

Condensed Interim Financial Information
For the Quarter and Nine Months Period Ended March 31, 2023 (Un-audited)



BEING **LIMITLESS**

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 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

Faysal Bank Limited

CONVENTIONAL BANKS

MCB 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 Limited

Bank Alfalah Limited

Soneri Bank Limited



Directors' Review

Dear Shareholders,

The Directors of Hi-Tech Lubricants Limited (the Company) take pleasure in presenting to you the financial results of your Company which include both, **unconsolidated** and **consolidated unaudited financial statements** for the quarter and nine month ended March 31 2023.

Supply chains in Pakistan across industries remained a test for the business environment seriously impacted with import regulations and USD outflow management mainly due to dismal forex reserves on the aftermath of standoff between the Government and IMF.

Despite of the challenges, on a **consolidated** basis, your Group (Hi-Tech Lubricants Limited and Hi-Tech Blending (Private) Limited its wholly owned subsidiary) attained profit after tax of Rupees 190 million for the quarter, compared to a loss of Rupees 89 million during the last quarter. The loss per share for the nine months of this fiscal year now stands at PKR 1.29 per share (compared to PKR 2.65 per share for the first six months). The results were driven by availability of stock through prudent ordering, and a relentless focus on the retailer channel. The team is aiming for a strong last quarter, with a view to ending the fiscal year in a profitable position. The economic environment remains very volatile, however, and it is a difficult environment to forecast in.

Importantly, both the lubricants and fuel segments were profitable for the quarter. The Company on March 16, 2023 finally received OGRA approval to operate its storage terminal in KPK – which allows us to establish a network of 35 pumps in that province. We expect the majority of these pumps to be in operation by December 31, 2023 subject to regulatory approvals. Expansion of the network is critical for improved profitability as it permits us to increase our throughput and cover depreciation associated costs that are already being charged due to the capital expenditures that have been made to date.

The Company's balance sheet shown an impressive improvement with our running finance levels reduced to PKR 2.5 billion compared to 3.35 billion on December 2022, whilst carrying stocks of over PKR 2.9 billion which reiterates our ongoing commitment to financial strength while also creating shareholders' value. We are therefore hopeful that when the economy returns to stability HTL stands ready to benefit, with a more streamlined cost structure.

Position of IPO Funds

The total payments made for the OMC project during the quarter ended March 31, 2023 were Rs. 59.6M. At 31 March 2023, the un-utilized proceeds of Rs 417.13 million of the initial public offer have been kept by the Company in the shape of bank balances, term deposit receipts and mutual funds. These can only be utilized for the purposes of expansions related to OMC project (petroleum segment) of the Company.

ACKNOWLEDGMENT

Directors of your Company take pleasure in expressing their sincere gratitude and appreciation for the outstanding commitment and contribution of all the employees and continued trust and reliance placed in the Company by all the stakeholders.

On behalf of the Board



Mr. Hassan Tahir
(Chief Executive)



Mr. Shaukat Hassan
(Chairman)

Lahore, April 19, 2023

ڈائریکٹران کا جائزہ

محترم شیئر ہولڈرز،

ہائی ٹیک لبریکینٹس لمیٹڈ (کمپنی) کے ڈائریکٹرز آپ کے سامنے آپ کی کمپنی کے مالی نتائج پیش کرتے ہوئے خوشی محسوس کرتے ہیں جس میں 31 مارچ 2023 کو ختم ہونے والی سہ ماہی اور نو ماہ کے غیر مجموعی و مجموعی غیر آڈٹ شدہ مالیاتی حسابات شامل ہیں۔

پاکستان میں تمام صنعتوں میں سپلائی چین کاروباری ماحول کے لیے ایک امتحان بنی ہوئی ہے جو درآمدی ضوابط اور امریکی ڈالر کے اخراج کے انتظام سے سنجیدگی سے متاثر ہوا ہے جس کی بنیادی وجہ حکومت اور IMF کے درمیان قحط کے نتیجے میں غیر ملکی زرمبادلہ کے غیر معمولی ذخائر ہیں۔

چیلنجوں کے باوجود، مجموعی بنیادوں پر، آپ کے گروپ (Hi-Tech Lubricants Limited اور Hi-Tech Blanding (Private) Limited) اس کی مکمل ملکیتی ذیلی کمپنی) نے سہ ماہی میں گزشتہ سہ ماہی کے دوران 89 ملین روپے کے نقصان کے مقابلے میں 190 ملین روپے کا بعد از محصول منافع حاصل کیا۔ اس مالی سال کے نو مہینوں کے لیے نیٹی شیئر خسارہ اب 1.29 روپے فی شیئر ہے (پہلے سہ ماہ کے لیے 2.65 روپے فی شیئر کے مقابلے میں) (نتائج سٹاک کی مکمل دائرہ مندانہ آرڈرنگ کی دستیابی، اور خوردہ فروش چینل پر مسلسل توجہ کے ذریعے کارفرما تھے۔ ٹیم کا مقصد ایک مضبوط آخری سہ ماہی ہے، جس کا مقصد مالی سال کو منافع بخش پوزیشن میں ختم کرنا ہے۔ اقتصادی ماحول بہت ہی غیر مستحکم ہے، تاہم، اور اس میں پیش گوئی کرنا ایک مشکل ماحول ہے۔

اہم بات یہ ہے کہ دونوں لبریکینٹس اور ایندھن کے حصے اس سہ ماہی کے لیے منافع بخش تھے۔ کمپنی کو 16 مارچ 2023 کو آخر کار KPK میں اپنے اسٹوریج ٹرینل کو چلانے کے لیے OGRA کی منظوری مل گئی جس سے ہمیں اس صوبے میں 35 پمپوں کا نیٹ ورک قائم کرنے کی اجازت ملتی ہے۔ ہم توقع کرتے ہیں کہ ان پمپوں کی اکثریت ریگولیٹری منظوریوں سے مشروط 31 دسمبر 2023 تک آپریشنل ہوگی۔ بہتر منافع کے لیے نیٹ ورک کی توسیع بہت اہم ہے کیونکہ یہ ہمیں اپنے تھرو پٹ میں اضافہ کرنے اور فرسودگی سے وابستہ اخراجات کو پورا کرنے کی اجازت دیتا ہے جو پہلے سے ہی سرمایہ کاری کے اخراجات کی وجہ سے وصول کیے جا رہے ہیں جو آج تک کیے جا چکے ہیں۔

کمپنی کی بیلنس شیٹ نے متاثر کن بہتری ظاہر کی ہے جس میں ہماری مالیاتی سطح دسمبر 2022 کے 3.53 ارب روپے کے مقابلے میں 2.5 ارب روپے تک کم ہو گئی ہے، جبکہ 2.9 ارب روپے سے زیادہ کا سٹاک موجود ہے جو کہ مالیاتی مضبوطی کے لیے ہماری جاری وابستگی کا اعادہ کرتا ہے اور حصص یافتگان کی قدر بھی پیدا کرتا ہے۔ اس لیے ہم پر امید ہیں کہ جب ہمیشہ استحکام کی طرف لوٹے گی تو HTL فائدہ اٹھانے کے لیے تیار ہے، لاگت کے زیادہ منظم ڈھانچے کے ساتھ۔

آئی پی او فنڈز کی پوزیشن

31 مارچ 2023 کو ختم ہونے والی سہ ماہی کے دوران OMC پروڈیکٹ کے لیے کی گئی کل ادائیگیاں 56.6 ملین روپے تھیں۔ 31 مارچ 2023 کو، ابتدائی عوامی پیشکش کے 417.13 ملین روپے کی غیر استعمال شدہ رقم کو کمپنی نے بینک بیلنس، ٹرم ڈپازٹ رسیدوں اور میوچل فنڈز کی شکل میں رکھا ہے۔ یہ صرف کمپنی کے OMC پروڈیکٹ (پیٹرولیم سگمنٹ) سے متعلق توسیع کے مقاصد کے لیے استعمال کیے جاسکتے ہیں۔

