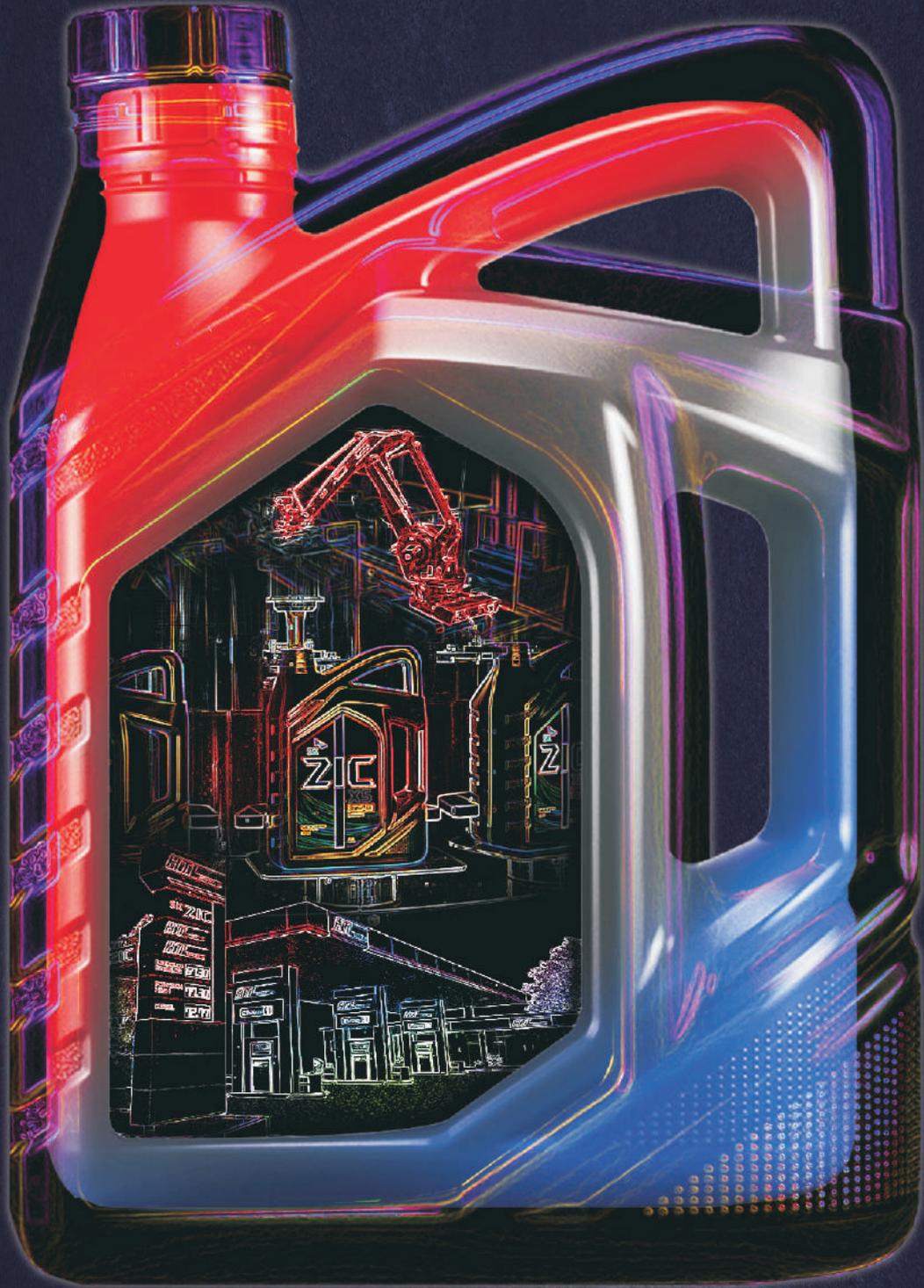


# Hi-Tech Lubricants Ltd

## Condensed Interim Financial Information

For the Half Year Ended 31 December 2023  
(Un - Audited)



**FROM MILESTONES  
TO MOMENTUM**

# 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. Wonjin Yoon (Nominee of SK Enmove 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:

House No. 57-C 1, Gulberg III, Lahore.

Phone: +92-42-35199391

## HTBL LOCATION

7-Km, Sundar Raiwind Road, Bhaikot, Lahore.

Phone: +92-42-38102781-5

Fax: +92-42-36311884

## COMPANY WEBSITE:

[www.hitechlubricants.com](http://www.hitechlubricants.com)

[www.zicoil.pk](http://www.zicoil.pk)

## BANKERS

### ISLAMIC BANKS

Meezan Bank Limited

AL-Baraka Bank Limited

Dubai Islamic Bank Limited

### CONVENTIONAL BANKS

MCB Bank Limited

Standard Chartered Bank Limited

Habib Metropolitan Bank Limited

The Bank of Punjab

Bank AL-Habib Limited

National Bank of Pakistan

Askari Bank Limited

JS Bank Limited

Habib Bank Limited

United Bank Limited

Summit Bank Limited

Samba Bank

Faysal Bank

Bank Alfalah Limited

Soneri Bank Limited

Mobilink Microfinance Bank Limited



## DIRECTOR'S REVIEW

Dear Shareholders,

The Directors of the Company are pleased to submit the half-year report along with the condensed interim financial information of the group for the six months' period ended December 31, 2023.

During the period under review, sales increased by 30.4% compared to the same period of the prior fiscal year, from PKR 8,703 million to PKR 11,347 million. The increase in revenue can be attributed to broad growth across our product portfolio in lubricant as well as fuel. Operating profit also improved through the localization of raw materials, an increase in locally blended products with a favorable product mix, and tighter control on fixed operational costs.

Macro-economic challenges dominated first half of current financial year with pressures on the economy on account of uncertainty in political front, abnormally higher finance cost, pressure on disposable income including higher energy prices and imposition of various fiscal and monetary measures that contributed to a negative bottom line of PKR 349.889 million on a consolidated basis.

Despite broader macro-economic challenges and higher inflationary environment, the management remains focused on meeting the consumer expectations by offering quality and value added products and managing cost pressures through value chain optimization initiatives and tighter controls on overheads.

### Position of IPO Funds

During the period ended December 31, 2023, the Company has made payments of PKR 68.425 million out of IPO subscription amount relating to OMC project. The unutilized subscription amount of PKR 367.075 million has been kept as bank balances, term deposit receipts and mutual funds.

### Future Outlook

While Pakistani rupee has shown some signs of stability, however, internal economic and political challenges including stagnant GDP growth, reduction in exports, inward remittances, increased cost of financing, higher commodity prices coupled with high inflation and taxation and limited foreign exchange availability for imports will continue to prevail during financial year 2024.

The aforementioned factors may adversely impact consumption spending as a result of significant pressure on consumers' income. Despite these challenges, your directors are maintaining a cautiously optimistic view for prevailing financial year.

## Acknowledgement

The Directors would like to express appreciation to our shareholders who have consistently demonstrated their confidence in the Company. We would also like to place on record our sincere appreciation for the commitment, dedication and innovative thinking put in by each member of the HTL family and we are confident that they will continue to do so in the future as well.

On behalf of the Board



Mr. Hassan Tahir  
**(Chief Executive)**



Mr. Shaukat Hassan  
**(Chairman)**

Lahore, February 28, 2024

## ڈائریکٹران کا جائزہ

محترم حصداران!

کمپنی کے ڈائریکٹران ۳۱ دسمبر ۲۰۲۳ء کو ختم ہونے والی چھ ماہ کی مدت کے لیے گروپ کی مختصر عبوری مالیاتی معلومات کے ساتھ ششماہی رپورٹ پیش کرنے پر خوش ہیں۔

زیر جائزہ مدت کے دوران، فروخت پچھلے مالی سال کی اسی مدت کے مقابلے میں 30.4 فیصد بڑھ گئی، جو کہ 8,703 ملین روپے سے 11,347 ملین روپے ہو گئی۔ محصولات میں اضافے کو لبریکنٹ کے ساتھ ساتھ ایندھن میں ہمارے پروڈکٹ پورٹ فولیو میں وسیع نمو کی وجہ قرار دیا جاسکتا ہے۔ خام مال کی لوکلائزیشن، سازگار پروڈکٹ مکس کے ساتھ مقامی طور پر بلینڈ کی گئی مصنوعات میں اضافہ، اور مقررہ آپریشنل اخراجات پر سخت کنٹرول کے ذریعے آپریٹنگ منافع میں بھی بہتری آئی ہے۔

موجودہ مالی سال کی پہلی ششماہی میں سیاسی محاذ پر غیر یقینی صورتحال، غیر معمولی طور پر زیادہ مالیاتی لاگت، توانائی کی بلند قیمتوں سمیت ڈسپوزیبل آمدنی پر دباؤ اور مختلف مالیاتی اقدامات کے نفاذ کی وجہ سے میکرو اکنامک چیلنجز کا غلبہ رہا جو مجموعی بنیاد پر 349.889 ملین روپے کی منفی چکی لائن کی وجہ بنے۔

