کے رکن)

☆جناب طاہر اعظم (بورڈ کی نامزدگی کمیٹی کے رکن)

☆مس ماوراء طاہر (بورڈ کی نامزدگی کمیٹی کی رکن)

بورڈ کی رسک مینجمنٹ کمیٹی کے اراکین کے نام:

☆جناب فراز اختر زیدی (بورڈ کی رسک مینجمنٹ کمیٹی کے چیئرمین)

☆مس ماوراء طاہر (بورڈ کی رسک مینجمنٹ کمیٹی کی رکن)

☆جناب شفیق الرحمن (بورڈ کی رسک مینجمنٹ کمیٹی کے رکن)

بورڈ کی کارپوریٹ سماجی ذمہ داری (سی ایس آر) کمیٹی کے اراکین کے نام:

☆جناب شوکت حسن (بورڈ کی سی ایس آر کمیٹی کے چیئرمین)

☆جناب طاہر اعظم (بورڈ کی سی ایس آر کمیٹی کے رکن)

☆مس ماوراء طاہر (بورڈ کی سی ایس آر کمیٹی کی رکن)

☆جناب حسن طاہر (بورڈ کی سی ایس آر کمیٹی کی رکن)

☆جناب علی حسن (بورڈ کی سی ایس آر کمیٹی کی رکن)

☆محترمہ ثناء صابر (ایچ ٹی بی ایل کی ڈائریکٹر اور بورڈ کی سی ایس آر کمیٹی کی رکن)

بورڈ کی سرمایہ کاری کی کمیٹی کے اراکین کے نام:

☆جناب شوکت حسن (بورڈ کی سرمایہ کاری کی کمیٹی کے چیئرمین)

☆جناب طاہر اعظم (بورڈ کی سرمایہ کاری کی کمیٹی کے رکن)

☆جناب فراز اختر زیدی (بورڈ کی سرمایہ کاری کی کمیٹی کے رکن)

☆جناب حسن طاہر (بورڈ کی سرمایہ کاری کی کمیٹی کے رکن)

☆جناب علی حسن (بورڈ کی سرمایہ کاری کی کمیٹی کے رکن)

☆جناب محمد عمران (سی ایف او اور بورڈ کی سرمایہ کاری کی کمیٹی کے رکن)

☆جناب شہزاد سہیل (جی ایم سپلائی چین اور بورڈ کی سرمایہ کاری کی کمیٹی کے رکن)

ڈائریکٹران کی تربیت

کمپنی ڈائریکٹران کی تربیت کے حوالے سے تمام قانونی تقاضوں کو پورا کر چکی ہے اور کمپنی کے تمام دس ڈائریکٹران اس حوالے سے تربیتی اسناد بھی حاصل کر چکے ہیں۔

کارکردگی کی تشخیص

30 جون 2023 کو ختم ہونے والے سال کے لیے بورڈ، اس کے اراکین، کمیٹیوں، چیئرمین اور سی ای او کی کارکردگی کا جائزہ بورڈ کی ہیومن ریسورس اینڈ ریمونریشن کمیٹی نے کمپنی کے ہیومن ریسورس ڈیپارٹمنٹ کے ساتھ مل کر اندرونی طور پر کیا ہے۔

ڈائریکٹران کے مشاہرہ تعین کرنے کی پالیسی

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، مجریہ ۲۰۱۹ء کے قواعد پر عمل درآمد کرتے ہوئے ڈائریکٹرز کے مشاہرہ تعین کرنے کی پالیسی کا خلاصہ مندرجہ ذیل ہے:

بورڈ کی انسانی وسائل ومشاہرہ کمیٹی کو بورڈ کی جانب سے اختیار دیا گیا ہے کہ کمپنی کے ڈائریکٹران کے مشاہرہ سے متعلق پالیسی تشکیل دیں، اس کی نگرانی کریں اور اس پر عمل درآمد یقینی بنائیں۔ بورڈ کی جانب سے ڈائریکٹران کے مشاہرہ طے کرنے کے لیے، اپریل ۲۰۱۸ء کو ایسی ہی ایک باضابطہ پالیسی کی منظوری دی گئی جس میں ۲۲ اپریل ۲۰۲۲ء کو آخری ترمیم کی گئی۔ مذکورہ پالیسی کے اہم نکات مندرجہ ذیل ہیں:

پالیسی کے مطلوبہ مقاصد درج ذیل ہیں

☆ بورڈ کے حوالے سے وسیع کاروباری تجربے اور اعلیٰ صلاحیتوں کے حامل ڈائریکٹران کو اس عہدہ کے لیے متوجہ کرنا، ان کی حوصلہ افزائی کرنا اور انہیں اس عہدے پر روکے رکھنا اور

خطرات کی گورننس

کمپنی کی ایک بہت بہتر طریقے سے بنائی گئی رسک مینیجمنٹ کمیٹی ہے جو کہ ہمارے رسک منیجمنٹ پروگرام کے مختلف سطحوں پر کردار اور ذمہ داریوں کو واضح طور پر بیان کرتی ہے۔

پالیسیاں اور طریقہ ءکار

بورڈ اور اس کی کمیٹیاں پالیسیوں اور طریقہ ءکار اختیار کرتے ہیں اور اسے کمپنی کے رسک گورننس فریم ورک سے منسلک کیا جاتا ہے تاکہ فنانشل، آپریشنل اور کمپلائنس کے خطروں کی منیجمنٹ کو یقینی بنایا جاسکے۔ یہ سب بہترین طرز عمل، اخلاقیات اور اقدار کے کلچر کو پروان چڑھانے اور مناسب طور پر عمل درآمد کیلئے سینئر منیجمنٹ کو اس کے ضروری اختیارات سونپے گئے ہیں۔

پائیداری اور کارپوریٹ سماجی ذمہ داری (CSR)

تعلیم، صحت کی دیکھ بھال اور ماحولیات پر خصوصی توجہ کے ساتھ، ایچ ٹی ایل پاکستان کے اہم شعبوں میں پائیداری اور کارپوریٹ سماجی ذمہ داری کو فروغ دینے میں ایک اہم کردار ادا کرتا ہے۔ ان شعبوں سے ہماری غیر متزلزل وابستگی ہمارے اس یقین میں گہری جڑی ہوئی ہے کہ پائیدار ترقی معاشرے کی فلاح و بہبود سے اندرونی طور پر جڑی ہوئی ہے۔ ہم اپنی کوششوں کو 2030 کے لیے پائیدار ترقی کے اہداف (SDGs) کے ساتھ فعال طور پر ہم آہنگ کرتے ہیں، انہیں عالمی ترقی کے لیے رہنما فریم ورک کے طور پر تسلیم کرتے ہیں۔ HTL میں، ہم SDGs کے ساتھ ہم آہنگی میں ایک زیادہ پائیدار، مساوی، اور خوشحال پاکستان میں کردار ادا کرتے ہوئے، بامعنی تبدیلی لانے کے لیے وقف ہیں۔