اعتراف

آپ کی کمپنی کے ڈائریکٹرز تمام ملازمین کی شاندار وابستگی اور شراکت اور تمام اسٹیک ہولڈرز کی جانب سے کمپنی پر مسلسل اعتماد اور بھروسہ کے لیے اپنے مخلصانہ شکر اور تعریف کا اظہار کرتے ہوئے خوشی محسوس کرتے ہیں۔

بورڈ کی جانب سے

جناب شوکت حسن

(چیئرمین)

جناب حسن طاہر

(چیف ایگزیکٹو)

لاہور، 19 اپریل 2023ء

HI-TECH LUBRICANTS LIMITED

UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2023 (Un-audited)

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

As At 31 March 2023

	Note	Un-Audited March 31, 2023 Rupees	Audited June 30, 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		1,392,048,000	1,392,048,000
Reserves		2,593,538,660	2,750,498,756
Total equity		3,985,586,660	4,142,546,756
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	4	-	-
Lease liabilities	5	405,322,317	471,952,022
Long term deposits		15,000,000	17,000,000
Deferred income tax liability - net		36,778,588	69,878,336
Deferred income - Government grant		-	-
		457,100,905	558,830,358
CURRENT LIABILITIES			
Trade and other payables		1,288,993,009	2,725,758,038
Accrued mark-up		25,106,053	38,150,124
Short term borrowings		1,624,486,616	1,494,218,779
Current portion of non-current liabilities		125,466,388	172,181,700
Unclaimed dividend		5,978,633	5,755,517
Provision for taxation - net		7,357,779	-
		3,077,388,478	4,436,064,158
Total liabilities		3,534,489,383	4,994,894,516
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		7,520,076,043	9,137,441,272


Chief Executive


Director


Chief Financial Officer

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

As At 31 March 2023

		Un-Audited March 31, 2023 Rupees	Audited June 30, 2022 Rupees
	Note		
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	7	2,574,785,963	2,590,342,283
Right-of-use assets	8	489,184,843	555,744,577
Intangible assets	9	3,588,248	6,657,720
Investment property	10	130,000,000	130,000,000
Investment in subsidiary company		1,300,000,600	1,300,000,600
Long term security deposits		29,488,535	37,694,740
Long term loan to an employee		3,806,737	783,329
Deferred income tax asset - net		-	-
		4,530,854,926	4,621,223,249
CURRENT ASSETS			
Stock-in-trade	11	1,025,683,326	2,868,897,798
Trade debts		265,556,749	106,218,981
Loans and advances		960,751,607	192,209,599
Short term deposits and prepayments		46,562,297	24,309,437
Other receivables		185,624,152	440,065,418
Accrued interest		45,024,148	570,582
Short term investments		236,329,446	226,804,412
Cash and bank balances		223,689,392	657,141,796
		2,989,221,117	4,516,218,023
TOTAL ASSETS		7,520,076,043	9,137,441,272

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



Chief Executive



Director



Chief Financial Officer

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

For The Quarter and Nine Months Period Ended 31 March 2023

	NINE MONTHS ENDED		QUARTER ENDED	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Rupees	Rupees	Rupees	Rupees
GROSS REVENUE FROM CONTRACTS WITH CUSTOMERS	13,082,997,937	13,149,189,041	4,908,983,736	4,457,700,645
Discounts	(270,839,679)	(513,368,740)	(121,228,288)	(132,181,282)
Sales tax	(1,297,636,895)	(1,754,280,587)	(643,588,964)	(509,673,054)
NET REVENUE FROM CONTRACTS WITH CUSTOMERS	11,514,521,363	10,881,539,714	4,144,166,484	3,815,846,309
COST OF SALES	(10,273,447,037)	(8,928,254,719)	(3,509,955,124)	(3,153,487,774)
GROSS PROFIT	1,241,074,326	1,953,284,995	634,211,360	662,358,535
DISTRIBUTION COST	(668,933,014)	(636,243,171)	(298,969,678)	(185,329,873)
ADMINISTRATIVE EXPENSES	(500,665,962)	(415,812,755)	(163,500,255)	(165,380,867)
OTHER EXPENSES	(56,749,617)	(88,924,170)	(4,731,925)	(18,062,343)
	(1,226,348,593)	(1,140,980,096)	(467,201,858)	(368,773,083)
OTHER INCOME	423,701,672	307,521,427	92,352,515	19,109,664
PROFIT FROM OPERATIONS	438,427,405	1,119,826,326	259,362,017	312,695,116
FINANCE COST	(308,834,989)	(120,175,368)	(84,620,303)	(50,818,370)
PROFIT BEFORE TAXATION	129,592,416	999,650,958	174,741,714	261,876,746
TAXATION	(8,142,912)	(171,863,296)	(59,027,667)	(53,396,904)
PROFIT AFTER TAXATION	121,449,504	827,787,662	115,714,047	208,479,842
EARNINGS PER SHARE - BASIC AND DILUTED	0.87	5.95	0.83	1.50

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


Chief Executive


Director


Chief Financial Officer

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

For The Quarter and Nine Months Period Ended 31 March 2023

	NINE MONTHS ENDED		QUARTER ENDED	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Rupees	Rupees	Rupees	Rupees
PROFIT AFTER TAXATION	121,449,504	827,787,662	115,714,047	208,479,842
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss:	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income for the period	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	121,449,504	827,787,662	115,714,047	208,479,842

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



Chief Executive



Director



Chief Financial Officer

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

For The Quarter and Nine Months Period Ended 31 March 2023

SHARE CAPITAL	RESERVES					TOTAL RESERVES	TOTAL EQUITY
	CAPITAL RESERVES			REVENUE RESERVE			
	SHARE PREMIUM	SURPLUS ON REVALUATION OF FREEHOLD LAND	SUB-TOTAL	UN-APPROPRIATED PROFIT			
----- Rupees -----							
Balance as at 30 June 2021	1,160,040,000	1,441,697,946	-	1,441,697,946	548,745,210	1,990,443,156	3,150,483,156
Transactions with owners:							
Issue of 01 bonus shares for every 05 ordinary shares for the year ended 30 June 2021	232,008,000	-	-	-	(232,008,000)	(232,008,000)	-
Final Dividend for the year ended 30 June 2021 @ Rupees 2.00 per share	-	-	-	-	(232,008,000)	(232,008,000)	(232,008,000)
Interim Dividend for the half year ended 31 December 2021 @ Rupees 2.00 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 nine months period ended 31 March 2021	-	-	-	-	827,787,662	827,787,662	827,787,662
Other comprehensive income for the nine months period ended 31 March 2021	-	-	-	-	-	-	-
Total comprehensive income for the nine months period ended 31 March 2021	-	-	-	-	827,787,662	827,787,662	827,787,662
Balance as at 31 March 2021	1,392,048,000	1,441,697,946	-	1,441,697,946	661,948,374	2,103,646,320	3,495,694,320
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
Transactions with owners:							
Final Dividend for the year ended 30 June 2022 @ Rupees 2.00 per share	-	-	-	-	(278,409,600)	(278,409,600)	(278,409,600)
Profit / (loss) for the nine months period ended 31 March 2023	-	-	-	-	121,449,504	121,449,504	121,449,504
Other comprehensive income for the nine months period ended 31 March 2023	-	-	-	-	-	-	-
Total comprehensive income for the nine months period ended 31 March 2023	-	-	-	-	121,449,504	121,449,504	121,449,504
Balance as at 31 March 2023	1,392,048,000	1,441,697,946	704,626,206	2,146,324,152	447,214,508	2,593,538,660	3,985,586,660