وسیع تر میکرو اکنامک چیلنجز اور افراط زر کے بلند ماحول کے باوجود، انتظامیہ کی توجہ کو الٹی اور ویلیو ایڈڈ مصنوعات کی پیشکش اور ویلیو چین آپٹیمائزیشن اقدامات اور اور ہیڈز پر سخت کنٹرول کے ذریعے لاگت کے دباؤ کو سنبھال کر صارفین کی توقعات پر پورا اترنے پر مرکوز ہے۔

### آئی پی او فنڈز کی پوزیشن

۳۱ دسمبر ۲۰۲۳ء کو ختم ہونے والی مدت کے دوران، کمپنی نے IPO کی رکنیت کی رقم میں سے 68.425 ملین روپے کی ادائیگیاں OMC پروجیکٹ کے لئے کی ہیں۔ رکنیت کی 367.075 ملین روپے کی غیر استعمال شدہ رقم بینک بیلنس، ٹرم ڈپازٹ رسید اور میوچل فنڈز کے طور پر رکھی گئی ہے۔

### مستقبل کا نقطہ نظر

اگرچہ پاکستانی روپے نے استحکام کے کچھ آثار دکھائے ہیں، تاہم، اندرونی اقتصادی اور سیاسی چیلنجز بشمول جمود کا شکار جی ڈی پی کی نمو، برآمدات میں کمی، ترسیلات زر، فنانسنگ کی بڑھتی ہوئی لاگت، اشیاء کی بلند قیمتوں کے ساتھ ساتھ افراط زر اور ٹیکسوں اور درآمدات کے لیے محدود زرمبادلہ کی دستیابی۔ مالی سال 2024 کے دوران غالب رہے گا۔

صارفین کی آمدنی پر نمایاں دباؤ کے نتیجے میں مذکورہ بالا عوامل کھپت کے اخراجات پر منفی اثر ڈال سکتے ہیں۔ ان چیلنجوں کے باوجود، آپ کے ڈائریکٹرز موجودہ مالی سال کے لیے محتاط طور پر پرامید نظریہ برقرار رکھے ہوئے ہیں۔

### اعتراف

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

### بورڈ کی جانب سے

جناب شوکت حسن  
(چیئرمین)

جناب حسن طاہر  
(چیف ایگزیکٹو)  
لاہور، ۲۸ فروری ۲۰۲۲ء

# **HI-TECH LUBRICANTS LIMITED**

## **Unconsolidated Condensed Interim Financial Statements (Un-audited)**

# Independent Auditor's Review Report

To the members of Hi-Tech Lubricants Limited

Report on review of Unconsolidated Condensed Interim Financial Statements

## Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of HI-TECH LUBRICANTS LIMITED as at 31 December 2023 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the half year then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review. The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the quarters ended 31 December 2023 and 31 December 2022 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2023.

## Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of unconsolidated condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Atif Anjum.

  
**RIAZ AHMAD & COMPANY**  
Chartered Accountants

Lahore

Date: 29 February 2024

UDIN: RR202310132n0ZyYcwAg

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

As At 31 December 2023

	Un-Audited 31 December 2023 Rupees	Audited 30 June 2023 Rupees
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Authorized share capital 150,000,000 (30 June 2023: 150,000,000) ordinary shares of Rupees 10 each	1,500,000,000	1,500,000,000
Issued, subscribed and paid-up share capital 139,204,800 (30 June 2023: 139,204,800) ordinary shares of Rupees 10 each	1,392,048,000	1,392,048,000
Reserves	2,288,356,561	2,430,897,384
<b>Total equity</b>	<b>3,680,404,561</b>	<b>3,822,945,384</b>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Lease liabilities	474,098,914	492,138,641
Long term deposits	20,000,000	16,500,000
	494,098,914	508,638,641
<b>CURRENT LIABILITIES</b>		
Trade and other payables	1,702,003,705	974,284,283
Accrued mark-up	82,800,471	81,019,923
Short term borrowings	1,987,530,052	1,851,556,185
Current portion of lease liabilities	161,570,702	150,742,680
Unclaimed dividend	5,689,417	5,830,744
Provision for taxation - net	-	-
	3,939,594,347	3,063,433,815
<b>Total liabilities</b>	<b>4,433,693,261</b>	<b>3,572,072,456</b>
<b>CONTINGENCIES AND COMMITMENTS</b>		
	8,114,097,822	7,395,017,840

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



Chief Executive



Director



Chief Financial Officer

		<b>Un-Audited 31 December 2023 Rupees</b>	<b>Audited 30 June 2023 Rupees</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets	6	2,613,084,802	2,589,502,914
Right-of-use assets	7	614,832,554	605,121,153
Intangible assets	8	2,348,930	3,981,524
Investment property		-	135,000,000
Investment in subsidiary company	9	1,300,000,600	1,300,000,600
Long term security deposits		44,629,369	51,943,128
Long term loans to employees		2,518,018	2,985,100
Deferred income tax asset - net		90,829,557	83,599,116
		<u>4,668,243,830</u>	<u>4,772,133,535</u>
<b>CURRENT ASSETS</b>			
Stock-in-trade	10	1,440,093,090	1,102,921,785
Trade debts		129,265,887	159,239,694
Loans and advances		667,977,027	625,010,633
Short term deposits and prepayments		58,017,201	32,337,488
Other receivables		437,259,825	188,392,066
Accrued interest		26,983,049	52,987,973
Short term investments		215,507,688	222,582,946
Cash and bank balances		335,750,225	239,411,720
		<u>3,310,853,992</u>	<u>2,622,884,305</u>
Non-current asset classified as held for sale	11	135,000,000	-
		<u>3,445,853,992</u>	<u>2,622,884,305</u>
<b>TOTAL ASSETS</b>		<u><u>8,114,097,822</u></u>	<u><u>7,395,017,840</u></u>

  
Chief Executive

  
Director

  
Chief Financial Officer

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

For The Half Year Ended 31 December 2023

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	Rupees	Rupees	Rupees	Rupees
GROSS REVENUE FROM CONTRACTS WITH CUSTOMERS	10,387,808,804	8,174,014,201	5,854,177,262	3,847,374,408
Discounts	(341,521,245)	(149,611,391)	(214,397,603)	(66,990,051)
Sales tax	(866,276,728)	(654,047,931)	(459,279,236)	(352,078,482)
NET REVENUE FROM CONTRACTS WITH CUSTOMERS	9,180,010,831	7,370,354,879	5,180,500,423	3,428,305,875
COST OF SALES	(8,719,936,606)	(6,763,491,913)	(5,025,889,026)	(3,168,502,797)
GROSS PROFIT	460,074,225	606,862,966	154,611,397	259,803,078
DISTRIBUTION COST	(319,520,982)	(369,963,336)	(111,034,636)	(192,349,490)
ADMINISTRATIVE EXPENSES	(343,676,536)	(337,165,707)	(174,629,648)	(150,761,582)
OTHER EXPENSES	(16,564,047)	(52,017,692)	(2,142,445)	(6,756,259)
	(679,761,565)	(759,146,735)	(287,806,729)	(349,867,331)
OTHER INCOME	409,571,909	331,349,157	269,057,898	303,669,020
PROFIT FROM OPERATIONS	189,884,569	179,065,388	135,862,566	213,604,767
FINANCE COST	(286,189,841)	(224,214,686)	(147,745,110)	(132,975,484)
(LOSS) / PROFIT BEFORE TAXATION	(96,305,272)	(45,149,298)	(11,882,544)	80,629,283
TAXATION	(46,235,551)	50,884,755	(72,139,269)	25,903,718
(LOSS) / PROFIT AFTER TAXATION	(142,540,823)	5,735,457	(84,021,813)	106,533,001
(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED	(1.02)	0.04	(0.60)	0.77

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 Half Year Ended 31 December 2023

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2023 Rupees	31 December 2022 Rupees	31 December 2023 Rupees	31 December 2022 Rupees
<b>(LOSS) / PROFIT AFTER TAXATION</b>	(142,540,823)	5,735,457	(84,021,813)	106,533,001
<b>OTHER COMPREHENSIVE INCOME:</b>				
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	-	-	-	-
<b>TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD</b>	<u>(142,540,823)</u>	<u>5,735,457</u>	<u>(84,021,813)</u>	<u>106,533,001</u>