تعلیم کے میدان میں، ایچ ٹی ایل کے بورڈ آف ڈائریکٹرز نے صابرہ حمیدہ ٹرسٹ قائم کر کے ایک اہم قدم اٹھایا ہے۔ یہ اعتماد ایک بنیادی مشن سے چلتا ہے: عام زندگیوں کو مثالی زندگی میں تبدیل کرنے کے حتمی وژن کے ساتھ، اعلیٰ معیار کی تعلیم کی فراہمی کے ذریعے کمیونٹیز کو بااختیار بنا کر تعلیم پر نمایاں اثر ڈالنا۔ اپنے مقصد کے لیے پرعزم، ٹرسٹ متعلقہ ضوابط کی مکمل تعمیل میں کام کرتا ہے اور اس نے تمام مطلوبہ منظوری حاصل کی ہے، بشمول انکم ٹیکس آرڈیننس، 2001 کے سیکشن 2(36) کے تحت تسلیم کرنا۔ مزید برآں، صابرہ حمیدہ ٹرسٹ نے فخر کے ساتھ پاکستان سینٹر فار فلانتھراپی (PCP) سے ایکریڈیٹیشن حاصل کی ہے، جو اس کی فضیلت کے لیے اپنی لگن اور پاکستان میں تعلیمی منظر نامے کو بڑھانے کے لیے اس کے غیر متزلزل عزم کو مزید واضح کرتا ہے۔

صابرہ حمیدہ ٹرسٹ کے توسط سے HTL نے پاکستان میں بلوچستان، سندھ اور پنجاب صوبوں کے سیلاب سے متاثرہ علاقوں کو ضروری مدد فراہم کرنے کے لیے فعال اقدامات کیے ہیں۔ الخدمت فاؤنڈیشن کے ساتھ مل کر، ہم نے ایسے اقدامات شروع کیے ہیں جن کا مقصد ان قدرتی آفات سے متاثرہ کمیونٹیز کو درپیش مصائب اور مشکلات کو دور کرنا ہے۔ کارپوریٹ سماجی ذمہ داری کے لیے ہماری وابستگی سرحدوں سے باہر ہے، اور ہم ان مشکل حالات سے متاثر ہونے والوں کی زندگیوں میں مثبت تبدیلی لانے کے لیے وقف ہیں۔

HTL گروپ نے مختلف فلاحی کاموں کے لیے 22.74 ملین روپے کی اہم رقم کا تعاون کر کے انسان دوستی اور سماجی ذمہ داری کے لیے اپنی وابستگی کا مظاہرہ کیا ہے۔ یہ معاشرے کو واپس دینے اور جن کمیونٹیز کی ہم خدمت کرتے ہیں ان میں ایک بامعنی فرق لانے کے لیے ہماری جاری لگن کی عکاسی کرتا ہے، ہماری کارپوریٹ اقدار کو ایک بہتر، زیادہ پائیدار دنیا بنانے کے اپنے عزم کے ساتھ ہم آہنگ کرتا ہے۔ شروع کی گئی مخصوص سرگرمیوں کے بارے میں جامع معلومات کے ساتھ تفصیلی، اس سال کی سالانہ رپورٹ کے سرشار پائیداری اور کارپوریٹ سماجی ذمہ داری کے حصے میں پایا جاسکتا ہے۔

ماحولیات، صحت اور حفاظت

HTL ماحولیاتی پائیداری، صحت اور حفاظتی اقدامات پر بہت زیادہ زور دیتا ہے۔ ہم کام کی جگہ اور کاروباری ماحول کو فروغ دینے کے لیے پرعزم ہیں جو نہ صرف پھلتا پھولتا ہے بلکہ ہمارے ملازمین، صارفین اور سیارے کی فلاح و بہبود کا بھی تحفظ کرتا ہے۔ ماحولیاتی ذمہ دارانہ طرز عمل کے لیے ہماری لگن ہمارے کاموں کے ہر پہلو تک پھیلی ہوئی ہے، ان مصنوعات کے ذریعے جو آلودگی سے پاک کم اخراج کے ساتھ۔ مزید برآں، ہم اپنی افرادی قوت کی صحت اور حفاظت کو ترجیح دیتے ہیں، ایک محفوظ اور صحت مند کام کی جگہ کو یقینی بنانے کے لیے مضبوط پروٹوکول اور مسلسل تربیت کا نفاذ کرتے ہیں۔ HTL میں، ہماری اقدار ایک پائیدار مستقبل کے ساتھ مطابقت رکھتی ہیں، اس بات کو یقینی بناتے ہوئے کہ ہم ماحول کے تحفظ اور تمام اسٹیک ہولڈرز کی فلاح و بہبود کے لیے اپنا کردار ادا کریں۔ ہماری تفصیلی سرگرمیاں اس سالانہ رپورٹ کے پائیداری اور کارپوریٹ سماجی ذمہ داری کے حصے میں پیش کی گئی ہیں۔

متعلقہ پارٹیز سے معاہدے

مذکورہ سال کے دوران کمپنی کی جانب سے جناب معین الدین اور جناب زلمیٔ اعظم (نان ایگزیکٹیو ڈائیریکٹران جناب شوکت حسن صاحب اور جناب طاہر اعظم صاحب کے بھائی بالترتیب) کی معاہداتی ملازمت کے ذریعے حاصل کی گئی خدمات کے سلسلہ میں متعلقہ پارٹیوں کے معاہدات کی تجدیدیں کی گئیں۔ ان متعلقہ پارٹیوں کے ساتھ کیے گئے معاہدات ملازمت کے ذریعے خدمات کی فراہمی کے حوالے سے، مذکورہ معاہدات کی رو سے، دونوں افراد ایچ ٹی ایل ایکسپریس پراجیکٹ اور ایچ ٹی ایل اسٹیشن (او ایم سی پراجیکٹ) کے لیے بالترتیب پیشہ ورانہ خدمات کی فراہمی جاری رکھیں گے۔ اس ضمن میں کاروباری اور تجارتی مفادات کو تحفظ فراہم کرنے کے لیے کمپنی کی جانب سے کمپنیز ایکٹ مجریہ ۲۰۱۷ء کے تقاضوں اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشن مجریہ ۲۰۱۹ء کی ہدایات پر عمل درآمد یقینی بناتے ہوئے بورڈ نے اس تجدید کی منظوری دی۔

ایگزیکٹو کی حیثیت سے غور کرنے کی حد کا تعین

بورڈ نے کمپنی کے ان تمام ملازمین کو بطور ایگزیکٹو تصور کرنے کے لئے حد مقرر کی ہے جو اعلیٰ عہدوں بشمول کمپنی کے چیف ایگزیکٹیو آفیسر، چیف فنانشل آفیسر، کمپنی سیکرٹری، ہیڈ آف انٹرنل آڈٹ اور تمام شعبہ جات کی نگرانی پر فائز ہوں، اور اس کے علاوہ انسانی وسائل و مشاہرہ کمیٹی کے اختصاص کے مطابق ادارے میں کلیدی کردار ادا کرنے والے تمام ایسے ملازمین جن کا ماہانہ مشاہرہ پانچ لاکھ پاکستانی روپے یا اس سے زیادہ ہے انہیں اس حوالے سے ایگزیکٹو تصور کیا جائیگا۔