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


Chief Executive


Director


Chief Financial Officer

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

For The Quarter and Nine Months Period Ended 31 March 2023

	Note	NINE MONTHS ENDED	
		March 31, 2023	March 31, 2022
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	12	594,178,660	(475,276,309)
Finance cost paid		(321,517,442)	(99,006,577)
Income tax paid		(152,834,653)	(302,418,381)
Net increase in long term loan to an employee		(3,369,478)	-
Net increase / (Decrease) in long term security deposits		20,475,665	(12,974,361)
Increase / (Decrease) in long term deposits		(2,000,000)	2,000,000
Net cash (used in) / generated from operating activities		134,932,752	(887,675,628)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on operating fixed assets		(84,805,092)	(116,513,227)
Capital expenditure on intangible assets		-	(824,608)
Loans to subsidiary company		(500,000,000)	-
Proceeds from disposal of operating fixed assets		10,371,701	2,497,201
Short term investments - net		(9,279,384)	217,568,570
Dividends received		283,275,077	275,208,600
Interest received on loans to subsidiary company		8,460,384	-
Profit on bank deposits and term deposit receipt received		12,961,519	12,952,937
Net cash from investing activities		(279,015,795)	390,889,473
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		(93,598,900)	(71,911,877)
Dividend paid		(278,186,484)	(483,703,698)
Long term financing repaid		(47,851,814)	(71,783,565)
Short term borrowings - net		130,267,837	1,218,466,973
Net cash from / (used in) financing activities		(289,369,361)	591,067,833
Net increase in cash and cash equivalents		(433,452,404)	94,281,678
Cash and cash equivalents at the beginning of the period		657,141,796	264,544,140
Cash and cash equivalents at the end of the period		223,689,392	358,825,818

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



Chief Executive



Director



Chief Financial Officer

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

For The Quarter and Nine Months Period Ended 31 March 2023

1. THE COMPANY AND ITS OPERATIONS

Hi-Tech Lubricants Limited ("the Company") was incorporated under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at 1-A, Danapur Road, GOR-1, Lahore. The principal activity of the Company is to procure and distribute lubricants and petroleum products. During the year ended 30 June 2017, Oil and Gas Regulatory Authority (OGRA) has granted license to the Company to establish an Oil Marketing Company (OMC), subject to some conditions. On 31 May 2019, 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 Province. On 9 August 2021, OGRA has acknowledged the satisfactory completion of oil storage facility at Nowshera, Khyber Pakhtunkhwa Province. On 13 January 2022, OGRA has further extended / renewed the Provisional License for setting up of an OMC upto 31 March 2023.

2. BASIS OF PREPARATION

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting' issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2022. These unconsolidated condensed interim financial statements are un-audited, however, have been subjected to limited scope review by the auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017.

3. ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of these unconsolidated condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2022.

3.1 Critical accounting estimates and judgments

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

During preparation of these unconsolidated condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2022.

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

For The Quarter and Nine Months Period Ended 31 March 2023

	Un-Audited March 31, 2023 Rupees	Audited 30 June 2022 Rupees
4 LONG TERM FINANCING - secured		
Opening balance	47,490,196	138,452,041
Add: Interest accrued during the period / year	550,955	7,601,321
Less: Payments made during the period / year	48,041,151	98,563,166
	<u>-</u>	<u>47,490,196</u>
Less: Current portion shown under current liabilities	-	47,490,196
	<u>-</u>	<u>-</u>
5. LEASE LIABILITIES		
Total lease liabilities	530,788,705	596,281,908
Less: Current portion shown under current liabilities	125,466,388	124,329,886
	<u>405,322,317</u>	<u>471,952,022</u>

6. CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

There is no significant change in the status of contingencies as disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2022 except for the following:

- 6.1.1** 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. The tax department has not filed any appeal against the order passed by CIR(A). Therefore, no provision there against has been recognized in these unconsolidated condensed interim financial statements.
- 6.1.2** 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 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 unconsolidated condensed interim financial statements.
- 6.1.3** On 28 February 2022, Deputy Commissioner Inland Revenue (DCIR) issued an order for tax periods from July 2016 to June 2017 creating a demand of Rupees 1,353.135 million along with penalty and default surcharge on various issues under relevant provisions of the Sales Tax Act, 1990. Against the aforesaid order, the Company preferred an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)]. On 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 filed an appeal 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. The tax department has not filed any appeal against the order of ATIR. The Company has made provision for matters decided against the Company as explained above in these unconsolidated condensed interim financial statements.

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

For The Quarter and Nine Months Period Ended 31 March 2023

6.1.4 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 along with penalty and default surcharge on various issues under relevant provisions of the Sales Tax Act, 1990. Against the aforesaid order, the Company preferred an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)]. On 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 filed appeal 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. The tax department has not filed any appeal against the order of ATIR. The Company has made provision for matters decided against the Company as explained above in these unconsolidated condensed interim financial statements.

	Un-Audited March 31, 2023 Rupees	Audited 30 June 2022 Rupees
6.2 Commitments		
6.2.1 For capital expenditures	<u>63,097,355</u>	<u>53,571,861</u>
6.2.2 Letters of credit other than for capital expenditures	<u>299,747,430</u>	<u>-</u>
7. FIXED ASSETS		
Operating fixed assets (Note 7.1)	2,384,282,160	2,459,192,488
Capital work-in-progress (Note 7.2)	190,503,803	131,149,795
	<u>2,574,785,963</u>	<u>2,590,342,283</u>
7.1 Operating fixed assets – owned		
Opening book value	2,459,192,488	1,744,846,431
Add: Cost of additions during the period / year (Note 7.1.1)	25,451,085	155,930,523
Add: Revaluation surplus recognised during the period / year	-	704,626,206
Add: Book value of assets transferred from right-of-use of assets during the period / year (Note 8.2)	2,039,358	1,787,081
	<u>2,486,682,931</u>	<u>2,607,190,241</u>
Less: Book value of deletions during the period / year (Note 7.1.2)	3,374,913	2,124,282
Less: Book value of assets written off during the period / year	-	3,039,221
	<u>2,483,308,018</u>	<u>2,602,026,738</u>
Less: Depreciation charged during the period / year	99,025,858	142,834,250
Closing book value	<u>2,384,282,160</u>	<u>2,459,192,488</u>

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

For The Quarter and Nine Months Period Ended 31 March 2023

	Un-Audited March 31, 2023 Rupees	Audited 30 June 2022 Rupees
7.1.1 Cost of additions during the period / year		
Freehold land	-	623,500
Buildings on freehold land	-	20,576,645
Buildings on leasehold land	1,313,475	10,840,459
Machinery	4,000,035	-
Tanks and pipelines	-	71,740,070
Furniture and fittings	805,500	1,368,719
Vehicles	860,520	1,537,358
Dispensing Pumps	5,617,229	-
Office equipment	2,282,272	20,873,046
Electric installation	-	19,353,204
Computers	10,572,054	9,017,522
	<u>25,451,085</u>	<u>155,930,523</u>

7.1.2 Book value of deletions during the period / year

Cost:		
Vehicles	10,406,358	5,155,128
Computers	1,219,775	2,954,542
	11,626,133	8,109,670
Less: Accumulated depreciation	8,251,220	5,985,388
	<u>3,374,913</u>	<u>2,124,282</u>

7.2 Capital work-in-progress

Civil works	61,610,817	32,339,864
Dispensing pumps	26,452,376	20,752,020
Advance against purchase of apartment (Note 7.2.1)	25,976,750	25,976,750
Mobilization advances	1,094,101	5,281,323
Advances against purchase of vehicle	47,563,544	26,000,000
Tanks and pipelines	27,806,215	20,799,838
	<u>190,503,803</u>	<u>131,149,795</u>

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

For The Quarter and Nine Months Period Ended 31 March 2023

7.2.1 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 has 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 have started negotiations to finalize the terms and conditions of "Undertaking and Indemnity Agreement" to take the possession of the apartment. The Company is confident of favorable outcome of the negotiations and possession of the apartment.