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

  
Chief Executive

  
Director

  
Chief Financial Officer

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

For The Half Year Ended 31 December 2023

	RESERVES					TOTAL EQUITY	
	CAPITAL RESERVES			REVENUE RESERVE	TOTAL RESERVES		
	SHARE CAPITAL	SHARE PREMIUM	SURPLUS ON REVALUATION OF FREEHOLD LAND	SUB TOTAL			UN-APPROPRIATED PROFIT
	(----- RUPEES -----)						
<b>Balance as at 30 June 2022 - audited</b>	1,392,048,000	1,441,697,946	704,626,206	2,146,324,152	604,174,604	2,750,498,756	4,142,546,756
Transaction with owners - Final dividend for the year ended 30 June 2022 @ Rupees 2.00 per share	-	-	-	-	(278,409,600)	(278,409,600)	(278,409,600)
Profit for the half year ended 31 December 2022	-	-	-	-	5,735,457	5,735,457	5,735,457
Other comprehensive income for the half year ended 31 December 2022	-	-	-	-	-	-	-
Total comprehensive income for the half year ended 31 December 2022	-	-	-	-	5,735,457	5,735,457	5,735,457
<b>Balance as at 31 December 2022 - un-audited</b>	1,392,048,000	1,441,697,946	704,626,206	2,146,324,152	331,500,461	2,477,824,613	3,869,872,613
Loss for the half year ended 30 June 2023	-	-	-	-	(99,147,979)	(99,147,979)	(99,147,979)
Other comprehensive income for the half year ended 30 June 2023	-	-	52,220,750	52,220,750	-	52,220,750	52,220,750
Total comprehensive loss for the half year ended 30 June 2023	-	-	52,220,750	52,220,750	(99,147,979)	(46,927,229)	(46,927,229)
<b>Balance as at 30 June 2023 - audited</b>	1,392,048,000	1,441,697,946	756,846,956	2,198,544,902	232,352,482	2,430,897,384	3,822,945,384
Loss for the half year ended 31 December 2023	-	-	-	-	(142,540,823)	(142,540,823)	(142,540,823)
Other comprehensive income for the half year ended 31 December 2023	-	-	-	-	-	-	-
Total comprehensive loss for the half year ended 31 December 2023	-	-	-	-	(142,540,823)	(142,540,823)	(142,540,823)
<b>Balance as at 31 December 2023 - un-audited</b>	1,392,048,000	1,441,697,946	756,846,956	2,198,544,902	89,811,659	2,288,356,561	3,680,404,561



Chief Executive



Director



Chief Financial Officer

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

For The Half Year Ended 31 December 2023

	Note	HALF YEAR ENDED	
		31 December 2023	31 December 2022
		Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash generated from / (used in) operations</b>	12	150,155,766	(1,129,625,805)
Finance cost paid		(284,409,293)	(170,855,953)
Income tax paid		(209,844,557)	(144,661,153)
Net increase in long term loans to employees		(467,084)	(2,372,681)
Net decrease in long term security deposits		11,856,518	22,371,665
Net increase / (decrease) in long term deposits		3,500,000	(2,000,000)
<b>Net cash used in operating activities</b>		<b>(329,208,650)</b>	<b>(1,427,143,927)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on operating fixed assets		(91,110,532)	(46,188,716)
Short term loan made to subsidiary company		(112,800,000)	-
Short term loan repaid by subsidiary company		194,500,000	-
Proceeds from disposal of operating fixed assets		120,000	10,179,000
Interest received on short term loan to subsidiary company		75,578,321	-
Short term investments made		(16,445,066)	(10,666,545)
Short term investments disposed off		27,900,000	-
Dividend received		279,612,308	274,069,117
Profit on bank deposits and term deposit receipts received		24,571,171	3,671,910
<b>Net cash from investing activities</b>		<b>381,926,202</b>	<b>231,064,766</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of lease liabilities		(92,211,587)	(72,524,043)
Dividend paid		(141,327)	(278,186,484)
Repayment of long term financing		-	(47,851,814)
Short term borrowings - net		135,973,867	1,237,303,396
<b>Net cash from financing activities</b>		<b>43,620,953</b>	<b>838,741,055</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>96,338,505</b>	<b>(357,338,106)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>239,411,720</b>	<b>657,141,796</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>335,750,225</b>	<b>299,803,690</b>

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 Half Year Ended 31 December 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, Danepur Road, GOR-1, Lahore. The principal activity of the Company is to procure and distribute lubricants and petroleum products. During the year ended 30 June 2017, Oil and Gas Regulatory Authority (OGRA) granted license to the Company to establish an Oil Marketing Company (OMC), subject to some conditions. On 31 May 2019, Oil and Gas Regulatory Authority (OGRA) has granted permission to the Company to operate new storage facility at Sahiwal and marketing of petroleum products in province of Punjab. On 20 January 2020, the Company has started marketing and sale of petroleum products. On 21 February 2020, OGRA has granted permission to the Company to apply for No Objection Certificates (NOCs) from concerned departments to setup petrol pumps in Khyber Pakhtunkhwa. On 09 August 2021, OGRA has acknowledged the satisfactory completion of oil storage facility at Nowshera, Khyber Pakhtunkhwa. On 13 January 2022, OGRA extended / renewed the provisional license for setting up of an OMC upto 31 December 2023. On 16 March 2023, OGRA has granted permission to the Company to operate new storage facility at Nowshera and marketing of petroleum products in the province of Khyber Pakhtunkhwa. On 21 December 2023, OGRA has further extended / renewed the provisional license for setting up of an OMC upto 31 December 2025.

### 2. BASIS OF PREPARATION

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

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

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

2.2 These unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2023. These unconsolidated condensed interim financial statements are un-audited, however, have been subjected to limited scope review by the auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017.

### 3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information and methods of computations adopted for the preparation of these unconsolidated condensed interim financial statements are same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2023.

During the half year ended 31 December 2023, shareholders of the Company accorded approval to sell investment property (land) measuring 01 kanal and 05 marlas situated at 22-A, Zafar Ali Road, Lahore. Consequently, 'investment property' has been reclassified as 'non-current asset classified as held for sale' in these unconsolidated condensed interim financial statements. Accounting policy for non-current assets (or disposal groups) held for sale is detailed in note 3.2 to these unconsolidated condensed interim financial statements.

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

For The Half Year Ended 31 December 2023

### 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 2023.

### 3.2 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

	Un-Audited 31 December 2023 Rupees	Audited 30 June 2023 Rupees
<b>4. LEASE LIABILITIES</b>		
Total lease liabilities	635,669,616	642,881,321
Less: Current portion shown under current liabilities	161,570,702	150,742,680
	<u>474,098,914</u>	<u>492,138,641</u>

### 5. CONTINGENCIES AND COMMITMENTS

#### 5.1 Contingencies

There is no significant change in the status of contingencies as disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2023 except for the following:

- 5.1.1** On 30 May 2023, Deputy Commissioner Inland Revenue (DCIR) passed an assessment order under section 161 and section 205 of the Income Tax Ordinance, 2001 for the tax year 2017 whereby a demand of Rupees 22.545 million including default surcharge has been raised against the Company on account of non / short deduction of withholding tax in respect of certain payments. On 25 June 2023, the Company filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)]. On 01 January 2024, subsequent to the reporting period, CIR(A) granted partial relief to the Company and accepted the Company's stance in respect of certain matters. Further, CIR(A) remanded back certain matters to assessing officer for verification of Company's position. However, the department has not yet initiated the remand back proceedings. The management, based on advise of tax advisor, is confident of favorable outcome of the matter. Therefore, no provision has been recognized in these unconsolidated condensed interim financial statements.

	Un-Audited 31 December 2023 Rupees	Audited 30 June 2023 Rupees
<b>5.2 Commitments</b>		
<b>5.2.1</b> For capital expenditures	<u>42,044,776</u>	<u>46,143,062</u>
<b>5.2.2</b> Letters of credit for other than capital expenditures	<u>-</u>	<u>49,166,475</u>
<b>6. FIXED ASSETS</b>		
Operating fixed assets (Note 6.1)	2,492,459,727	2,458,955,725
Capital work-in-progress (Note 6.2)	120,625,075	130,547,189
	<u>2,613,084,802</u>	<u>2,589,502,914</u>

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

For The Half Year Ended 31 December 2023

	Un-Audited 31 December 2023 Rupees	Audited 30 June 2023 Rupees
<b>6.1 Operating fixed assets</b>		
Opening book value	2,458,955,725	2,459,192,488
Add: Cost of additions during the period / year (Note 6.1.1)	101,032,646	135,360,541
Add: Revaluation surplus recognised during the period / year	-	52,220,750
Add: Book value of assets transferred from right-of-use assets during the period / year (Note 7.2)	4,241,912	1,574,708
	<u>2,564,230,283</u>	<u>2,648,348,487</u>
Less: Book value of deletions during the period / year (Note 6.1.2)	693,485	53,164,438
Less: Book value of assets written off during the period / year	6,075,596	-
	<u>2,557,461,202</u>	<u>2,595,184,049</u>
Less: Depreciation charged during the period / year	65,001,475	136,228,324
Closing book value	<u>2,492,459,727</u>	<u>2,458,955,725</u>
<b>6.1.1 Cost of additions during the period / year</b>		
Buildings on leasehold land	57,878,783	42,056,824
Machinery	612,550	4,000,035
Tanks and pipelines	17,260,134	3,409,167
Dispensing pumps	16,207,254	20,156,420
Furniture and fittings	1,772,722	879,250
Vehicles	1,278,253	50,562,795
Office equipment	724,080	2,282,272
Computers	5,298,870	12,013,778
	<u>101,032,646</u>	<u>135,360,541</u>
<b>6.1.2 Book value of deletions during the period / year</b>		
Cost:		
Vehicles	-	60,003,353
Computers	2,070,760	1,713,776
	<u>2,070,760</u>	<u>61,717,129</u>
Less: Accumulated depreciation	1,377,275	8,552,691
	<u>693,485</u>	<u>53,164,438</u>
<b>6.2 Capital work-in-progress</b>		
Civil works	36,725,070	44,199,846
Dispensing pumps	4,634,077	8,681,790
Advance against purchase of apartment	25,976,750	25,976,750
Tanks and pipelines	52,195,077	50,594,702
Mobilization advances	1,094,101	1,094,101
	<u>120,625,075</u>	<u>130,547,189</u>
<b>7. RIGHT-OF-USE ASSETS</b>		
Opening book value	605,121,153	555,744,577
Add: Cost of additions during the period / year (Note 7.1)	68,350,230	135,813,940
Add: Impact of lease modifications during the period / year	16,649,652	67,276,629
Less: Impact of lease terminations during the period / year	-	25,059,314
Less: Book value of assets transferred to fixed assets during the period / year (Note 7.2)	4,241,912	1,574,708
Less: Depreciation expense for the period / year	71,046,569	127,079,971
Closing book value	<u>614,832,554</u>	<u>605,121,153</u>