مالیاتی سال کے دوران میں کمپنی کے تمام ڈائریکٹرز کے نام

☆ جناب شوکت حسن (چیئرمین بورڈ اور نان ایگزیکٹیو ڈائریکٹر)
☆ جناب حسن طاہر (سی ای او، ایگزیکٹیو ڈائریکٹر)
☆ جناب محمد علی حسن (ایگزیکٹیو ڈائریکٹر)
☆ جناب طاہر اعظم (نان ایگزیکٹیو ڈائریکٹر)
☆ جناب فراز اختر زیدی (نان ایگزیکٹیو ڈائریکٹر)
☆ مس ماوراء طاہر (نان ایگزیکٹیو ڈائریکٹر)
☆ ڈاکٹر صفدر علی بٹ (نان ایگزیکٹیو انڈیپنڈنٹ ڈائریکٹر)
☆ سید اسد عباس حسین (نان ایگزیکٹیو انڈیپنڈنٹ ڈائریکٹر)

بورڈ کمیٹیاں

بورڈ ابتدائی طور پر رسک منیجمنٹ کا جائزہ اپنی کمیٹیوں کے ذریعہ کرتا ہے۔آڈٹ کمیٹی فنانشل، ریگولیٹری اور کمپلائنس رسک پر توجہ مرکوز کر کے شفافیت اور احتساب کے عمل کو یقینی بناتی ہے۔کمپنی کی میٹنگ ہر سہ ماہی میں یا حسب ضرورت منعقد کی جاتی ہے۔ہیومن ریسورس اینڈ ریمونریشن کمیٹی اپنے شعبہ میں رسک کے امکانات پر نظر رکھتی ہے جس میں معاوضے کے پروگرام کا جائزہ شامل ہے تا کہ اجتماعی رسک میں اضافہ نہ ہونے کو یقینی بنایا جا سکے۔اس کے علاوہ کمپنی آپریشن کے ہر اہم شعبہ میں اہل انسانی وسائل کی دستیابی کو یقینی بنانے کیلئے جانشینی کی پلاننگ کرتی ہے۔رسک منیجمنٹ کمیٹی تمام مادی کنٹرولز (فنانشل، آپریشنل اور کمپلائنس) کی نگرانی کرتی ہے اور جائزہ لیتی ہے نیز رسک کے خاتمے کیلئے بڑے اقدامات تیار کرتی ہے اور مالیاتی معلومات کے تحفظ کا خیال رکھتی ہے۔انویسٹمنٹ کمیٹی مجموعی انویسٹمنٹ پالیسیوں، حکمت عملی اور سرمایہ کاری میں رسک منیجمنٹ کی تشکیل کی ذمہ دار ہے۔

اندرونی کنٹرول کی مناسبیت

ڈائیریکٹران اپنی گڈ گورنینس کی اقدار اور اندرونی کنٹرول کے کافی حد تک پابند ہیں۔کمپنی کے پاس ڈیزائن میں اندرونی کنٹرول کا مظبوط نظام موجود ہے جو تمام افعال میں مضبوطی سے مربوط ہے، موثر طریقے سے نافذ کیا جاتا ہے اور باقائدگی سے نگرانی کی جاتی ہے۔بورڈ کی آڈٹ کمیٹی کے داخلی کنٹرول کے نظام کا جائزہ لیتی ہے تا کہ یہ یقینی بنایا جا سکے کہ سسٹمز اپنی جگہ پر رہیں اور کمپنی کے اثاثوں کی حفاظت، غلطی یا دھوکہ دہی کی روک تھام اور پتہ لگانے، قوانین وضوابط کی تعمیل اور مالیاتی گوشواروں کی وشوسنییتا کو یقینی بنانے کے لئے کافی ہیں۔اندرونی آڈٹ ڈیپارٹمنٹ بورڈ کی آڈٹ کمیٹی کو براہ راست رپورٹ کرتے ہوئے کارپوریٹ گورنینس، رسک مینیجمنٹ اور کنٹرولز کی تاثیر پر اپنا آزادانہ اپنے موثر کارپوریٹ گورنینس کے نظام کو مظبوط اور معقول جائزہ فراہم کرتا ہے۔جس میں اندرونی طور پر تیار کردہ ضابطہ اخلاق، پالیسیاں اور طریقہ کار شامل ہیں۔اور صنعت کے بہترین دستیاب گورنینس کے طریقوں سے ہم آہنگ ہے۔

خطرات کی منیجمنٹ

کمپنی کی ایک باقاعدہ رسک منیجمنٹ پالیسی موجود ہے جس میں ڈائریکٹرز اور سینئر منیجمنٹ کی مخصوص ذمہ داریاں تفویض کی گئی ہیں۔پالیسی کے تین بڑے ذمہ داروں میں بورڈ آف ڈائریکٹرز، آڈٹ کمیٹی اور رسک منیجمنٹ کمیٹی شامل ہیں جو رسک کے امکانات اور اس کے اثرات کی نوعیت کا مستقل جائزہ لیتے رہتے ہیں۔سینئر منیجمنٹ ٹیم کی سربراہی چیف ایگزیکٹیو آفیسر، ایگزیکٹیو ڈائریکٹر اور نان ایگزیکٹیو ڈائریکٹرز کے ذمے ہے جو رسک کے ختم کرنے کے اقدامات اور تجاویز بورڈ کو غور و خوض کیلئے پیش کرتے ہیں۔

کمپنی کی سرگرمیوں میں متعدد مالیاتی خدشات کے امکانات موجود ہیں: مارکیٹ کے خدشات بشمول کرنسی کے خدشات، نیز قیمت کے خدشات اور شرح سود کے خدشات)، کریڈٹ کے خدشات اور لیکویڈیٹی کے خدشات۔کمپنی کا مجموعی رسک منیجمنٹ پروگرام مالیاتی مارکیٹس کی ان دیکھی صورتحال کیلئے خدشات کی منیجمنٹ کے پروگرام پر توجہ مرکوز رکھتا ہے تا کہ کمپنی کی مالیاتی کارکردگی پر متوقع منفی اثرات کو کم سے کم کیا جا سکے۔رسک منیجمنٹ کی ذمہ داری کمپنی کا فنانس ڈپارٹمنٹ بورڈ آف ڈائریکٹرز کی منظورشدہ پالیسیز کے تحت انجام دیتا ہے۔

کمپنی کا فنانس ڈپارٹمنٹ جہاں تک ممکن ہو مالیاتی خدشات کی جانچ اور روک تھام کرتا ہے۔بورڈ مجموعی رسک منیجمنٹ کیلئے اصول فراہم کرنے کے ساتھ ساتھ خصوصی ایریاز جیسے کرنسی رسک، نیز قیمت کے رسک، شرح سود کے رسک، کریڈٹ رسک، لیکویڈیٹی رسک اور اضافی لیکویڈیٹی کی سرمایہ کاری کے بارے میں پالیسیز پیش کرتا ہے۔خزانے سے متعلق تمام لین دین ان پالیسیز کے تحت کئے جاتے ہیں۔