	Un-Audited	Audited
	March 31,	30 June
	2023	2022
	Rupees	Rupees
8. RIGHT-OF-USE ASSETS		
Opening book value	555,744,577	359,293,341
Add: Additions during the period / year (Note 8.1)	28,105,696	246,594,011
Add : Impact of lease modification during the period / year	-	66,644,586
Less: Impact of lease termination during the period / year	-	7,309,513
Less: Book value of assets transferred to fixed assets - owned during the period / year (Note 8.2)	2,039,358	1,787,081
Less: Depreciation expense for the period / year	92,626,072	107,690,768
Closing book value	<u>489,184,843</u>	<u>555,744,577</u>
8.1 Cost of additions during the period / year		
Land	5,732,956	142,365,608
Buildings	-	2,174,557
Vehicles	22,372,740	102,053,846
	<u>28,105,696</u>	<u>246,594,011</u>
8.2 Book value of assets transferred to fixed assets - owned during the period / year		
Vehicles	<u>2,039,358</u>	<u>1,787,081</u>

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

For The Quarter and Nine Months Period Ended 31 March 2023

	Un-Audited March 31, 2023 Rupees	Audited 30 June 2022 Rupees
9. INTANGIBLE ASSETS - computer software		
Opening book value	6,657,720	10,645,945
Add: Cost of additions during the period / year	-	824,607
Less: Amortization charged during the period / year	3,069,472	4,812,832
Closing book value	<u>3,588,248</u>	<u>6,657,720</u>

10. INVESTMENT IN SUBSIDIARY COMPANY - at cost

Hi-Tech Blending (Private) Limited - unquoted
130,000,060 (30 June 2022: 130,000,060) fully paid ordinary shares of Rupees 10 each

Equity held 100% (30 June 2022: 100%)	<u>1,300,000,600</u>	<u>1,300,000,600</u>
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10.1 Investment in Hi-Tech Blending (Private) Limited includes 60 (30 June 2022: 60) shares in the name of nominees of the Company.

	Un-Audited March 31, 2023 Rupees	Audited 30 June 2022 Rupees
11. STOCK-IN-TRADE		
Lubricants and parts (Note 11.1)	352,302,026	1,507,889,971
Less: Provision for slow moving and damaged inventory items	<u>14,105,219</u>	<u>14,105,219</u>
	338,196,807	1,493,784,752
Petroleum products		
- Stock in hand (Note 11.2)	<u>76,597,571</u>	<u>712,760,727</u>
- Stock in pipeline system	<u>563,197,722</u>	<u>606,798,070</u>
	639,795,293	1,319,558,797
Dispensing pumps and other installations	47,691,226	55,554,249
Stock of promotional items	-	-
	<u>1,025,683,326</u>	<u>2,868,897,798</u>

11.1 This includes stock-in-transit of Rupees Nil (30 June 2022: Rupees 52.121 million) and stock amounting to Rupees 101.362 million (30 June 2022 : Rupees 80.690 million) lying at custom bonded warehouse.

11.2 This include stock of petroleum products in transit of Rupees Nil (30 June 2022: Rupees 264.996 million).

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

For The Quarter and Nine Months Period Ended 31 March 2023

	(Un-Audited)	
	NINE MONTHS ENDED	
	March 31, 2023	March 31, 2022
	Rupees	Rupees
12. CASH USED IN OPERATIONS		
(Loss) / profit before taxation	129,592,416	999,650,958
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	99,025,857	117,375,441
Depreciation on right-of-use assets	92,626,073	57,205,375
Amortization on intangible assets	3,069,470	3,752,969
Amortization of deferred income - Government grant	(361,618)	(4,051,255)
Allowance for expected credit losses	13,658,497	10,000,000
Gain on disposal of operating fixed assets	(6,996,788)	(569,958)
Dividend income	(283,275,077)	(275,208,600)
Profit on bank deposits and term deposit receipts	(21,489,215)	(16,016,346)
Interest income on loans to subsidiary company	(44,386,254)	-
Unrealized loss on remeasurement of investments	(56,560)	(1,998,268)
Gain on disposal of short term investments	(189,090)	-
Gain on foreign remittance	(30,797,348)	-
Exchange loss - net	25,082,103	(50,182,911)
Finance cost	308,834,989	120,175,368
Working capital changes (Note 12.1)	309,841,205	(1,435,409,081)
	<u>594,178,660</u>	<u>(475,276,309)</u>

	(Un-Audited)	
	NINE MONTHS ENDED	
	March 31, 2023	March 31, 2022
	Rupees	Rupees
12.1 Working capital changes		
(Increase) / decrease in current assets:		
Stock-in-trade	1,843,214,472	(384,944,226)
Trade debts	(172,996,265)	30,631,383
Loans and advances	(268,195,938)	(867,045,709)
Short term deposits and prepayments	(34,522,320)	(3,930,384)
Other receivables	254,441,266	(127,834,490)
	1,621,941,215	(1,353,123,426)
Decrease in trade and other payables	(1,312,100,010)	(82,285,655)
	<u>309,841,205</u>	<u>(1,435,409,081)</u>

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

For The Quarter and Nine Months Period Ended 31 March 2023

13. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of subsidiary company, associated undertakings, other related parties, key management personnel and provident fund trust. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties, other than those which have been disclosed else where in these unconsolidated condensed interim financial statements, are as follows:

NATURE OF TRANSACTIONS	UN-AUDITED			
	NINE MONTHS ENDED		QUARTER ENDED	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022

-----Rupees-----

i. Transactions

Subsidiary company

Hi-Tech Blending (Private) Limited	Sale of lubricants	1,755,955	897,792	597,487	897,792
	Purchase of lubricants	3,272,698,687	4,360,933,304	2,019,896,258	1,478,074,384
	Dividend received	260,000,120	260,000,120	-	-
	Lease rentals paid	2,250,000	2,250,000	750,000	750,000
	Short term loan	500,000,000	-	-	-
	Accrued mark up on short term loan	44,386,254	-	35,925,870	-

Associated company

MAS Associates (Private) Limited	Share of common expenses	1,008,395	763,462	370,608	270,145
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NATURE OF TRANSACTIONS	UN-AUDITED			
	NINE MONTHS ENDED		QUARTER ENDED	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022

-----Rupees-----

Other related parties

SK Enmove Co., Ltd. (formerly SK Lubricants Co., Ltd.)	Purchase of lubricants	279,464,188	388,546,192	129,787,260	63,281,257
	Dividend paid	1,986,660	2,927,012	-	1,519,795
	Incentive	181,400,000	-	-	-
Provident fund trust	Contribution	19,366,551	15,441,900	6,467,154	5,037,523
Key management personnel and	Remuneration	333,062,314	279,757,547	104,670,990	101,154,272
Sabra Hamida Trust	Donations	13,500,000	13,500,000	4,500,000	4,500,000

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

For The Quarter and Nine Months Period Ended 31 March 2023

NATURE OF TRANSACTIONS	UN-AUDITED			
	NINE MONTHS ENDED		QUARTER ENDED	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022

-----Number of shares-----

SK Enmove Co., Ltd. (formerly SK Lubricants Co., Ltd.)	Bonus issued	shares	-	165,555	-	165,555
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Un-Audited	Audited
March 31,	June 30
2023	2022
Rupees	Rupees

ii. Period / year end balances

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

Investment	1,300,000,600	1,300,000,600
Payable against purchases	386,453,270	1,202,327,248
Loan given	500,000,000	-
Interest receivable	35,925,870	-
Contract liabilities	-	470,351

Associated company

Receivable from MAS Associates (Private) Limited	370,609	292,753
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Other related parties:

Payable to SK Enmove Co., Ltd (formerly SK Lubricants Co., Ltd)	65,626,789	52,663,257
Payable to employees' provident fund trust	4,107,631	3,417,462
Remuneration payable to directors	9,800,000	2,384,000

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

For The Quarter and Nine Months Period Ended 31 March 2023

14. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

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

Recurring fair value measurements at 31 March 2023	Level 1	Level 2	Level 3	Total
----- Rupees -----				
Financial assets				
Financial assets at fair value through profit or loss	236,329,446	-	-	236,329,446

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.