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

For The Half Year Ended 31 December 2023

	Un-Audited 31 December 2023 Rupees	Audited 30 June 2023 Rupees
<b>7.1 Cost of additions during the period / year</b>		
Land	66,257,308	18,557,113
Buildings	2,092,922	45,328,092
Vehicles	-	71,928,735
	<u>68,350,230</u>	<u>135,813,940</u>
<b>7.2 Book value of assets transferred to fixed assets during the period / year</b>		
Vehicles	<u>4,241,912</u>	<u>1,574,708</u>
<b>8. INTANGIBLE ASSETS - Computer software</b>		
Opening book value	3,981,524	6,657,720
Add: Cost of additions during the period / year	-	1,500,000
Less: Amortization charged during the period / year	1,632,594	4,176,196
Closing book value	<u>2,348,930</u>	<u>3,981,524</u>
<b>9. INVESTMENT IN SUBSIDIARY COMPANY - at cost</b>		
Hi-Tech Blending (Private) Limited - unquoted 130,000,060 (30 June 2023: 130,000,060) fully paid ordinary shares of Rupees 10 each Equity held 100% (30 June 2023: 100%)	<u>1,300,000,600</u>	<u>1,300,000,600</u>
<b>9.1.</b> Investment in Hi-Tech Blending (Private) Limited includes 60 (30 June 2023: 60) shares in the name of nominees of the Company.		
<b>10. STOCK-IN-TRADE</b>		
Lubricants and parts (Note 10.1)	433,164,277	292,185,127
Less: Provision for slow moving and damaged inventory items	<u>9,302,576</u>	<u>27,068,373</u>
	423,861,701	265,116,754
Petroleum products		
- Stock in hand (Note 10.2)	<u>373,994,010</u>	<u>139,978,203</u>
- Stock in pipeline system (Note 10.3)	<u>585,122,030</u>	<u>638,125,434</u>
	959,116,040	778,103,637
Dispensing pumps and other installations	<u>57,115,349</u>	<u>59,701,394</u>
	<u>1,440,093,090</u>	<u>1,102,921,785</u>
<b>10.1</b> This includes stock-in-transit of Rupees 83.014 million (30 June 2023: Rupees Nil) and stock amounting to Rupees 130.569 million (30 June 2023: Rupees 70.612 million) lying at customs bonded warehouse.		
<b>10.2</b> This includes stock of petroleum products in possession of third parties as follows:		
Askar Oil Services (Private) Limited	2,593,235	2,425,987
Be Energy Limited	23,421,096	36,668,049
Al-Rahim Trading Company (Private) Limited	-	459,393
Gas and Oil Pakistan Limited	3,665,289	3,410,459
Karachi Hydrocorban Terminal Limited	5,328,003	4,756,350
Z.Y. & Co. Bulk Terminal (Private) Limited	116,219,508	-
	<u>151,227,131</u>	<u>47,720,238</u>

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

For The Half Year Ended 31 December 2023

- 10.3** This represents the Company's share of pipeline stock of High Speed Diesel and Petroleum Motor Gasoline amounting to Rupees 397.752 million (30 June 2023: Rupees 469.131 million) and Rupees 187.370 million (30 June 2023: Rupees 168.995 million) held by Pak-Arab Pipeline Company Limited.

### 11. NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE

On 27 October 2023, shareholders of the Company accorded approval to sell investment property (land) measuring 01 kanal and 05 marlas situated at 22-A, Zafar Ali Road, Lahore. The management of the Company anticipates that disposal will be completed subsequent to the reporting period. Fair value less costs to sell is expected to be higher than the carrying amount of the related asset.

(Un-Audited)	
HALF YEAR ENDED	
31 December 2023	31 December 2022
Rupees	Rupees

### 12. CASH GENERATED FROM / (USED IN) OPERATIONS

Loss before taxation	(96,305,272)	(45,149,298)
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation on operating fixed assets	65,001,475	65,680,066
Depreciation on right-of-use assets	71,046,569	60,650,272
Amortization on intangible assets	1,632,594	2,075,250
Amortization of deferred income - Government grant	-	(361,618)
Advances to employees written off	84,068	-
Credit balances written back	(201,554)	-
Reversal of provision for slow moving and damaged inventory items	(17,765,797)	-
(Reversal of provision) / provision for expected credit losses	(816,851)	13,658,497
Loss / (gain) on disposal of operating fixed assets	573,485	(7,145,216)
Dividend income	(279,612,308)	(274,069,117)
Profit on bank deposits and term deposit receipts	(18,230,387)	(14,571,647)
Interest income on short term loan to subsidiary company	(55,914,181)	-
Unrealized (gain) / loss on remeasurement of investments	(4,150,041)	11,248,768
Fixed assets written off	6,075,596	-
Sales tax written off	628,898	-
Gain on disposal of short term investments	(229,635)	(581,625)
Exchange (gain) / loss - net	(5,521,078)	25,082,103
Finance cost	286,189,841	224,214,686
Working capital changes (Note 12.1)	197,670,344	(1,190,356,926)
	<u>150,155,766</u>	<u>(1,129,625,805)</u>

#### 12.1 Working capital changes

(Increase) / decrease in current assets:

Stock-in-trade	(319,405,508)	1,769,002,785
Trade debts	30,790,658	(6,283,630)
Loans and advances	(123,816,296)	(1,264,744,384)
Short term deposits and prepayments	(30,222,472)	(46,130,411)
Other receivables	(249,496,657)	32,742,248
	(692,150,275)	484,586,608
Increase / (decrease) in trade and other payables	889,820,619	(1,674,943,534)
	<u>197,670,344</u>	<u>(1,190,356,926)</u>

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

For The Half Year Ended 31 December 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:

i. Transactions	NATURE OF TRANSACTIONS	UN-AUDITED			
		HALF YEAR ENDED		QUARTER ENDED	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
		-----Rupees-----			
<b>Subsidiary company</b>					
Hi-Tech Blending (Private) Limited	Sale of lubricants	1,122,352	1,158,468	641,164	1,108,048
	Purchase of lubricants	2,683,811,021	1,252,802,429	1,315,114,521	912,340,528
	Dividend received	260,000,120	260,000,120	260,000,120	260,000,120
	Lease rentals paid	1,500,000	1,500,000	750,000	750,000
	Short term loan given	112,800,000	500,000,000	95,800,000	500,000,000
	Short term loan repaid	194,500,000	-	139,500,000	-
	Interest received on short term loan	75,578,321	-	29,623,333	-
<b>Associated company</b>					
MAS Associates (Private) Limited	Share of common expenses	677,221	637,787	135,217	323,379
<b>Other related parties</b>					
SK Enmove Co., Ltd.	Purchase of lubricants	310,960,234	149,676,928	157,606,597	33,111,505
	Dividend paid	-	1,986,660	-	1,986,660
	Incentive	177,597,001	181,400,000	86,688,000	181,400,000
Provident fund trust	Contribution	13,894,855	12,899,397	7,675,116	6,545,357
Key management personnel and executives	Remuneration	225,239,275	228,391,324	104,425,540	98,186,024
Sabra Hamida Trust	Donations	9,000,000	9,000,000	4,500,000	4,500,000
Directors	Dividend paid	-	40,806,870	-	40,806,870
				<b>Un-Audited</b>	<b>Audited</b>
				<b>31 December</b>	<b>30 June</b>
				<b>2023</b>	<b>2023</b>
				<b>Rupees</b>	<b>Rupees</b>
<b>ii. Period / year end balances</b>					
<b>Hi-Tech Blending (Private) Limited - Subsidiary company:</b>					
	Investment			1,300,000,600	1,300,000,600
	Receivable against sales			207,491	-
	Payable against purchases			614,501,443	157,782,083
	Receivable against short term loan			403,800,000	485,500,000
	Interest receivable on short term loan			26,290,848	45,954,988
<b>Associated company</b>					
	Receivable from MAS Associates (Private) Limited			135,218	314,409
<b>Other related parties:</b>					
	Receivable from SK Enmove Co., Ltd			177,597,001	90,000,000
	Payable to SK Enmove Co., Ltd			157,606,598	-
	Payable to employees' provident fund trust			5,656,195	4,128,882
	Remuneration payable to directors			5,313,168	-

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

For The Half Year Ended 31 December 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 unconsolidated condensed interim financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table.

Recurring fair value measurements at 31 December 2023	Level 1	Level 2	Level 3	Total
---	---------	---------	---------	-------

----- Rupees -----

#### Financial assets

Financial assets at fair value through profit or loss	215,507,688	-	-	215,507,688
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Recurring fair value measurements at 30 June 2023	Level 1	Level 2	Level 3	Total
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----- Rupees -----

#### Financial assets

Financial assets at fair value through profit or loss	222,582,946	-	-	222,582,946
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The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the period ended 31 December 2023. 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 Assets Value (NAV) of respective Asset Management Company.