کمپنی کیلئے بڑے خدشات غیر مجموعی فنانشل اسٹیٹمنٹس کے نوٹ ۴۶ میں دیئے گئے ہیں اور ان کے خاتمے کیلئے اختیار کئے گئے اقدامات درج ذیل ہیں:

قرض کے خطرات

مالیاتی معاہدے کی دستاویز کے تحت عائد شدہ ذمہ داریوں کی ، ایک فریق کی جانب سے عدم تعمیل کی وجہ سے، دوسرے فریق کو درپیش مالی خسارے کا خدشہ قرض کا خطرہ کہلاتا ہے۔کمپنی عام طور پر قرض نہیں دیتی سوائے مالیاتی طور پر مستحکم صنعتی صارفین کو اور یہ رقم کمپنی کی مجموعی آمدنی میں غیر مادی حیثیت رکھتی ہے۔مالیاتی اثاثہ جات کے حوالے سے یہ رقوم قرض پر نقصان برداشت کرنے کی زیادہ سے زیادہ مجوزہ حد کی نمائندگی کرتی ہیں۔کمپنی کو یقین ہے کہ اسے قرض کے بڑے ارتکاز یا مارکیٹ قدر و قیمت میں ردوبدل سے متعلقہ خطرات (مارکیٹ ویلیو فلکچو ایشن رسک) سے نبرد آزمانہ ہونا پڑے گا۔قرض پر نقصان برداشت کرنے کی مذکورہ حد کو 'A' رینک کے بینکوں اور مالیاتی اداروں کے ساتھ سرمایہ کاری کے پورٹ فولیو کے متنوع استعمال کے ذریعہ منظم کیا جاتا ہے۔

لیکویڈیٹی کے خطرات

لیکویڈیٹی رسک وہ خطرہ ہے جب کمپنی اپنی مالیاتی واجبات وقت پر ادا نہ کر سکے۔کمپنی لیکویڈیٹی رسک کا انتظام خاطر خواہ نقد رقم اور بینک بیلنس اور طے شدہ کریڈٹ کی سہولت کی رقم کے ذریعہ کر لیتی ہے۔کمپنی کی فنڈ منیجمنٹ کی حکمت عملی کا مقصد اندرونی طور پر کیش کے حصول کے ذریعہ لیکویڈیٹی کے رسک کا بندوبست کرنا ہوتا ہے۔HTL کو مالیاتی لحاظ سے طویل مدت اور قلیل مدت کیلئے بالترتیب Aاور A-2 کریڈٹ ریٹنگ الاٹ کی گئی ہے۔اس سے ہماری واجبات کی بروقت ادائیگی کی اہلیت اور مستحکم لیکویڈیٹی پوزیشن کا اظہار ہوتا ہے۔مستحکم لیکویڈیٹی پوزیشن کے باعث قابل وصولی بیلنس کی کم سطح اور خاطر خواہ کریڈٹ لائنز سے کمپنی اپنے تمام معاہداتی وعدے پورا کرنے کے قابل ہے۔

زرمبادلہ کے خطرات

زرمبادلہ کا خطرہ عموماً وہاں پیدا ہوتا ہے جہاں قابل وصولی اور قابلی ادائیگی رقوم کا لین دین بیرونی کرنسی میں کیا جائے۔کمپنی کو عام طور پر کمپنی کے اندر اور اپنی کل ملکیتی ذیلی ادارے میں تیار لبریکنٹس، خام مال ، پلانٹ اور مشینری کی درآمد کی مد میں مختصر مدت کے لیے امریکی ڈالر/ پاکستانی روپے کی صورت میں مساوات مبادلہ کے خدشات کا سامنا رہتا ہے۔چونکہ اسٹیٹ بینک آف پاکستان کی رہنما ہدایات کے مطابق پٹرولیم، آئل اور لبریکنٹس (پی او ایل) مصنوعات کو مستقبل میں قیمتوں کے اضافے سے بچنے کے لیے پہلے سے ہی معینہ قیمتوں پر خریدا نہیں جا سکتا، لہٰذا کمپنی کو ڈالر کے مقابلے میں روپے کی قدر و قیمت میں اتار چڑھاؤ کے اثرات کو مستقل بنیادوں پر برداشت اور اس کے مطابق انتظام کرنا پڑتا ہے۔تاہم ہماری پراڈکشن کا بڑا حصہ بلینڈنگ یونٹ کو منتقل کر دیا گیا ہے اور ہم اس رسک کو بڑی حد تک ختم کرنے کے قابل ہو گئے ہیں علاوہ ازیں ہم نے اس مقصد کے لیے مصنوعات کی تیاری کے وقت کو کم کرنے اور مالی مشکلات سے نبرد آزما ہونے کے لیے محفوظ اشیاء (بفر) کی انونٹری کے موثر انضباط کو بھی ممکن بنایا ہے۔

اس کے علاوہ بورڈ اور رسک منیجمنٹ کمیٹی بھی کمپنی کو درپیش بڑے خدشات کی باقاعدگی سے بھرپور جانچ کرتی ہے جس میں کاروبار کے ماڈل، مستقبل کی کارکردگی، قرض ادا کرنے کی اہلیت کو یا لیکویڈیٹی کی مد میں درپیش خطرات کی مستقل طور پر جانچ بھی شامل ہے۔

IPOفنڈز

کمپنی کی بنیادوں کے مالیاتی حسابات کے نوٹ ۵۲ میں سال مختتمہ ۳۰ جون ۲۰۲۳ء تک کیلئے IPO کے طریقہ کار کے استعمال کی تفصیلی معلومات فراہم کی گئی ہیں۔

تفصیلات	پاکستانی روپے
غیر استعمال شدہ IPO حاصل شدہ بمطابق یکم جولائی ۲۰۲۲ء	440,709,519
شامل کریں: ٹرم ڈپازٹ کی رسید پر منافع	18,853,185
شامل کریں: بینک ڈپازٹس پر منافع	964,945
شامل کریں: میوچل فنڈز میں سرمایہ کاری پر ڈیویڈنڈ	35,367,650
شامل کریں: میوچل فنڈ میں سرمایہ کاری کے تصرف پر فائدہ	338,180
شامل کریں: میوچل فنڈز میں سرمایہ کاری پر غیر حقیقی فائدہ	377,899
کم: OMC پروجیکٹ سے متعلق ادائیگیاں	(92,343,369)
کم: منافع پر ودہولڈنگ ٹیکس	(2,972,720)
کم: میوچل فنڈز سے ڈیویڈنڈ پر ودہولڈنگ ٹیکس	(5,305,148)
کم: میوچل فنڈز کو ضائع کرنے پر ودہولڈنگ ٹیکس	(84,545)
کم: بینک چارجز	(7,240)
غیر استعمال شدہ IPO پروسیڈز بمطابق ۳۰ جون ۲۰۲۳ء	395,898,356