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

For The Quarter and Nine Months Period Ended 31 March 2023

15. 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	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Revenue from contracts with customers - net	5,774,672,571	6,395,425,618	5,739,848,792	4,486,114,096	-	-	11,514,521,363	10,881,539,714
Cost of sales	(4,692,765,817)	(4,712,372,694)	(5,580,681,220)	(4,215,882,025)	-	-	(10,273,447,037)	(8,928,254,719)
Gross profit / (loss)	1,081,906,753	1,683,052,924	159,167,573	270,232,071	-	-	1,241,074,326	1,953,284,995
Distribution cost	(446,225,411)	(455,799,869)	(222,707,603)	(180,443,302)	-	-	(668,933,014)	(636,243,171)
Administrative expenses	(485,933,550)	(404,084,523)	(14,732,412)	(11,728,232)	-	-	(500,665,962)	(415,812,755)
Other expenses	(49,743,211)	(81,034,255)	(7,006,406)	(7,889,915)	-	-	(56,749,617)	(88,924,170)
	(981,902,173)	(940,918,647)	(244,446,420)	(200,061,449)	-	-	(1,226,348,593)	(1,140,980,096)
Other income	348,124,670	286,355,012	75,577,002	21,166,415	-	-	423,701,672	307,521,427
Profit / (loss) from operations	448,129,251	1,028,489,289	(9,701,846)	91,337,037	-	-	438,427,405	1,119,826,326
Finance cost	(248,738,076)	(84,217,968)	(60,096,913)	(35,957,400)	-	-	(308,834,989)	(120,175,368)
Profit / (loss) before taxation	199,391,175	944,271,321	(69,798,759)	55,379,637	-	-	129,592,416	999,650,958
Taxation	-	-	-	-	(8,142,912)	(171,863,296)	(8,142,912)	(171,863,296)
Profit / (loss) after taxation	199,391,175	944,271,321	(69,798,759)	55,379,637	(8,142,912)	(171,863,296)	121,449,504	827,787,662

15.1 Reconciliation of reportable segment assets and liabilities:

	LUBRICANTS		PETROLEUM PRODUCTS		TOTAL - COMPANY	
	March 31, 2023	30 June, 2022	March 31, 2023	30 June, 2023	March 31, 2023	30 June, 2022
Total assets for reportable segments	2,814,727,207	3,245,446,841	2,368,971,379	2,744,899,707	5,183,698,586	5,990,346,548
Unallocated assets	-	-	-	-	2,336,377,457	3,147,094,724
Total assets as per statement of financial position	-	-	-	-	7,520,076,043	9,137,441,272
Total liabilities for reportable segments	276,673,894	2,279,865,705	515,489,782	986,284,130	792,163,676	3,266,149,835
Unallocated liabilities	-	-	-	-	2,742,325,707	1,728,744,681
Total liabilities as per statement of financial position	-	-	-	-	3,534,489,383	4,994,894,516

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

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

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

For The Quarter and Nine Months Period Ended 31 March 2022

	Un-Audited March 31, 2023 Rupees	Audited June 30, 2022 Rupees
16. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX		
Description		
i) Loans / advances obtained as per Islamic mode:		
Loans	-	-
Advances	47,471,196	63,104,103
ii) Shariah complaint bank deposits / bank balances		
Bank balances	9,823,778	123,256,713
		(Un-Audited)
	NINE MONTHS ENDED	
	March 31, 2023	March 31, 2022
	Rupees	Rupees
iii) Profit earned from shariah complaint bank deposits / bank balances	-	-
Profit on bank deposits and term deposit receipts	-	-
iv) Mark up paid on Islamic mode of financing	-	-
v) Revenue earned from a shariah complaint business	11,514,521,363	10,881,539,714
vi) Gain / (loss) or dividend earned from shariah complaint investments		
Dividend income	220,784	1,901,670
Gain on sale of investments	-	-
Gain / (loss) on remeasurement of investments at fair value through profit or loss	(132,530)	1,998,268
vii) Exchange loss	(25,082,103)	(50,182,911)
viii) Profits earned or interest paid on any conventional loan or advance		
Interest paid on loans	271,217,107	62,818,834
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	

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

For The Quarter and Nine Months Period Ended 31 March 2023

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

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

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

Purposes Mentioned Under Heading 5.5 'Expansion Plan' In Prospectus Dated 28 December 2015	Total amount (Rupees)	Total amount utilized till 30 June 2017 (Rupees)
--	-----------------------	--

Investment in HTLL

Land	470,000,000	60,618,100
Building	128,000,000	12,486,445
Plant, machinery and equipment	139,000,000	2,719,201
Pre-operating costs	33,000,000	249,630
Working capital	842,562,500	739,126,208
	<u>1,612,562,500</u>	<u>815,199,584</u>

Investment in 100% owned subsidiary

Additional filling lines for blending plant, Hi-Tech Blending (Private) Limited	200,000,000	-
Total	<u>1,812,562,500</u>	<u>815,199,584</u>

IPO proceeds (A)	1,812,562,500
Amount un-utilized (A - B)	997,362,916

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

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

For The Quarter and Nine Months Period Ended 31 March 2023

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 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. Currently, the Company has twelve operational HTL Express Centers, five in Lahore, three in Karachi, two in Kasur, one in Gujranwala and one in Rawalpindi. Further, the Company has twenty eight retail outlets operational for sale of petroleum products as on 31 March 2023. Detail of payments out of IPO proceeds during the nine months period ended 31 March 2022 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	434,793
Add: Dividend on investment in mutual funds	23,111,286
Add: Unrealised gain on investment in mutual funds	(15,075)
Less: Payments made relating to OMC Project	(59,599,587)
Less: Withholding tax on profit	(2,898,651)
Less: Withholding tax on dividend from mutual funds	(3,466,693)
Less: Withholding tax on disposal of mutual funds	
Less: Zakat deducted on profit	
Less: Bank charges	(179)
Un-utilized IPO proceeds as at 31 March 2023	<u>417,128,598</u>

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.

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

For The Quarter and Nine Months Period Ended 31 March 2023

18. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual financial statements of the Company for the year ended 30 June 2022.

19. CORRESPONDING FIGURES

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

20. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on 19 April 2023 by the Board of Directors of the Company.

21. GENERAL

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


Chief Executive


Director


Chief Financial Officer

HI-TECH LUBRICANTS LIMITED
CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2023 (Un-audited)

Consolidated Condensed Interim Statement Of Financial Position

As At 31 March 2023

	Note	Un-Audited 31 March 2023 Rupees	Audited June 30, 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		1,392,048,000	1,392,048,000
Reserves		4,404,157,462	4,862,359,734
Total equity		5,796,205,462	6,254,407,734
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	4	603,065,436	516,628,587
Lease liabilities	5	429,291,052	485,619,223
Long term deposits		15,000,000	17,000,000
Deferred liabilities		418,077,477	491,141,485
		1,465,433,965	1,510,389,295
CURRENT LIABILITIES			
Trade and other payables		1,650,699,017	2,732,417,755
Accrued mark-up / profit		65,480,869	57,121,494
Short term borrowings		2,510,553,274	1,897,577,032
Current portion of non-current liabilities		179,811,733	222,398,052
Unclaimed dividend		5,978,633	5,755,517
Total liabilities		4,412,523,526	4,915,269,850
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		11,674,162,953	12,680,066,879

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


Chief Executive


Director


Chief Financial Officer

Consolidated Condensed Interim Statement Of Financial Position

As At 31 March 2023

	Note	Un-Audited 31 March 2023 Rupees	Audited June 30, 2022 Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	7	6,151,876,350	5,959,670,743
Right-of-use assets	8	538,298,014	590,982,038
Intangible assets	9	14,632,169	21,760,517
Investment property		130,000,000	130,000,000
Long term security deposits		47,015,455	55,221,660
Long term Loan to employees		3,806,737	783,329
		<u>6,885,628,725</u>	<u>6,758,418,287</u>
CURRENT ASSETS			
Stores		87,276,905	88,306,846
Stock-in-trade	10	2,900,142,711	3,941,260,793
Trade debts		302,919,430	109,026,521
Loans and advances		621,697,703	261,017,419
Short term deposits and prepayments		52,412,882	35,074,806
Other receivables		185,624,152	441,316,465
Advance Income tax-net of provision for taxation		165,750,807	157,841,148
Accrued Interest		9,098,278	570,582
Short term investments		236,329,446	226,804,412
Cash and bank balances		227,281,914	660,429,600
		<u>4,788,534,228</u>	<u>5,921,648,592</u>
TOTAL ASSETS		<u><u>11,674,162,953</u></u>	<u><u>12,680,066,879</u></u>