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

For The Half Year Ended 31 December 2023

### 15. FAIR VALUE MEASUREMENTS - NON-FINANCIAL INSTRUMENTS

#### (i) Fair value hierarchy

Judgments and estimates are made in determining the fair value of non-financial assets that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels.

At 31 December 2023	Level 1	Level 2	Level 3	Total
----- Rupees -----				
Freehold land	-	1,276,357,250	-	1,276,357,250
	-	1,276,357,250	-	1,276,357,250

At 30 June 2023	Level 1	Level 2	Level 3	Total
----- Rupees -----				
Freehold land	-	1,276,357,250	-	1,276,357,250
Investment property	-	135,000,000	-	135,000,000
	-	1,411,357,250	-	1,411,357,250

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

There were no transfers between levels 1 and 2 for recurring fair value measurements during the period ended 31 December 2023. Further, there was no transfer in and out of level 3 measurements.

#### (ii) Valuation techniques used to determine level 2 fair values

The Company obtains independent valuation for its freehold land (classified as fixed assets) at least annually. At the end of reporting period, the management updates the assessment of the fair value of property, taking into account the most recent independent valuation. The management determines a property's value within a range of reasonable fair value estimate. The best evidence of fair value is current prices in an active market for similar land.

#### Valuation processes

The Company engages external, independent and qualified valuer to determine the fair value of the Company's freehold land at the end of every financial year. Most recent valuation of freehold land was carried out on 30 June 2023 by Anderson Consulting (Private) Limited, an independent valuer.

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

For The Half Year Ended 31 December 2023

### 16. 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.

(Un-Audited)

	LUBRICANTS		PETROLEUM PRODUCTS		UNALLOCATED		TOTAL - COMPANY	
	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December
	2023	2022	2023	2022	2023	2022	2023	2022
	(-----RUPEES-----)							
Revenue from contracts with customers - net	3,308,535,931	2,940,041,894	5,871,474,900	4,430,312,985	-	-	9,180,010,831	7,370,354,879
Cost of sales	(3,014,290,391)	(2,390,533,353)	(5,705,646,215)	(4,372,958,560)	-	-	(8,719,936,606)	(6,763,491,913)
Gross profit	294,245,540	549,508,541	165,828,685	57,354,425	-	-	460,074,225	606,862,966
Distribution cost	(132,834,883)	(222,704,149)	(186,686,099)	(147,259,187)	-	-	(319,520,982)	(369,963,336)
Administrative expenses	(330,638,005)	(324,206,142)	(13,038,531)	(12,959,565)	-	-	(343,676,536)	(337,165,707)
Other expenses	(427,706)	(47,784,753)	(16,136,341)	(4,232,939)	-	-	(16,564,047)	(52,017,692)
	(463,900,594)	(594,695,044)	(215,860,971)	(164,451,691)	-	-	(679,761,565)	(759,146,735)
Other income	370,222,897	283,061,495	39,349,012	48,287,662	-	-	409,571,909	331,349,157
Profit / (loss) from operations	200,567,843	237,874,992	(10,683,274)	(58,809,604)	-	-	189,884,569	179,065,388
Finance cost	(221,969,250)	(197,893,053)	(64,220,591)	(26,321,633)	-	-	(286,189,841)	(224,214,686)
(Loss) / profit before taxation	(21,401,407)	39,981,939	(74,903,865)	(85,131,237)	-	-	(96,305,272)	(45,149,298)
Taxation	-	-	-	-	(46,235,551)	50,884,755	(46,235,551)	50,884,755
(Loss) / profit after taxation	(21,401,407)	39,981,939	(74,903,865)	(85,131,237)	(46,235,551)	50,884,755	(142,540,823)	5,735,457

### 16.1 Reconciliation of reportable segment assets and liabilities:

	LUBRICANTS		PETROLEUM PRODUCTS		TOTAL - COMPANY	
	-----Rupees-----				-----Rupees-----	
	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited
	31 December	30 June	31 December	30 June	31 December	30 June
	2023	2023	2023	2023	2023	2023
Total assets for reportable segments	3,196,543,201	2,770,492,791	4,111,378,024	3,947,956,772	7,307,921,225	6,718,449,563
Unallocated assets					806,176,597	676,568,277
Total assets as per unconsolidated condensed interim statement of financial position					8,114,097,822	7,395,017,840
Total liabilities for reportable segments	1,169,071,596	456,486,909	548,190,905	233,897,003	1,717,262,501	690,383,912
Unallocated liabilities					2,716,430,760	2,881,688,544
Total liabilities as per unconsolidated condensed interim statement of financial position					4,433,693,261	3,572,072,456

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

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

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

For The Half Year Ended 31 December 2023

	Un-Audited 31 December 2023 Rupees	Audited 30 June 2023 Rupees
<b>17. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX</b>		
<b>Description</b>		
<b>i) Loans / advances obtained as per Islamic mode:</b>		
Advances	48,344,576	56,684,948
<b>ii) Shariah complaint bank deposits / bank balances:</b>		
Bank balances	20,870,165	31,298,524

	(Un-Audited)	
	HALF YEAR ENDED	
	31 December 2023 Rupees	31 December 2022 Rupees
<b>iii) Profit earned from shariah complaint bank deposits / bank balances</b>	-	-
<b>iv) Mark up paid on Islamic mode of financing</b>	-	-
<b>v) Revenue earned from a shariah complaint business segment</b>	9,180,010,831	7,370,354,875
<b>vi) Gain / (loss) or dividend earned from shariah complaint investments:</b>		
Dividend income	164,262	241,177
Loss on remeasurement of investment at fair value through profit or loss	-	(541,565)
<b>vii) Exchange gain / (loss)</b>	5,521,078	(25,082,103)
<b>viii) Profits earned or interest paid on any conventional loan or advance:</b>		
Profit earned	55,914,181	-
Interest paid on loans	230,644,945	159,562,822

### ix) Relationship with shariah compliant banks

Name	Relationship as at reporting date
Al-Baraka Bank (Pakistan) Limited	Bank balance
Meezan Bank Limited	Bank balance
Dubai Islamic Bank Pakistan Limited	Bank balance
Faysal Bank Limited	Bank balance

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

For The Half Year Ended 31 December 2023

### 18. 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)
<b>Investment in HTLL</b>		
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>
<b>Investment in 100% owned subsidiary</b>		
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 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 Half Year Ended 31 December 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. On 16 March 2023, OGRA has granted permission to the Company to operate new storage facility at Nowshehra and marketing of petroleum products in the province of Khyber Pakhtunkhwa. Currently, the Company has eight operational HTL Express Centers, four in Lahore, three in Karachi and one in Rawalpindi. Further, the Company has forty one retail outlets operational for sale of petroleum products as on 31 December 2023. Detail of payments out of IPO proceeds during the half year ended 31 December 2023 is as follows:

	Rupees
Un-utilized IPO proceeds as at 01 July 2023	395,898,356
Add: Profit on term deposit receipt	23,458,972
Add: Profit on bank deposits	619,103
Add: Dividend on investment in mutual funds	19,191,684
Add: Gain on disposal of investment in mutual funds	229,635
Add: Unrealised gain on investment in mutual funds	2,679,891
Less: Payments made relating to OMC Project	(68,425,005)
Less: Withholding tax on profit	(92,865)
Less: Withholding tax on dividend from mutual funds	(2,878,753)
Less: Withholding tax on profit on term deposit receipt	(3,518,846)
Less: Withholding tax on disposal of mutual funds	(86,560)
Less: Bank charges	(18)
Un-utilized IPO proceeds as at 31 December 2023	<u>367,075,594</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.

### 19. 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 2023.

### 20. 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.

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

For The Half Year Ended 31 December 2023

**21. DATE OF AUTHORIZATION FOR ISSUE**

These unconsolidated condensed interim financial statements were authorized for issue on February 28, 2024 by the Board of Directors of the Company.