بورڈ اور انتظامیہ کی رائے میں اس کیپٹل سے حصص داران کے بہترین مفاد میں خدشات کو بہترین طریقے سے تدوین کیا گیا ہے۔

مستقبل کا منظر نامہ

موجودہ معاشی صورتحال کو مدنظر رکھتے ہوئے، HTL ہمارے درآمدی پروڈکٹ پورٹ فولیو کا 90% پلانٹ میں منتقل کر کے ہمارے پلانٹ میں مقامی ملاوٹ اور فلنگ کے ساتھ اپنے مارکیٹ آپریشنز اور ڈیمانڈ مینجمنٹ کو مستحکم کر رہا ہے۔ یہ ملک کے لیے قیمتی غیر ملکی کرنسی کی بچت میں حصہ ڈال رہا ہے اور HTL کو زر مبادلہ کے نقصان سے بچائے گا۔ حکومت فی الحال سی پی آئی انڈیکس پر افراط زر کا اثر فراہم کر کے او ایم سی سیکٹر کے مارجن کو اوپر کی طرف نظر ثانی کرنے پر غور کر رہی ہے۔ ستمبر 2023 میں اس کے نفاذ کے بعد، ہم آنے والے مالی سال میں OMC طبقہ کے منافع میں بہتری کی توقع کرتے ہیں۔ اس کے ساتھ ساتھ، ہم فعال سروس اسٹیشنوں کی تعداد میں اطمینان بخش اضافے کے لیے بھرپور کوشش کر رہے ہیں۔ پولیمر سیگمنٹ کے اضافے اور ہمارے فیول اسٹیشن نیٹ ورک کی توسیع کے ساتھ، ہم آنے والے سال کے امکانات کے بارے میں پر امید ہیں۔

جیسا کہ ہم جدت، کسٹمر سروس، اور آپریشنل ایکسیلنس پر توجہ مرکوز کرتے رہتے ہیں، ہمیں یقین ہے کہ آنے والا سال ہمارے شیئر ہولڈرز اور اسٹیک ہولڈرز کے لیے بہتر مالیاتی نتائج اور زیادہ قدر پیدا کرنے کا وعدہ رکھتا ہے۔

اہم انتظامی تبدیلیاں اور کاروباری ذمہ داریاں

- ☆ ۳۰ جون ۲۰۲۳ء سے لے اب تک کمپنی میں کوئی اہم انتظامی تبدیلی نہیں کی گئی اور نہ ہی گروپ کمپنیوں میں کسی کمپنی کو تفویض کردہ کاروباری ذمہ داریوں میں، اضافہ ہوا اور اب تک اس امر سے کسی بھی گروپ کمپنی کی اقتصادی صورت حال کا متاثر ہونا ممکن ہے، اس کے سوا دیگر کا ذکر ۳۰ جون ۲۰۲۳ء کو ختم ہونے والے معاشی سال کے لیے، کمپنی کے انضمام شدہ اور غیر انضمام شدہ معاشی گوشواروں میں کر دیا گیا ہے۔
- ☆ آڈیٹر/تنقیح کنندہ کی مرتبہ رپورٹ میں کسی بھی سطح پر ایسی کوئی ترمیم نہیں کی گئی کہ جو گروپ کمپنی سے متعلق ہو۔
- ☆ مذکورہ سال کے دوران گروپ کمپنیز کے ذمہ قرضہ جات کی مد میں کوئی بھی رقم واجب الادا نہیں۔

ان مالی گوشواروں کو اکاؤنٹنگ اور رپورٹنگ سے متعلق پاکستان میں مروجہ معیارات کے عین مطابق تشکیل دیا گیا ہے۔ پاکستان میں مروجہ اکاؤنٹنگ اور رپورٹنگ معیارات میں درج ذیل عناصر شامل ہیں۔

- ☆ بین الاقوامی اکاؤنٹنگ سٹینڈرڈ بورڈ (آئی اے ایس بی) کی جانب سے جاری کئے گئے بین الاقوامی مالیاتی رپورٹنگ سٹینڈرڈ (آئی ایف آر ایس) جو کمپنیز ایکٹ، مجریہ ۲۰۱۷ء کے تحت جاری شدہ ہیں۔
- ☆ کمپنیز ایکٹ، مجریہ ۲۰۱۷ء کے تحت دفعات اور ہدایات
- ☆ جہاں کمپنیز ایکٹ مجریہ ۲۰۱۷ء کے تحت دفعات اور ہدایات اور آئی ایف آر ایس کی شقوں میں تضاد نظر آیا، وہاں کمپنیز ایکٹ مجریہ ۲۰۱۷ء کی دفعات اور ہدایات پر عمل کیا گیا ہے۔
- ☆ کاروباری انضباط سے متعلق بہترین اقدامات (Best Corporate Governance) کو یقینی بناتے ہوئے، کسی بھی ایسے اہم امر سے روگردانی نہیں کی گئی کہ جن کی تفصیل لسٹنگ ریگولیشنز اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورنس) مجریہ ۲۰۱۹ء کے قواعد نامہ میں درج ہو۔
- ☆ کمپنی کے قیام سے لے کر اب تک (جو کہ گزشتہ ٦ سال کا عرصہ بنتا ہے) کا اہم بنیادی انتظامی اور اقتصادی ڈیٹا سالانہ رپورٹ میں کسی جگہ مہیا کر دیا گیا ہے۔
- ☆ ہر گروپ کمپنی کے مالی گوشواروں پر تنقیح کنندگان کی جانب سے غیر رسمی/غیر مشروط رائے درج کر دی گئی ہے۔

کوڈ آف کارپوریٹ گورننس پر عمل درآمد

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورنس) ریگولیشنز مجریہ ۲۰۱۹ء کی لازمی شرائط کی باقاعدہ پابندی کی جاتی ہے اور اس سلسلے میں اسٹیٹمنٹ آف کمپلائنس مع اس پر بیرونی آڈیٹرز کی جائزہ رپورٹ، سالانہ رپورٹ کے ساتھ منسلک ہے۔

تنقیح کنندگان

موجودہ تنقیح کنندگان میسرز ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئے ہیں اور انہوں نے خود کو دوبارہ تقرری کیلئے پیش کیا ہے۔ انہوں نے تصدیق کی ہے کہ وہ انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) کی اطمینان بخش ریٹنگ کے حامل ہیں جو ICAP کے اختیار کردہ کوڈ آف ایتھکس آف انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس (IFAC) کی رہنما ہدایات کے مطابق ہیں۔ آڈٹ کمیٹی کی تجویز کے مطابق، بورڈ آف ڈائریکٹرز نے ان کو آئندہ ختم ہونے والے سال ۳۰ جون ۲۰۲۴ء کیلئے کمپنی کے تنقیح کنندگان کے طور پر دوبارہ تقرری کی سفارش کی ہے جس کی فیس کا تعین باہمی رضامندی سے ہوگا۔

حصص کا طرز

مخصوص درجہ کے حصص داران کی حصص داری کا طرز بمطابق ۳۰ جون ۲۰۲۳ء جس کو رپورٹنگ فریم ورک کے تحت ظاہر کرنا ضروری ہے، حصص داروں کی معلومات کے ساتھ منسلک ہے۔