Chief Executive



Director



Chief Financial Officer

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

For The Quarter and Nine Months Period Ended 31 March 2023

	NINE MONTHS ENDED		QUARTER ENDED	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	Rupees	Rupees	Rupees	Rupees
GROSS REVENUE FROM CONTRACTS WITH CUSTOMERS	14,381,076,999	14,534,508,105	5,677,643,939	5,129,089,466
Discounts	(270,839,679)	(513,368,740)	(121,228,288)	(132,181,282)
Sales tax	(2,595,715,957)	(3,139,599,651)	(1,412,249,167)	(1,181,061,875)
NET REVENUE FROM CONTRACTS WITH CUSTOMERS	11,514,521,363	10,881,539,714	4,144,166,484	3,815,846,309
COST OF SALES	(9,816,490,564)	(8,627,652,116)	(3,217,059,889)	(3,081,823,486)
GROSS PROFIT	1,698,030,799	2,253,887,598	927,106,595	734,022,823
DISTRIBUTION COST	(689,406,055)	(667,567,776)	(307,022,558)	(195,415,998)
ADMINISTRATIVE EXPENSES	(625,033,224)	(504,019,349)	(209,376,408)	(201,106,475)
OTHER EXPENSES	(244,372,468)	(191,112,324)	(40,525,538)	(23,029,567)
	(1,558,811,747)	(1,362,699,449)	(556,924,504)	(419,552,040)
OTHER INCOME	119,333,049	54,147,214	56,455,371	19,247,637
PROFIT FROM OPERATIONS	258,552,101	945,335,363	426,637,462	333,718,420
FINANCE COST	(466,422,752)	(168,000,034)	(141,176,468)	(71,243,840)
PROFIT BEFORE TAXATION	(207,870,651)	777,335,329	285,460,994	262,474,580
TAXATION	28,077,979	(171,863,296)	(95,877,223)	(53,396,904)
PROFIT / (LOSS) AFTER TAXATION	(179,792,672)	605,472,033	189,583,771	209,077,676
EARNINGS/(LOSS) PER SHARE - BASIC AND DILUTED	(1.29)	4.35	1.36	1.50

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


Chief Executive


Director


Chief Financial Officer

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

For The Quarter and Nine Months Period Ended 31 March 2023

	NINE MONTHS ENDED		QUARTER ENDED	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	Rupees	Rupees	Rupees	Rupees
PROFIT / (LOSS) AFTER TAXATION	(179,792,672)	605,472,033	189,583,771	209,077,676
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss:	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income for the period	-	-	-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	<u>(179,792,672)</u>	<u>605,472,033</u>	<u>189,583,771</u>	<u>209,077,676</u>

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



Chief Executive



Director



Chief Financial Officer

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

For The Quarter and Nine Months Period Ended 31 March 2023

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 - Audited	1,160,040,000	1,441,697,946	-	1,441,697,946	1,702,606,670	3,144,304,616	4,304,344,616
Transactions with owners:							
Issue of 01 bonus shares for every 05 ordinary share for the year ended 30 June 2021	232,008,000	-	-	-	(232,008,000)	(232,008,000)	-
Final Dividend for the year ended 30 June 2021 @ Rupees 2.00 per share	-	-	-	-	(232,008,000)	(232,008,000)	(232,008,000)
Interim Dividend for the half year ended 31 December 2021 @ Rupees 2.00 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 quarter and nine months period ended 31 March 2022	-	-	-	-	605,472,033	605,472,033	605,472,033
Other comprehensive income for the nine months period ended 31 March 2022	-	-	-	-	605,472,033	605,472,033	605,472,033
Total comprehensive income for the nine months period ended 31 March 2022	-	-	-	-	1,210,944,066	1,210,944,066	1,210,944,066
Balance as at 31 March 2022	1,392,048,000	1,441,697,946	-	1,441,697,946	1,593,494,205	3,035,192,151	4,427,240,151
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
Transactions with owners:							
Final Dividend for the year ended 30 June 2022 @ Rupees 2.00 per share	-	-	-	-	(278,409,600)	(278,409,600)	(278,409,600)
Profit/(loss) for the nine months period ended 31 March 2023	-	-	-	-	(179,792,672)	(179,792,672)	(179,792,672)
Other comprehensive (loss) for the nine months period ended 31 March 2023	-	-	-	-	-	-	-
Total comprehensive (loss) for the nine months period ended 31 March 2023	-	-	-	-	(179,792,672)	(179,792,672)	(179,792,672)
Balance as at 31 March 2023	1,392,048,000	1,441,697,946	1,783,101,998	3,224,799,944	1,179,357,518	4,404,157,462	5,796,205,462

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


Chief Executive


Director


Chief Financial Officer

Consolidated Condensed Interim Statement of Cash Flows (Un-audited)

For The Quarter and Nine Months Period Ended 31 March 2023

	Note	NINE MONTHS ENDED	
		31 March 2023	31 March 2022
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	11	221,071,418	(371,539,253)
Finance cost paid		(466,162,143)	(131,155,353)
Income tax paid		(133,904,328)	(136,417,140)
Net decrease / (increase) in long term loan to employees		(3,369,478)	-
Net decrease / (increase) in long term security deposits		20,475,665	(19,668,961)
Net increase / (decrease) in long term deposits		(2,000,000)	2,000,000
Net cash (used in) / generated from operating activities		(363,888,866)	(656,780,707)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on operating fixed assets		(378,208,277)	(753,792,251)
Capital expenditure on intangible assets		(188,784)	(35,936,608)
Initial direct cost incurred on right-of-use-assets		(5,313,999)	(6,476,863)
Proceeds from disposal of operating fixed assets		12,869,660	5,477,201
Short term investments - net		(9,279,384)	217,568,570
Dividend received		23,274,957	15,208,480
Profit on bank deposits and term deposit receipts received		12,961,519	12,952,937
Net cash from / (used in) investing activities		(343,884,308)	(544,998,534)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		612,976,242	(71,911,877)
Dividend paid		(278,186,484)	(483,703,698)
Proceeds from long term financing		97,417,000	463,396,925
Repayment of long term financing		(54,702,972)	(105,220,921)
Repayment of lease liabilities		(102,878,298)	1,380,195,960
Net cash from / (used in) financing activities		274,625,488	1,182,756,389
Net increase / (decrease) in cash and cash equivalents		(433,147,686)	(19,022,852)
Cash and cash equivalents at beginning of the period		660,429,600	387,747,261
Cash and cash equivalents at end of the period		227,281,914	368,724,409

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



Chief Executive



Director



Chief Financial Officer

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

For The Quarter and Nine Months Period Ended 31 March 2023

1. THE GROUP AND ITS OPERATIONS

The Group consists of:

Holding Company

- Hi-Tech Lubricants Limited

Subsidiary Company

- Hi-Tech Blending (Private) Limited

1.1 Hi-Tech Lubricants Limited

Hi-Tech Lubricants Limited ("the Holding Company") was incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited. The registered office of the Holding Company is situated at 1-A, Danepur Road, GOR-1, Lahore. The principal activity of the Holding Company is to procure and distribute lubricants and petroleum products. During the year ended 30 June 2017, Oil and Gas Regulatory Authority (OGRA) granted license to the Holding Company to establish an Oil Marketing Company (OMC), subject to some conditions. On 31 May 2019, Oil and Gas Regulatory Authority (OGRA) has granted permission to the Holding Company to operate new storage facility at Sahiwal and marketing of petroleum products in the Province of Punjab. On 20 January 2020, the Holding Company has started marketing and sale of petroleum products. On 21 February 2020, OGRA has granted permission to the Company to apply for No Objection Certificates (NOCs) from concerned departments to setup petrol pumps in Khyber Pakhtunkhwa Province. On 9 August 2021, OGRA has acknowledged the satisfactory completion of oil storage facility at Nowshera, Khyber Pakhtunkhwa Province. On 13 January 2022, OGRA has further extended / renewed the Provisional License for setting up of an OMC upto 31 March 2023.

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. The registered office of the Subsidiary Company is situated at 1-A, Danepur Road, GOR-1, Lahore. The Subsidiary Company is a wholly owned subsidiary of Hi-Tech Lubricants Limited.

2. BASIS OF PREPARATION

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

- International Accounting Standard 34: 'Interim Financial Reporting' (IAS 34), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These consolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Group for the year ended 30 June 2022.

3. ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of these consolidated condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Group for the year ended 30 June 2022.

3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

During preparation of these consolidated condensed interim financial statements, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Group for the year ended 30 June 2022.

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

For The Quarter and Nine Months Period Ended 31 March 2023

	Un-Audited	Audited
	31 March	June 30,
	2023	2022
	Rupees	Rupees
4. LONG TERM FINANCING		
From banking companies - secured		
Holding Company		
Bank Alfalah Limited - Loan under State Bank of Pakistan (SBP) Refinance Scheme (Note 4.1)	-	47,490,196
Subsidiary Company		
Bank Al-Habib Limited	616,000,988	529,564,139
	<u>616,000,988</u>	<u>577,054,335</u>
Less: Current portion shown under current liabilities	12,935,552	60,425,748
	<u>603,065,436</u>	<u>516,628,587</u>

- 4.1** This term finance facility, aggregating to Rupees 189.986 million (2022: Rupees 189.986 million) is obtained by the Holding Company under SBP Refinance Scheme for payment of wages and salaries to workers and employees of business concerns. This facility is 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 is payable in 8 equal quarterly installments commenced from 01 January 2021 and ending on 01 October 2022. Mark-up is payable quarterly at the rate of SBP refinance rate plus 3.00% per annum. This loan is recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustments is recognized at discount rates of 8.67% to 10.04% per annum (2022: 8.67% to 10.04% per annum).

	Un-Audited	Audited
	31 March	June 30,
	2023	2022
	Rupees	Rupees
5. LEASE LIABILITIES		
Total lease liabilities	573,454,650	624,517,326
Less: Current portion shown under current liabilities	144,163,598	138,898,103
	<u>429,291,052</u>	<u>485,619,223</u>

- 5.1** Implicit rates against lease liabilities range from 7.40% to 23.32% (2022: 7.40% to 17.12%) per annum.
- 5.2** Leases from banking company are secured against the leased assets, personal guarantees of directors of the Holding Company and security deposits of Rupees 40.632 million (2022: Rupees 39.343 million).

6. CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

There is no significant change in the status of contingencies as disclosed in the preceding audited annual published financial statements of the Group for the year ended 30 June 2022 except for the following:

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

For The Quarter and Nine Months Period Ended 31 March 2023

- 6.1.1** 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. The tax department has not filed any appeal against the order passed by CIR(A). Therefore, no provision there against has been recognized in these consolidated condensed interim financial statements.
- 6.1.2** 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 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 condensed interim financial statements.
- 6.1.3** 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 filed an appeal 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. The tax department has not filed any appeal against the order of ATIR. The Company has made provision for matters decided against the Company as explained above in these consolidated condensed interim financial statements.
- 6.1.4** 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 filed appeal 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. The tax department has not filed any appeal against the order of ATIR. The Company has made provision for matters decided against the Company as explained above in these consolidated condensed interim financial statements.

	Un-Audited	Audited
	31 March	June 30,
	2023	2022
	Rupees	Rupees
6.2 Commitments		
6.2.1 Contracts for capital expenditures	<u>77,464,223</u>	<u>185,502,342</u>
6.2.2 Letters of credit other than for capital expenditures	<u>396,696,293</u>	<u>605,168,892</u>

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

For The Quarter and Nine Months Period Ended 31 March 2023

	Un-Audited 31 March 2023 Rupees	Audited June 30, 2022 Rupees
7. FIXED ASSETS		
Operating fixed assets:		
Owned (Note 7.1)	5,915,297,318	5,716,441,584
Capital work-in-progress (Note 7.2)	236,579,032	243,229,159
	<u>6,151,876,350</u>	<u>5,959,670,743</u>
7.1 Operating fixed assets – owned		
Opening book value	5,716,441,584	3,180,557,592
Add: Cost of additions during the period / year (Note 7.1.1)	384,175,007	980,984,882
Add: Revaluation of Surplus	-	1,783,101,998
Add: Book value of assets transferred from right-of-use of assets	2,039,358	1,787,081
	<u>6,102,655,949</u>	<u>5,946,431,553</u>
Less: Book value of assets written off during the period / year	-	3,147,447
Less: Book value of deletions during the period / year (Note 7.1.2)	3,386,186	4,604,490
	<u>6,099,269,763</u>	<u>5,938,679,616</u>
Less: Depreciation charged during the period / year	183,972,445	222,238,032
Closing book value	<u>5,915,297,318</u>	<u>5,716,441,584</u>
7.1.1 Cost of additions during the period / year		
Freehold land	-	623,500
Buildings on freehold land	111,020,089	45,458,644
Buildings on leasehold land	1,313,475	8,899,690
Machinery	223,483,889	701,228,474
Tanks and Pipeline	-	71,740,070
Dispensing Pumps	5,617,229	19,353,204
Electric Installation	24,958,693	87,107,663
Furniture and fittings	1,168,785	2,762,563
Vehicles	2,101,419	6,628,304
Office equipment	369,752	22,738,699
Computers	11,859,405	14,444,071
	<u>384,175,007</u>	<u>980,984,882</u>
7.1.2 Book value of deletions during the period / year		
Cost:		
Vehicles	10,469,858	10,871,105
Computers	1,219,775	3,753,442
Office Equipments	-	-
Less: Accumulated depreciation	8,303,447	10,020,057
	<u>3,386,186</u>	<u>4,604,490</u>

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

For The Quarter and Nine Months Period Ended 31 March 2023

	Un-Audited 31 March 2023 Rupees	Audited June 30, 2022 Rupees
7.2. Capital work-in-progress		
Civil works	61,610,817	83,539,912
Plant and machinery	11,368,886	5,489,540
Tanks and Pipelines	27,806,215	20,799,838
Dispensing pumps	26,452,376	20,752,020
Electric and other installation	-	8,356,162
Advance for purchase of apartment (Note 7.2.1)	25,976,750	25,976,750
Advances for capital expenditure	-	73,033,614
Advance for purchase of vehicles	47,563,544	-
Mobilization advances	5,774,101	5,281,323
Unallocated expenditures	30,026,343	-
	<u>236,579,032</u>	<u>243,229,159</u>

7.2.1 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 has 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 have started negotiations to finalize the terms and conditions of "Undertaking and Indemnity Agreement" to take the possession of the apartment. The Holding Company is confident of favorable outcome of the negotiations and possession of the apartment.

	Un-Audited 31 March 2023 Rupees	Audited June 30, 2022 Rupees
8. RIGHT-OF-USE ASSETS		
Opening book value	590,982,038	340,945,782
Add: Additions during the period / year (Note 8.1)	33,418,696	303,828,835
Add : Impact of lease modification	-	66,644,586
Less: Impact of lease termination	-	7,309,513
year (Note 8.2)	2,039,358	1,787,081
Less: Depreciation expense for the period / year	84,063,362	111,340,571
Closing book value	<u>538,298,014</u>	<u>590,982,038</u>

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

For The Quarter and Nine Months Period Ended 31 March 2023

	Un-Audited 31 March 2023 Rupees	Audited June 30, 2022 Rupees
8.1 Cost of additions during the period / year		
Land	5,732,956	142,365,608
Buildings	-	2,174,557
Vehicles	27,685,740	102,053,846
	<u>33,418,696</u>	<u>246,594,011</u>
8.2 Book value of assets transferred to fixed assets - owned during the period / year		
Vehicles	<u>2,039,358</u>	<u>1,787,081</u>
9. INTANGIBLE ASSETS - computer software		
Opening book value	21,760,519	10,713,375
Add: Cost of additions during the period / year	-	19,703,106
Less: Amortization charged during the period / year	7,128,350	8,655,964
Closing book value	<u>14,632,169</u>	<u>21,760,517</u>
10. STOCK-IN-TRADE		
Raw materials (Note 10.1)	1,632,196,715	1,170,447,477
Work-in-process	70,902,525	49,019,068
	<u>1,703,099,240</u>	<u>1,219,466,545</u>
Lubricants and parts (Note 10.2)	524,578,278	1,361,702,527
Less: Provision for slow moving and damaged stock items	15,021,326	15,021,325
	509,556,952	1,346,681,202
Petroleum products		
- Stock in hand (Note 10.3)	76,597,571	712,760,727
- Stock in pipeline system	563,197,722	606,798,070
	639,795,293	1,319,558,797
Dispensing pumps and other installations	47,691,226	55,554,249
Stock of promotional items	-	-
	<u>2,900,142,711</u>	<u>3,941,260,793</u>

10.1 These include raw materials in transit amounting to Rupees Nil (2022: Rupees 497.564 million) and raw materials amounting to Rupees 1,167.979 (2022: Rupees 236.161) lying at customs bonded warehouse.