**22. 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 (Un-audited)**

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

As At 31 December 2023

	Un-Audited 31 December 2023 Rupees	Audited 30 June 2023 Rupees
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Authorized share capital 150,000,000 (30 June 2023: 150,000,000) ordinary shares of Rupees 10 each	1,500,000,000	1,500,000,000
Issued, subscribed and paid-up share capital 139,204,800 (30 June 2023: 139,204,800) ordinary shares of Rs.10 each	1,392,048,000	1,392,048,000
Reserves	4,301,770,517	4,651,660,024
<b>Total equity</b>	<b>5,693,818,517</b>	<b>6,043,708,024</b>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Long term financing	507,982,913	596,988,256
Lease liabilities	467,740,663	487,911,254
Long term deposits	20,000,000	16,500,000
Deferred income tax liability - net	385,574,850	321,124,507
	1,381,298,426	1,422,524,017
<b>CURRENT LIABILITIES</b>		
Trade and other payables	2,351,333,356	1,926,226,196
Accrued mark-up	133,013,011	124,519,872
Short term borrowings	2,721,738,270	2,406,866,985
Current portion of non-current liabilities	305,519,369	233,041,322
Unclaimed dividend	5,689,417	5,830,744
	5,517,293,423	4,696,485,119
<b>Total liabilities</b>	<b>6,898,591,849</b>	<b>6,119,009,136</b>
<b>CONTINGENCIES AND COMMITMENTS</b>		
	5	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>12,592,410,366</b>	<b>12,162,717,160</b>

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



Chief Executive



Director



Chief Financial Officer

		Un-Audited 31 December 2023 Rupees	Audited 30 June 2023 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets	6	6,434,847,795	6,439,774,188
Right-of-use assets	7	640,837,222	635,782,031
Intangible assets	8	15,436,402	20,260,771
Investment property		-	135,000,000
Long term security deposits		62,156,289	63,700,448
Long term loans to employees		2,518,018	2,985,100
		<u>7,155,795,726</u>	<u>7,297,502,538</u>
<b>CURRENT ASSETS</b>			
Stores		108,142,793	129,169,374
Stock-in-trade	9	3,163,840,959	3,210,734,081
Trade debts		195,460,946	233,969,194
Loans and advances		547,823,296	342,094,549
Short term deposits and prepayments		68,673,691	40,379,947
Other receivables		437,259,825	213,788,973
Advance income tax - net of provision for taxation		227,119,745	210,385,009
Accrued interest		692,201	7,032,985
Short term investments		215,507,688	222,582,946
Cash and bank balances		337,093,496	255,077,564
		<u>5,301,614,640</u>	<u>4,865,214,622</u>
Non-current asset classified as held for sale		135,000,000	-
		5,436,614,640	4,865,214,622
<b>TOTAL ASSETS</b>		<u><u>12,592,410,366</u></u>	<u><u>12,162,717,160</u></u>

  
Chief Executive

  
Director

  
Chief Financial Officer

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

For The Half Year Ended 31 December 2023

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	Rupees	Rupees	Rupees	Rupees
GROSS REVENUE FROM CONTRACTS WITH CUSTOMERS	11,346,518,360	8,703,433,060	6,329,356,313	3,993,101,718
Discounts	(341,521,245)	(149,611,391)	(214,397,603)	(66,990,051)
Sales tax	(1,671,967,145)	(1,183,466,790)	(862,843,546)	(497,802,792)
NET REVENUE FROM CONTRACTS WITH CUSTOMERS	9,333,029,970	7,370,354,879	5,252,115,164	3,428,308,875
COST OF SALES	(8,407,922,330)	(6,599,430,675)	(4,874,935,554)	(3,009,105,237)
GROSS PROFIT	925,107,640	770,924,204	377,179,610	419,203,638
DISTRIBUTION COST	(343,149,894)	(382,383,497)	(120,218,913)	(199,930,258)
ADMINISTRATIVE EXPENSES	(439,893,531)	(415,656,816)	(225,825,667)	(192,835,617)
OTHER EXPENSES	(45,280,261)	(203,846,930)	(4,765,645)	(19,344,469)
	(828,323,686)	(1,001,887,243)	(350,810,225)	(412,110,344)
OTHER INCOME	93,579,342	62,877,678	(17,311,335)	35,197,541
PROFIT FROM OPERATIONS	190,363,296	(168,085,361)	9,058,050	42,290,835
FINANCE COST	(411,033,123)	(325,246,284)	(210,033,997)	(178,905,017)
LOSS PROFIT BEFORE TAXATION	(220,669,827)	(493,331,645)	(200,975,947)	(136,614,182)
TAXATION	(129,219,680)	123,955,202	(92,213,529)	47,560,354
LOSS AFTER TAXATION	(349,889,507)	(369,376,443)	(293,189,476)	(89,053,828)
LOSS PER SHARE - BASIC AND DILUTED	(2.51)	(2.65)	(2.11)	(0.64)

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 Half Year Ended 31 December 2023

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	Rupees	Rupees	Rupees	Rupees
<b>LOSS AFTER TAXATION</b>	(349,889,507)	(369,376,443)	(293,189,476)	(89,053,828)
<b>OTHER COMPREHENSIVE INCOME:</b>				
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	-	-	-	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<u>(349,889,507)</u>	<u>(369,376,443)</u>	<u>(293,189,476)</u>	<u>(89,053,828)</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 Half Year Ended 31 December 2023

	RESERVES					TOTAL EQUITY	
	CAPITAL RESERVES			REVENUE RESERVE	TOTAL RESERVES		
	SHARE CAPITAL	SHARE PREMIUM	SURPLUS ON REVALUATION OF FREEHOLD LAND	SUB TOTAL			UN-APPROPRIATED PROFIT
	----- Rupees -----						
<b>Balance as at 30 June 2022 - audited</b>	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)
Loss for the half year ended 31 December 2022	-	-	-	-	(369,376,443)	(369,376,443)	(369,376,443)
Other comprehensive income for the half year ended 31 December 2022	-	-	-	-	-	-	-
Total comprehensive loss for the half year ended 31 December 2022	-	-	-	-	(369,376,443)	(369,376,443)	(369,376,443)
<b>Balance as at 31 December 2022 - un audited</b>	<b>1,392,048,000</b>	<b>1,441,697,946</b>	<b>1,783,101,998</b>	<b>3,224,799,944</b>	<b>989,773,747</b>	<b>4,214,573,691</b>	<b>5,606,621,691</b>
Transactions with owners:							
Loss for the half year ended 30 June 2023	-	-	-	-	122,394,083	122,394,083	122,394,083
Other comprehensive income for the half year ended 30 June 2023	-	-	314,692,250	314,692,250	-	314,692,250	314,692,250
Total comprehensive income for the half year ended 30 June 2023	-	-	314,692,250	314,692,250	122,394,083	437,086,333	437,086,333
<b>Balance as at 30 June 2023 - audited</b>	<b>1,392,048,000</b>	<b>1,441,697,946</b>	<b>2,097,794,248</b>	<b>3,539,492,194</b>	<b>1,112,167,830</b>	<b>4,651,660,024</b>	<b>6,043,708,024</b>
Loss for the half year ended 31 December 2023	-	-	-	-	(349,889,507)	(349,889,507)	(349,889,507)
Other comprehensive loss for the half year ended 31 December 2023	-	-	-	-	-	-	-
Total comprehensive loss for the half year ended 31 December 2023	-	-	-	-	(349,889,507)	(349,889,507)	(349,889,507)
<b>Balance as at 31 December 2023 - un audited</b>	<b>1,392,048,000</b>	<b>1,441,697,946</b>	<b>2,097,794,248</b>	<b>3,539,492,194</b>	<b>762,278,323</b>	<b>4,301,770,517</b>	<b>5,693,818,517</b>

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 Half Year Ended 31 December 2023

	Note	HALF YEAR ENDED	
		31 December 2023	31 December 2022
		Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash generated from / (Used in) operations</b>	11	377,382,370	(1,018,914,906)
Finance cost paid		(402,539,984)	(254,658,737)
Income tax paid		(81,504,073)	(89,715,172)
Net decrease in long term loans to employees		(467,084)	(2,372,681)
Net increase in long term security deposits		2,771,000	22,371,665
Net increase/ (decrease) in long term deposits		3,500,000	(2,000,000)
<b>Net cash used in operating activities</b>		(100,857,771)	(1,345,289,831)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on operating fixed assets		(70,158,691)	(170,649,046)
Capital expenditure on intangible assets		-	377,570
Initial direct cost incurred on right-of-use assets		-	(5,313,570)
Proceeds from disposal of operating fixed assets		120,000	12,648,233
Short term investments made		(16,445,066)	(10,666,545)
Short term investments disposed of		27,900,000	-
Dividends received		19,612,188	14,068,997
Profit on bank deposits and term deposit receipts received		24,571,171	3,671,910
<b>Net cash used in investing activities</b>		(14,400,398)	(155,862,451)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Short term borrowings - net		314,871,285	1,458,087,267
Dividend paid		(141,327)	(278,186,484)
Proceeds from long term financing		-	97,417,000
Repayment of long term financing		(23,417,673)	(55,313,982)
Repayment of lease liabilities		(94,038,184)	(77,531,752)
<b>Net cash from financing activities</b>		197,274,101	1,144,472,049
<b>Net (decrease) / increase in cash and cash equivalents</b>		82,015,932	(356,680,233)
<b>Cash and cash equivalents at beginning of the period</b>		255,077,564	660,429,600
<b>Cash and cash equivalents at end of the period</b>		337,093,496	303,749,367

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 Half Year Ended 31 December 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 Company") was incorporated under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at 1-A, Danepur Road, GOR-1, Lahore. The principal activity of the Company is to procure and distribute lubricants and petroleum products. During the year ended 30 June 2017, Oil and Gas Regulatory Authority (OGRA) granted license to the Company to establish an Oil Marketing Company (OMC), subject to some conditions. On 31 May 2019, Oil and Gas Regulatory Authority (OGRA) has granted permission to the Company to operate new storage facility at Sahiwal and marketing of petroleum products in province of Punjab. On 20 January 2020, the Company has started marketing and sale of petroleum products. On 21 February 2020, OGRA has granted permission to the Company to apply for No Objection Certificates (NOCs) from concerned departments to setup petrol pumps in Khyber Pakhtunkhwa. On 09 August 2021, OGRA has acknowledged the satisfactory completion of oil storage facility at Nowshera, Khyber Pakhtunkhwa. On 13 January 2022, OGRA extended / renewed the provisional license for setting up of an OMC upto 31 December 2023. On 16 March 2023, OGRA has granted permission to the Company to operate new storage facility at Nowshera and marketing of petroleum products in the province of Khyber Pakhtunkhwa. On 21 December 2023, OGRA has further extended / renewed the provisional license for setting of an OMC upto 31 December 2025.