کاروباری عمل کی کارکردگی

ہائی ٹیک بلینڈنگ (پرائیویٹ) لمیٹڈ ("HTBL")

HTBL آپ کی کمپنی کی ایک کل ملکیتی ذیلی کمپنی ہے۔ اس کی آمدنی اور منفعت میں نمایاں اضافہ جاری رہا۔ HTBL نے نہ صرف اپنے پورٹ فولیو میں نئی مصنوعات کا اضافہ کیا بلکہ اپنی بلینڈنگ کی سہولیات کو بھی وسعت دی۔

پولیمر سیگمنٹ

سال کے دوران، HTL نے اپنی مکمل ملکیتی ذیلی کمپنی کے ذریعے پولیمر سیگمنٹ میں قدم رکھ کر تنوع کے ایک دلچسپ سفر کا آغاز کیا اور بیرونی صارفین کی جانب سے پیداوار شروع کی۔ یہ اسٹریٹجک توسیع نہ صرف ہمارے پروڈکٹ پورٹ فولیو کو مضبوط کرتی ہے بلکہ ہمارے کلائنٹس اور شراکت داروں کو ویلیو ایڈڈ حل فراہم کرنے کی ہماری صلاحیت کو بھی ظاہر کرتی ہے۔ جیسا کہ ہم اس شعبے میں ترقی کرتے رہتے ہیں، ہم صنعت میں تعاون اور ترقی کی نئی راہیں تلاش کرتے ہوئے اعلیٰ معیار کی پولیمر مصنوعات کی فراہمی کے لیے پرعزم ہیں۔

ایچ ٹی ایل ایکسپریس سینٹرز

بہترین خدمات، پیشہ ورانہ تربیت کے حامل عملے اور جدید ترین ٹیکنالوجی کے ذریعے گاڑیوں کی دیکھ بھال کے نظریے کو یکسر تبدیل کرنا ایچ ٹی ایل ایکسپریس کا مقصد عمل ہے۔ اس وقت آٹھ ایچ ٹی ایل ایکسپریس فرنچائز سینٹرز موجود ہیں جن کے ذریعے کمپنی صارف کی بنیاد پر گاڑیوں کی حفاظتی دیکھ بھال کے دائرہ کار کو وسعت دے رہی ہے۔ مزید برآں کمپنی ایچ ٹی ایل ڈیلر آپریٹڈ فیول سٹیشنز کے ذریعے مذکورہ آؤٹ لیٹس کی تعداد میں بھی اضافہ کررہی ہے۔ تاحال فرنچائز ماڈل اور فیول سٹیشن ماڈل کو ملا کر ابتک کل اٹھستیس سٹیشنز کام کررہے ہیں۔

ایچ ٹی ایل ایندھن اسٹیشنز (آئل مارکیٹنگ کمپنی)

کمپنی کے پاس اس وقت پنجاب میں 29 ایچ ٹی ایل فیول سٹیشنز ہیں جبکہ 20 فیول سٹیشنز تکمیل کے مراحل میں ہیں۔ رپورٹنگ کی تاریخ کے بعد، کمپنی نے صوبہ خیبر پختونخوا میں 9 نئے فیول سٹیشنز شروع کر کے اپنے آپریشنز کو وسعت دی ہے۔ یہ اسٹریٹجک اقدام ہماری ترقی کی رفتار میں ایک اہم قدم کی نمائندگی کرتا ہے اور وسیع تر کسٹمر بیس کو ضروری خدمات فراہم کرنے کے ہمارے عزم کو واضح کرتا ہے۔ اس سے نہ صرف ہماری مارکیٹ میں موجودگی بڑھے گی بلکہ خطے کی اقتصادی ترقی میں بھی مدد ملے گی۔ ہم خیبر پختونخوا میں اپنے صارفین کی خدمت کرنے اور اس توسیع کے ذریعے تمام اسٹیک ہولڈرز کے لیے قدر پیدا کرنے کے منتظر ہیں۔

لیکویڈ وسائل کی منیجمنٹ

کیش منیجمنٹ

کیش منیجمنٹ اور لیکیوڈیٹی کے کنٹرول پر کمپنی کی بنیادی توجہ مرکوز ہے اور حکمت عملی کے ضمن میں کمپنی کے تمام فیصلوں سے لے کر خریداری، مارکیٹنگ کی اسکیمز کی تشکیل اور کیپٹل اخراجات تک ہر چیز میں امور کا خیال رکھا جاتا ہے۔ بجٹ تیار کرنے اور منصوبہ بندی کے ڈپارٹمنٹ براہ راست کمپنی کے چیف فنانشل آفیسر (سی ایف او) کی نگرانی میں کام کرتے ہیں اور چیف ایگزیکٹو آفیسر (سی ای او) کو براہ راست رپورٹ کرتے ہیں۔ یہ شعبہ سالانہ حکمت عملی کی پلاننگ، بجٹ تیار کرنے اور پیش گوئی کرنے کا کام کرتا ہے جس سے کمپنی کو اپنے وژن کے حصول میں مستعدی اور مستقبل کے حکمت عملی اور لیکویڈیٹی کے خطرات سے تحفظ کا موقع ملتا ہے۔ کمپنی میں کیش انضباط کا مؤثر نظام موجود ہے جب کہ کیش کے داخلی بہاؤ اور خارجی بہاؤ کو ماہانہ، سہ ماہی اور ششماہی بنیادوں پر ظاہر کیا جاتا ہے اور اس کی سختی سے نگرانی کی جاتی ہے نیز ماہانہ اور سہ ماہی رولنگ پیش گوئی پر بجٹ کی تیاری کی جاتی ہے۔ ورکنگ کیپٹل کی ضروریات کی مناسب طور پر پلاننگ کی جاتی ہے اور اسے تجارتی وصولیوں، ادائیگیوں اور انونٹری کی سطح پر مستعدی سے منظم کیا جاتا ہے اور فنانسنگ کے انتظامات کئے جاتے ہیں۔

کیپٹل کے اخراجات

کیپٹل کے اخراجات کا انتظام انتہائی احتیاط سے سنبھالا جاتا ہے اور اس ضمن میں سرمایہ کاری سے متعلق منفعت کی موزوں قدر پیمائی اور خدشات کو ملحوظ رکھا جاتا ہے۔ کمپنی کے مجوزہ کیپٹل اخراجات اور رسک منیجمنٹ پالیسیز کے حوالے سے اندرونی آڈٹ ڈپارٹمنٹ اور آڈٹ کمیٹی بروقت ڈیلیوری اور بجٹ کی رقم کے مطابق پروجیکٹس کا باقاعدگی سے جائزہ لیتے ہیں۔ بڑے کیپٹل کے اخراجات کیلئے طویل مدت کے معاہدے کے ساتھ انتظامات کئے جاتے ہیں تاکہ کاروبار کو نقد رقم کے بہاؤ کے خدشات کو کم سے کم رکھا جائے۔ سال مختتمہ ۳۰ جون ۲۰۲۳ء کے دوران میں کیپٹل اخراجات ۴۹۵ ملین پاکستانی روپے تھے جب کہ گزشتہ سال اسی مدت کے اخراجات ۹۸۳ ملین پاکستانی روپے تھے۔