10.2 This includes stock-in-transit of Rupees Nil (30 June 2022: Rupees 52.121 million) and stock amounting to Rupees 101.362 million (30 June 2022 : Rupees 80.690 million) lying at custom bonded warehouse.

10.3 This include stock of petroleum products in transit of Rupees Nil (30 June 2022: Rupees 264.996 million).

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

For The Quarter and Nine Months Period Ended 31 March 2023

(Un-Audited)	
NINE MONTHS ENDED	
31 March 2023	31 March 2022
Rupees	Rupees

11. CASH GENERATED FROM OPERATIONS

Profit before taxation	(207,870,651)	777,335,329
------------------------	---------------	-------------

Adjustments for non-cash charges and other items:

Depreciation on operating fixed assets	186,000,666	175,885,226
Depreciation on right-of-use assets	101,188,751	57,205,375
Amortization of intangible assets	7,317,132	3,769,827
Amortization of deferred income - Government grant	(361,618)	(5,155,020)
Allowance / (reversal of allowance) for expected credit losses	13,658,497	10,000,000
Provision for slow moving and obsolete store items	-	1,577,625
Gain on disposal of operating fixed assets	(7,014,539)	(2,453,700)
Dividend income	(23,274,957)	(15,208,480)
Profit on bank deposits and short term investments	(21,489,215)	(16,016,346)
Unrealised loss / (gain) on remeasurement of investments	(56,560)	(1,998,268)
Gain on disposal of short term investments	(189,090)	-
Finance cost	474,883,136	168,000,035
Exchange (gain) / loss - net	208,600,285	46,166,510
Provision for workers' profit participation fund	-	2,355,277
Provision for workers' welfare fund	-	1,105,831
Gain on foreign remittance	(30,797,348)	-
Working capital changes (Note 11.1)	<u>(479,523,071)</u>	<u>(1,574,108,474)</u>
	<u>221,071,418</u>	<u>(371,539,253)</u>

11.1 Working capital changes

Decrease / (increase) in current assets:

Stores	1,029,941	(12,554,830)
Stock-in-trade	1,039,760,866	(1,728,881,727)
Trade debts	221,869,301	729,073,798
Loans and advances	(285,202,856)	(480,407,462)
Short term deposits and prepayments	(29,607,536)	10,943,429
Other receivables	254,441,266	(127,834,490)
	1,202,290,982	(1,609,661,282)
Increase / (decrease) in trade and other payables	<u>(1,681,814,053)</u>	<u>35,552,808</u>
	<u>(479,523,071)</u>	<u>(1,574,108,474)</u>

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

For The Quarter and Nine Months Period Ended 31 March 2023

12. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Group comprise of subsidiary company, associated undertakings, other related parties, key management personnel and provident fund trust. The Holding 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 consolidated condensed interim financial statements, are as follows:

Relationship	Nature of transactions	NINE MONTHS ENDED		QUARTER ENDED	
		31 March	31 March	31 March	31 March
		2023	2022	2023	2022
		Rupees	Rupees	Rupees	Rupees
i Transactions					
Associated companies					
MAS Associates (Private) Limited	Share of common expenses	1,008,395	763,462	370,608	270,145
Other related parties					
SK Enmove Co., Ltd. (formerly SK Lubricants Co., Ltd.)	Purchase of lubricants	2,594,271,146	3,458,748,128	617,289,494	1,205,737,045
	Dividend paid	1,986,660	2,927,012	-	1,519,795
	Incentive				
Provident fund trusts	Contribution	23,126,483	19,978,914	7,731,798	7,632,764
Key management personnel and executive	Remuneration	370,629,359	312,207,261	118,955,044	114,944,953
Sabra Hamida Trust	Donations	13,500,000	14,500,000	4,500,000	5,500,000
UN-AUDITED					
	NATURE OF TRANSACTIONS	NINE MONTHS ENDED		QUARTER ENDED	
		31 March	31 March	31 March	31 March
		2023	2022	2023	2022
-----Number of shares-----					
SK Lubricants Co., Ltd.	Bonus shares issued	-	165,555	-	165,555
				Un-Audited	Audited
				31 March	June 30,
				2023	2022
				Rupees	Rupees

ii. Period end balances

Associated company

Receivable from MAS Associates (Private) Limited 370,609 292,753

Other related party:

Payable to SK Enmove Co., Ltd (formerly SK Lubricants Co., Ltd) 116,346,901 614,625,067

Payable to employees' provident fund trust 4,950,727 4,076,630

Remuneration payable to directors 11,900,000 -

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

For The Quarter and Nine Months Period Ended 31 March 2023

13 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

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

Recurring fair value measurements at 30 September 2022	Level 1	Level 2	Level 3	Total
----- Rupees -----				
Financial assets				
Financial assets at fair value through profit or loss	236,329,446	-	-	236,329,446

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.

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

For The Quarter and Nine Months Period Ended 31 March 2023

15. UTILIZATION OF THE PROCEEDS OF THE INITIAL PUBLIC OFFER (IPO)

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

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

Purposes Mentioned Under Heading 5.5 'Expansion Plan' In Prospectus Dated 28 December 2015	Total amount (Rupees)	Total amount utilized till 30 June 2017 (Rupees)
Investment in HTLL		
Land	470,000,000	60,618,100
Building	128,000,000	12,486,445
Plant, machinery and equipment	139,000,000	2,719,201
Pre-operating costs	33,000,000	249,630
Working capital	842,562,500	739,126,208
	<u>1,612,562,500</u>	<u>815,199,584</u>
Investment in 100% owned subsidiary		
Additional filling lines for blending plant, Hi-Tech Blending (Private) Limited	200,000,000	-
Total	<u>1,812,562,500 B</u>	<u>815,199,584</u>
IPO proceeds (A)	1,812,562,500	
Amount un-utilized (A – B)	997,362,916	

As stated in the prospectus dated 28 December 2015, the 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.

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

For The Quarter and Nine Months Period Ended 31 March 2023

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

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

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

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

During the year ended on 30 June 2020, the Holding Company started its OMC operations and expediently worked on completion of its Nowshera oil storage. During the year ended 30 June 2021, the Holding Company has completed its oil storage at Nowshera. On 09 August 2021, OGRA has 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 stated work on new oil storage facility at Shikarpur. Currently, the Holding Company has eight operational HTL Express Centres, four in Lahore, three in Karachi and one in Rawalpindi. Further, the Holding Company has twenty seven retail outlets operational for sale of petroleum products as on 30 June 2022. Detail of payments out of IPO proceeds during the year ended 30 June 2022 is as follows:

	Rupees
Un-utilized IPO proceeds as at 01 July 2022	440,709,519
Add: Profit on term deposit receipt	5,789,041
Add: Profit on bank deposits	97,231
Add: Dividend on investment in mutual funds	5,828,931
Add: Gain on disposal of investment in mutual fund	-
Add: Unrealised gain on investment in mutual funds	2,431,391
Less: Payments made relating to OMC Project	(33,265,811)
Less: Withholding tax on profit	(882,940)
Less: Withholding tax on dividend from mutual funds	(874,340)
Less: Withholding tax on disposal of mutual funds	-
Less: Zakat deducted on profit	-
Less: Bank charges	(577)
Un-utilized IPO proceeds as at 31 March 2023	<u>419,832,445</u>

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.

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

For The Quarter and Nine Months Period Ended 31 March 2023

16. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual financial statements of the Group for the year ended 30 June 2022.

17. DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on 19 April 2023 by the Board of Directors of the Group.

18. GENERAL

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



Chief Executive



Director



Chief Financial Officer



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