## 1.2 Hi-Tech Blending (Private) Limited

Hi-Tech Blending (Private) Limited ("the Subsidiary Company") was incorporated in Pakistan as a private company limited by shares on 13 March 2014 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The principal activity of the Subsidiary Company is to construct, own and operate lubricating oil blending plant. 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 2023. These consolidated condensed interim financial statements are un-audited and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information and methods of computations adopted for the preparation of these consolidated condensed interim financial statements are same as applied in the preparation of the preceding audited annual published financial statements of the Holding Company for the year ended 30 June 2023.

During the half year ended 31 December 2023, shareholders of the Holding Company accorded approval to sell investment property (land) measuring 01 kanal and 05 marlas situated at 22-A, Zafar Ali Road, Lahore. Consequently, 'investment property' has been reclassified as 'non-current asset classified as held for sale' in these consolidated condensed interim financial statements. Accounting policy for non-current assets (or disposal groups) held for sale is detailed in note 3.2 to these consolidated condensed interim financial statements.

## 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 Holding 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 consolidated condensed interim financial statements, the significant judgments made by the management in applying the Holding 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 2023.

## 3.2 Critical accounting estimates and judgments

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

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

For The Half Year Ended 31 December 2023

	Un-Audited 31 December 2023 Rupees	Audited 30 June 2023 Rupees
<b>4. LEASE LIABILITIES</b>		
Total lease liabilities	648,937,287	662,217,503
Less: Current portion shown under current liabilities	181,196,624	174,306,249
	<u>467,740,663</u>	<u>487,911,254</u>

### 5. CONTINGENCIES AND COMMITMENTS

#### 5.1 Contingencies

There is no significant change in the status of contingencies as disclosed in the preceding audited annual published financial statements of the Group for the year ended 30 June 2023 except for the following:

- 5.1.1** On 30 May 2023, Deputy Commissioner Inland Revenue (DCIR) passed an assessment order under section 161 and section 205 of the Income Tax Ordinance, 2001 for the tax year 2017 whereby a demand of Rupees 22.545 million including default surcharge has been raised against the Holding Company on account of non / short deduction of withholding tax in respect of certain payments. On 25 June 2023, the Holding Company filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)]. On 01 January 2024, subsequent to the reporting period, CIR(A) granted partial relief to the Company and accepted the Holding Company's stance in respect of certain matters. Further, CIR(A) remanded back certain matters to assessing officer for verification of Holding Company's position. However, the department has not yet initiated the remand back proceedings. The management, based on advise of tax advisor, is confident of favorable outcome of the matter. Therefore, no provision has been recognized in these unconsolidated condensed interim financial statements.

	Un-Audited 31 December 2023 Rupees	Audited 30 June 2023 Rupees
<b>5.2 Commitments</b>		
<b>5.2.1</b> Contracts for capital expenditures	<u>42,044,776</u>	<u>46,143,062</u>
<b>5.2.2</b> Letters of credit other than for capital expenditures	<u>-</u>	<u>493,096,138</u>

### 6. FIXED ASSETS

Operating fixed assets:

Owned (Note 6.1)

Capital work-in-progress (Note 6.2)

#### 6.1 Operating fixed assets – owned

Opening book value

Add: Cost of additions during the period / year (Note 6.1.1)

Add: Revaluation surplus recognised during the period / year

Add: Book value of assets transferred from right-of-use of assets during the period / year (Note 7.2)

Less: Book value of deletions during the period / year (Note 6.1.2)

Less: book value of assets written off during the period / year

Less: Depreciation charged during the period / year

Closing book value

	6,314,222,720	6,309,226,999
	120,625,075	130,547,189
	<u>6,434,847,795</u>	<u>6,439,774,188</u>
	6,309,226,999	5,716,441,584
	142,644,619	599,815,422
	-	314,692,250
	4,241,912	1,574,708
	<u>6,456,113,530</u>	<u>6,632,523,964</u>
	771,751	53,189,599
	6,075,596	-
	<u>6,449,266,183</u>	<u>6,579,334,365</u>
	135,043,463	270,107,366
	<u>6,314,222,720</u>	<u>6,309,226,999</u>

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

For The Half Year Ended 31 December 2023

	<b>Un-Audited 31 December 2023 Rupees</b>	<b>Audited 30 June 2023 Rupees</b>
<b>6.1.1 Cost of additions during the period / year</b>		
Buildings on freehold land	-	120,363,492
Buildings on leasehold land	57,878,783	42,056,824
Machinery	29,358,943	286,908,016
Tanks and Pipeline	17,260,134	3,409,167
Dispensing Pumps	16,207,254	20,156,420
Electric Installation	-	45,183,722
Moulds	11,870,000	12,667,000
Furniture and fittings	1,772,722	1,242,535
Vehicles	1,278,253	51,157,053
Office equipment	826,740	3,571,830
Computers	6,191,790	13,099,363
	<u>142,644,619</u>	<u>599,815,422</u>
<b>6.1.2 Book value of deletions during the period / year</b>		
Cost:		
Building on freehold Land	-	60,066,853
Building on Leasehold Land	-	1,789,076
Computers	2,299,760	-
Less: Accumulated depreciation	1,528,009	8,666,330
	<u>771,751</u>	<u>53,189,599</u>
<b>6.2 Capital work-in-progress</b>		
Civil works	36,725,070	44,199,846
Tanks and Pipelines	52,195,077	50,594,702
Dispensing pumps	4,634,077	8,681,790
Advance for purchase of apartment	25,976,750	25,976,750
Mobilization advances	1,094,101	1,094,101
	<u>120,625,075</u>	<u>130,547,189</u>
<b>7 RIGHT-OF-USE ASSETS</b>		
Opening book value	635,782,031	590,982,038
Add: Additions during the period / year (Note 7.1)	68,350,230	141,543,890
Add : Impact of lease modifications during the period / year	16,649,652	67,276,629
Less: Impact of lease terminations during the period / year	-	25,059,314
Less: Book value of assets transferred to fixed assets - owned during the period / year (Note 7.2)	4,241,912	1,574,708
Less: Depreciation expense for the period / year	75,702,779	137,386,504
Closing book value	<u>640,837,222</u>	<u>635,782,031</u>
<b>7.1. Cost of additions during the period / year</b>		
Land	66,257,308	-
Buildings	2,092,922	-
Vehicles	-	-
	<u>68,350,230</u>	<u>-</u>
<b>7.2 Book value of assets transferred to fixed assets - owned during the period / year</b>		
Vehicles	<u>4,241,912</u>	<u>1,574,708</u>

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

For The Half Year Ended 31 December 2023

	Un-Audited 31 December 2023 Rupees	Audited 30 June 2023 Rupees
<b>8. INTANGIBLE ASSETS - computer software</b>		
Opening book value	20,260,771	21,760,517
Add: Cost of additions during the period / year	-	8,700,000
Less: Amortization charged during the period / year	4,824,369	10,199,746
Closing book value	<u>15,436,402</u>	<u>20,260,771</u>
<b>9. STOCK-IN-TRADE</b>		
Raw materials (Note 9.1)	1,245,989,050	1,650,353,383
Work-in-process	82,331,080	94,122,182
	<u>1,328,320,130</u>	<u>1,744,475,565</u>
Lubricants and parts (Note 9.2)	829,508,123	656,437,964
Less: Provision for slow moving and damaged stock items	10,218,683	27,984,479
	<u>819,289,440</u>	<u>628,453,485</u>
Petroleum products		
- Stock in hand (Note 9.3 )	373,994,010	139,978,203
- Stock in pipeline system (Note 9.4 )	585,122,030	638,125,434
	<u>959,116,040</u>	<u>778,103,637</u>
Dispensing pumps and other installations	57,115,349	59,701,394
	<u>3,163,840,959</u>	<u>3,210,734,081</u>
<b>9.1</b>	These includes raw materials in transit amounting to Rupees 279.395 million (2023: Rupees 121.813 million) and raw materials amounting to Rupees 443.710 million (2023: Rupees 1,119.587 million) lying at customs bonded warehouse.	
<b>9.2</b>	This includes stock-in-transit of Rupees 83.014 million (30 June 2023: Rupees Nil) and stock amounting to Rupees 130.569 million (30 June 2023 : Rupees 70.612 million) lying at customs bonded warehouse.	
<b>9.3</b>	This include stock of petroleum products in possession of third parties as follows:	
	Un-Audited 31 December 2023 Rupees	Audited 30 June 2023 Rupees
Askar Oil Services (Private) Limited	2,593,235	2,425,987
Be Energy Limited	23,421,096	36,668,049
Al-Rahim Trading Company (Private) Limited	-	459,393
Gas and Oil Pakistan Limited	3,665,289	3,410,459
Karachi Hydrocorban Terminal Limited	5,328,003	4,756,350
Z.Y. & Co. Bulk Terminal (Private) Limited	116,219,508	-
	<u>151,227,131</u>	<u>47,720,238</u>
<b>9.4</b>	This represents the Holding Company's share of pipeline stock of High Speed Diesel and Petroleum Motor Gasoline amounting to Rupees 397.752 million (30 June 2023: Rupees 469.131 million) and Rupees 187.370 million (30 June 2023: Rupees 168.995 million) held by Pak-Arab Pipeline Company Limited.	
<b>10. NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE</b>		
On 27 October 2023, shareholders of the Holding Company accorded approval to sell investment property (land) measuring 01 kanal and 05 marlas situated at 22-A, Zafar Ali Road, Lahore. The management of the Holding Company anticipates that disposal will be completed subsequent to the reporting period. Fair value less costs to sell is expected to be higher than the carrying amount of the related asset.		