بورڈ کو اطمینان ہے کہ دریں اثناء کوئی ایسی قلیل المدت یا طویل المدت رکاوٹ موجود نہیں جو طویل میعاد پراجیکٹس پر کمپنی کی سرمایہ کاری کی راہ میں حائل ہو سکے کیونکہ کمپنی کو جون ۲۰۲۳ میں اپنی مضبوط سٹیٹمنٹ اور معاشی ساکھ کی وجہ سے مسلسل کمپی ٹیٹیو کریڈٹ سہولت حاصل رہے گی۔ کمپنی کو اپنی عمدہ طریقے سے تیار کردہ کیش منیجمنٹ کی حکمت عملی کی روشنی میں کسی لیکویڈیٹی کے خدشہ کا سامنا نہیں ہے جس کے نتیجے میں اسے غیر استعمال شدہ اور نان فنڈڈ قرضہ جات کی سہولت کی مناسب دستیابی حاصل ہے۔

قومی خزانے میں ہمارا حصہ

ملکی معیشت کی ترقی میں کمپنی کا کردار قابل ذکر ہے، مالی سال ۲۰۲۳ء کے دوران کمپنی نے قومی خزانے میں فروخت وآمدنی محصولات کی مد میں ۲ ارب روپے کی خطیر رقم جمع کروا کر ملکی معیشت کی بحالی میں اہم کردار ادا کیا۔

منافع جات کی تخصیص

مالی سال ۲۰۲۳ء میں کمپنی کے مالیاتی نتائج کے مطابق بورڈ آف ڈائریکٹرز نے ۲۲ ستمبر ۲۰۲۳ء کو ہونے والی اپنی میٹنگ میں اپنے منافع جات میں سے سال مختتمہ ۳۰ جون ۲۰۲۳ء کیلئے کسی بھی قسم کے منافع منمقسمہ کی تجویز نہیں دی۔

ڈائریکٹران کی رپورٹ برائے حصص داران

ہائی ٹیک لبریکینٹس لمیٹڈ (ایچ ٹی ایل یا کمپنی) کے ڈائریکٹران سال مختتمہ ۳۰ جون ۲۰۲۳ء کی سالانہ رپورٹ مع آڈٹ شدہ مجموعی وعلیحدہ مالیاتی حسابات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

پاکستان کا معاشی جائزہ:

مالی سال 2023 کے دوران، پاکستان کو تباہ کن سیلابوں، سیاسی غیر یقینی صورتحال اور عالمی طلب ورسد میں رکاوٹوں سے پیدا ہونے والے معاشی چیلنجوں کی بے مثال صفوں کا سامنا کرنا پڑا۔ روس اور یوکرائن کے تنازعے کے نتیجے میں پیدا ہونے والے اجناس کے سپر سائیکل نے صورت حال مزید پیچیدہ کر دی، جس کے نتیجے میں عالمی سطح پر اور اندرون ملک مہنگائی کا دباؤ بڑھ گیا۔ پاکستان کی مہنگائی اس سال کے دوران آنے والے غیر معمولی سیلابوں کی وجہ سے مزید خراب ہوئی، جس نے زراعت اور مویشیوں کو بری طرح متاثر کیا۔ جون 2023 میں کنزیومر پرائس انڈیکس (سی پی آئی) کی قومی افراط زر کی اوسط کے ساتھ پاکستان میں افراط زر کی شرح اب تک کی بلند ترین سطح پر پہنچ گئی ہے، جو کہ گزشتہ مالی سال کے اسی عرصے کے دوران 21.3 فیصد کے مقابلے میں 29.4 فیصد تھی۔ ان معاشی حالات کے جواب میں، اسٹیٹ بینک آف پاکستان (SBP) کی مانیٹری پالیسی کمیٹی (MPC) نے اپنی پالیسی ریٹ (بینچ مارک ریٹ) میں مجموعی طور پر 825 بیسس پوائنٹس کا اضافہ کیا ہے، جس سے جون 2023 میں بینچ مارک ریٹ 22.00 فیصد ہو گیا، جو ملکی تاریخ کی بلند ترین پالیسی ریٹ ہے۔ حکومت پاکستان (GoP)، میکرو اکنامک عدم توازن کے تناظر میں، درآمدات کو معقول بنانے اور قومی معیشت کو مستحکم کرنے کے لیے پابندیوں کے اقدامات کو لاگو کرنے کا مشکل فیصلہ کرنے پر مجبور ہوئی۔ نتیجتاً، موجودہ اقتصادی چیلنجوں کی وجہ سے اس عرصے کے دوران پاکستان کی جی ڈی پی کی شرح نمو 0.3 فیصد تک محدود رہی۔ بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) کے ایگزیکٹو بورڈ نے جولائی 2023 میں پاکستان کے لیے 9 ماہ کے اسٹینڈ بائی اریجمنٹ (ایس بی اے) کی منظوری دی، جس میں زرمبادلہ کے کم ذخائر کے درمیان 3 بلین ڈالر کی مدد فراہم کی گئی۔ اس پروگرام کا مقصد ملکی اور بیرونی اقتصادی اور تجارتی عدم توازن سے نمٹنے کے لیے پالیسی اینکر کے طور پر کام کرنا ہے، نیز کثیر جہتی اور دوطرفہ شراکت داروں کی مالی مدد کے لیے ایک فریم ورک فراہم کرنا ہے۔ اگرچہ ہم سمجھتے ہیں کہ حکومت کی طرف سے نافذ کیے گئے وسیع البنیاد تدارک کے اقدامات اور اصلاحات، IMF پروگرام کی بحالی کے ساتھ ساتھ، ملک کی اقتصادی بحالی کے لیے راہ ہموار کریں گی، لیکن پائیدار بحالی کو یقینی بنانے کے لیے طویل مدتی اصلاحات پر توجہ مرکوز کرنا ضروری ہوگا۔

مجموعی بنیادوں پر مالی کارکردگی:

آپ کے گروپ (Hi-Tech Lubricants Limited اور Hi-Tech Blending (Private)Limited اس کی مکمل ملکیتی ذیلی کمپنی) کی مستحکم مالی کارکردگی میں یہ ضروری ہے کہ ان چیلنجوں کو نوٹ کریں جنہوں نے مالی سال 2023 میں ہمارے نتائج کو متاثر کیا۔ ہماری خالص آمدنی میں 12.03% کی نمایاں کمی دیکھنے میں آئی، بنیادی طور پر ہمارے لبریکینٹ سیگمنٹ کی فروخت میں کمی کی وجہ سے، جو براہ راست آٹو موبائل سیکٹر سے منسلک ہے جس میں 51% کی شدید کمی واقع ہوئی۔ اس منفی رجحان کی وجہ کئی بیرونی عوامل بھی ہیں، جن میں مہنگائی کا مسلسل دباؤ، صارفین میں قوت خرید میں کمی اور پاکستان میں وسیع تر معاشی بدحالی کا سامنا ہے۔ دوسری جانب، ڈالر کے مقابلے میں روپے کی قدر میں نمایاں کمی اور دیگر قیمتوں میں اضافے سمیت عوامل کے امتزاج سے فروخت کی لاگت میں اضافہ ہوا ہے اور گروپ کو ان بڑھتے ہوئے اخراجات کو صارفین تک پہنچانے میں چیلنجز کا سامنا کرنا پڑا جس نے ہمارے منافع میں کمی کو مزید بڑھا دیا۔ نتیجتاً، ہمارے مجموعی منافع کے مارجن میں 35.05% کی کمی واقع ہوئی۔ اسٹیٹ بینک آف پاکستان کی جانب سے مقرر کردہ پالیسی ریٹ میں اضافے کی وجہ سے نیچے کی مالیاتی لاگت میں 150.69 فیصد کا اضافہ ہوا ہے۔ مذکورہ بالا چیلنجوں کے پیچیدہ اثرات اور معاشی دباؤ کے نتیجے میں بدقسمتی سے کمپنی کو سال کے دوران مالی نقصان ہوا۔

ان چیلنجوں کے درمیان، گروپ نے سال کے دوران کامیابی سے اپنا پولیمر سیگمنٹ شروع کیا۔ پولیمر سیگمنٹ کا اضافہ نہ صرف ہمارے پورٹ فولیو کو مضبوط کرتا ہے بلکہ ہمیں ابھرتی ہوئی مارکیٹ کے مواقع سے فائدہ اٹھانے کی پوزیشن بھی دیتا ہے۔ آپ کے گروپ کی تفصیلی مجموعی مالی کارکردگی ذیل میں پیش کی گئی ہے۔

تفصیلات	مجموعی برائے ۳۰ جون ۲۰۲۳ء پاکستانی روپے ملین میں	مجموعی برائے ۳۰ جون ۲۰۲۲ء پاکستانی روپے ملین میں	تبدیلی (مثبت/منفی)
مجموعی آمدنی	17,617	20,962	(15.096%)
خالص آمدنی	15,610	17,744	(12.03%)
مجموعی منافع	2,427	3,737	(35.05%)
ریونیو کا %	15.54%	21.06%	(26.21%)
آپریٹنگ منافع	399	1,506	(73.51%)
مالیاتی لاگت	722	288	150.69%
(نقصان)/ٹیکس سے پہلے منافع	(322)	1,218	(126.44%)
(نقصان)/ٹیکس کے بعد منافع	(247)	617	(140.03%)
(نقصان)/فی شیئر آمدنی	(1.77)	4.44	(140.00%)

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 Friday October 27, 2023 at 11:00 a.m. and at any adjournment thereof.

As witness my/our hand this _____________day of October, 2023 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.

ہائی-ٹیک لبریکنٹس لمیٹڈ

مختارنامہ

میں/ہم ______________________________

کا/کے ______________________________

بحیثیت رکن ہائی۔ٹیک لبریکنٹس لمیٹڈاورحامل حصص، بمطابق شیئررجسٹرفولیونمبر ______________________________

اور/یاسی ڈی سی پارٹیسپنٹ (شرکت آئی ڈی) نمبر ______________________________

اورسب اکاؤنٹ(ذیلی کھاتہ)نمبر ______________________________

محترم/محترمہ ______________________________

کواپنے/ہمارے ایماء پر ______________ مورخہ 27 اکتوبر 2023ء بروز جمعہ بوقت صبح 11:00 بجے

کومنعقدہونے والے کمپنی کے سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے یاکسی بھی التواءکی صورت اپنا/ہمارا بطور مختار (پراکسی) مقرر کرتا ہوں / کرتے ہیں۔

آج بروز........................بتاریخ........................ 2023ءکودستخط کیے گئے۔

گواہان

1۔

دستخط: ______________________________

نام: ______________________________

پتہ ______________________________

____

کمپیوٹرائزڈقومی شناختی کارڈنمبر: ______________________________

پچاس روپے مالیت کے رسیدٹکٹ پردستخط

2۔

دستخط: ______________________________

نام: ______________________________

پتہ ______________________________

____

کمپیوٹرائزڈقومی شناختی کارڈنمبر: ______________________________

دستخط کمپنی کے نمونہ دستخط سے
سے مماثل ہونے چاہئیں۔

نوٹ

1۔ اجلاس میں شرکت اورووٹ دینے کااہل رکن، اجلاس میں شرکت کیلئے اپنی بجائے کسی دوسرے رکن کواپنانائب مقررکرسکتا ہے۔

2۔ نیابت فارم باقاعدہ دستخط شدہ اورمہرشدہ لازماً اجلاس سے کم ازکم اڑتالیس (۴۸) گھنٹے قبل کمپنی کے رجسٹرڈ دفتر میں جمع کرائے جانے چاہئیں۔

3۔ نائب کی نامزدگی کیلئے۔

a۔ فردکی صورت میں، کھاتہ داراوریاذیلی کھاتہ دارجن کی رجسٹریشن کی تفصیلات سی ڈی سی ضابطے کے مطابق اپ لوڈ کردی گئی ہوں، درج ذیل ضروریات کے مطابق نیابت فارم جمع کراناہوگا۔

b۔ نیابت فارم پردوگواہوں کی تصدیق کراناضروری ہے جن کے نام، پتے اورکمپیوٹرائزڈقومی شناختی کارڈنمبرزفارم پردرج ہونگے۔

c۔ حصص یافتگان اورانکے نائب کے کمپیوٹرائزڈقومی شناختی کارڈیاپاسپورٹ کی تصدیق شدہ فوٹوکاپیاں نیابت فارم کے ساتھ منسلک ہونگی۔

d۔ نائب اپنے اصل کمپیوٹرائزڈقومی شناختی کارڈیااصل پاسپورٹ کی سکین/فوٹوآن لائن اجلاس میں شرکت کے لئے وڈیولنک/ذوم اپلیکیشن میں لاگن کرتے وقت بھیجے گا۔

e۔ کاروباری اداروں کی صورت میں، بورڈآف ڈائریکٹرزکی قرارداد/پاورآف اٹارنی بمعہ نامزدشخص کے نمونہ دستخط اورنیابت فارم کی سکین/فوٹوآن لائن اجلاس میں شرکت کے لئے وڈیولنک/ذوم اپلیکیشن میں لاگن کرتے وقت بھیجے گا، (اگرپہلے فراہم نہ کئے گئے ہوں)۔

In Loving Memory of

MUHAMMAD BASIT HASSAN

1979 – 2017

Executive Director Hi-Tech Lubricants Limited

A VISIONARY LEADER

He was an inspiration for people around him, quick but well informed decision-making, entrepreneurial vision, sheer hard work, quick wit and an ability to inculcate team spirit is what defined his personality that led the company to new heights of success. His exceptional blend of corporate acumen and great human values made him into a leader not just well respected but genuinely loved.

Departed but will never be forgotten.

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