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

For The Half Year Ended 31 December 2023

	(Un-Audited)	
	HALF YEAR ENDED	
	31 December 2023	31 December 2022
	Rupees	Rupees
<b>11. CASH GENERATED FROM OPERATIONS</b>		
Loss before taxation	(220,669,827)	(493,331,645)
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation on operating fixed assets	68,316,003	122,155,825
Depreciation on right-of-use assets	75,702,779	66,329,207
Amortization of intangible assets	4,824,369	4,340,670
Amortization of deferred income - Government grant	-	(361,618)
Allowance for expected credit losses	5,998,605	13,658,497
(Reversal of provision) / provision for slow moving and obsolete store items	(17,765,797)	-
(Reversal of provision) / provision for expected credit losses	(816,851)	-
Debit balances written off	84,068	-
Credit balances written back	(201,554)	-
Gain / (Loss) on disposal of operating fixed assets	573,485	(7,134,241)
Dividend income	(19,612,188)	(14,068,997)
Profit on bank deposits and term deposit receipt	(18,230,387)	(14,571,647)
Unrealized gain on remeasurement of investments carried at fair value through profit or loss - net	(4,150,041)	11,248,768
Gain on disposal of short term investments	(229,635)	(581,625)
Finance cost	411,033,123	333,706,668
Exchange loss - net	9,807,270	173,131,382
Provision for workers' profit participation fund	9,512,725	-
Provision for workers' welfare fund	3,112,380	-
Fixed assets written off	6,075,596	-
Working capital changes (Note 11.1)	64,018,247	(1,213,436,150)
	<u>377,382,370</u>	<u>(1,018,914,906)</u>

### 11.1 Working capital changes

Decrease / (increase) in current assets:

Stores	21,026,581	1,001,619
Stock-in-trade	64,658,919	200,272,352
Trade debts	33,326,494	1,182,622,882
Loans and advances	(204,878,649)	(312,505,534)
Short term deposits and prepayments	(29,520,585)	(44,511,521)
Other receivables	(223,470,852)	32,742,248
	(338,858,092)	1,059,622,046
Increase / (decrease) in trade and other payables	402,876,339	(2,273,058,196)
	<u>64,018,247</u>	<u>(1,213,436,150)</u>

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

For The Half Year Ended 31 December 2023

### 12. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated undertakings, other related parties, key management personnel and provident fund trusts. The Group in the normal course of business carries out transactions with various related parties. Detail of significant transactions with related parties, other than those which have been disclosed elsewhere in these consolidated condensed interim financial statements, are as follows:

Nature of transaction	UN-AUDITED			
	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
-----Rupees-----				

#### i. Transactions

##### Associated company

MAS Associates (Private)	Share of common expenses	677,221	637,787	135,217	323,379
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##### Other related parties

SK Enmove Co., Ltd.	Purchase of lubricants	1,043,028,001	149,676,928	889,674,364	33,111,505
	Dividend paid	-	1,986,660	-	1,986,660
	Incentive	177,597,001	181,400,000	86,688,000	181,400,000
Provident fund trust	Contribution	16,741,032	12,899,397	10,521,293	6,545,357
Key management personnel and executives	Remuneration	258,040,419	228,391,324	137,226,684	98,186,024
Sabra Hamida Trust	Donations	9,000,000	9,000,000	4,500,000	4,500,000
Directors	Cash dividend paid	-	40,806,870	-	40,806,870

<b>Un-Audited</b>	<b>Audited</b>
<b>31 December</b>	<b>30 June</b>
<b>2023</b>	<b>2023</b>
<b>Rupees</b>	<b>Rupees</b>

#### ii. Period / year end balances

##### Associated company

Receivable from MAS Associates (Private) Limited	135,218	314,409
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##### Other related parties:

Receivable from SK Enmove Co., Ltd	177,597,001	90,000,000
Payable to SK Enmove Co., Ltd	239,651,198	562,838,000
Payable to employees' provident fund trust	6,798,163	4,979,216
Remuneration payable to directors	7,413,168	2,100,000

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

For The Half Year Ended 31 December 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 31 December 2023	Level 1	Level 2	Level 3	Total
----- Rupees -----				
<b>Financial assets</b>				
Financial assets at fair value through profit or loss	215,507,688	-	-	215,507,688

Recurring fair value measurements at 30 June 2023	Level 1	Level 2	Level 3	Total
----- Rupees -----				
<b>Financial assets</b>				
Financial assets at fair value through profit or loss	222,582,946	-	-	222,582,946

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 Half Year Ended 31 December 2023

### 14 FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

#### (i) Fair value hierarchy

Judgments and estimates are made in determining the fair value of non-financial assets that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its non-financial assets into the following three levels.

At 31 December 2023	Level 1	Level 2	Level 3	Total
----- Rupees -----				
Freehold land	-	2,795,341,250	-	2,795,341,250
	-	2,795,341,250	-	2,795,341,250

At 30 June 2023	Level 1	Level 2	Level 3	Total
----- Rupees -----				
Freehold land	-	2,795,341,250	-	2,795,341,250
Investment property - land	-	135,000,000	-	135,000,000
	-	2,930,341,250	-	2,930,341,250

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

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

#### (ii) Valuation techniques used to determine level 2 fair values

The Group obtains independent valuations for its freehold land (classified as fixed assets) and investment property at least annually. At the end of reporting period, the management of the Group updates the assessment of the fair value of property, taking into account the most recent independent valuations. The management determines a property's value within a range of reasonable fair value estimate. The best evidence of fair value is current prices in an active market for similar lands.

#### Valuation processes

The Group engages external, independent and qualified valuers to determine the fair value of the Group's freehold land and investment property at the end of every financial year. Most recent valuation of freehold land was carried out on 30 June 2023 by Anderson Consulting (Private) Limited, independent valuers.

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

For The Half Year Ended 31 December 2023

### 15 SEGMENT INFORMATION

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

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

	LUBRICANTS		PETROLEUM PRODUCTS		POLYMER		UNALLOCATED		TOTAL - GROUP	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	-----Rupees-----									
Revenue from contracts with customers - net	3,308,535,931	2,940,041,894	5,871,474,900	4,430,312,985	153,019,139	-	-	-	9,333,029,970	7,370,354,879
Cost of sales	(2,588,513,684)	(2,226,472,115)	(5,705,646,215)	(4,372,958,560)	(113,762,431)	-	-	-	(8,407,922,330)	(6,599,430,675)
Gross profit	720,022,246	713,569,779	165,828,686	57,354,425	39,256,708	-	-	-	925,107,640	770,924,204
Distribution cost	(151,662,481)	(235,124,310)	(186,686,099)	(147,259,187)	(4,801,314)	-	-	-	(343,149,894)	(382,383,497)
Administrative expenses	(425,567,548)	(402,697,251)	(13,038,531)	(12,959,565)	(1,287,452)	-	-	-	(439,893,531)	(415,656,816)
Other expenses	(29,143,920)	(199,613,991)	(16,136,341)	(4,232,939)	-	-	-	-	(45,280,261)	(203,846,930)
	(606,373,949)	(837,435,552)	(215,860,971)	(164,451,691)	(6,088,766)	-	-	-	(828,323,686)	(1,001,887,243)
Other income	54,230,330	14,590,016	39,349,012	48,287,662	-	-	-	-	93,579,342	62,877,678
Profit / (loss) from operations	167,878,627	(109,275,757)	(10,683,273)	(58,809,604)	33,167,942	-	-	-	190,363,296	(168,085,361)
Finance cost	(271,185,247)	(298,924,651)	(64,220,591)	(26,321,633)	(75,627,284)	-	-	-	(411,033,123)	(325,246,284)
(Loss) / profit before taxation	(103,306,620)	(408,200,408)	(74,903,864)	(85,131,237)	(42,459,342)	-	-	-	(220,669,827)	(493,331,645)
Taxation	-	-	-	-	-	-	(129,219,680)	123,955,202	(129,219,680)	123,955,202
(Loss) / profit after taxation	(103,306,620)	(408,200,408)	(74,903,864)	(85,131,237)	(42,459,342)	-	(129,219,680)	123,955,202	(349,889,507)	(369,376,443)

#### 15.1 Reconciliation of reportable segment assets and liabilities:

	LUBRICANTS		PETROLEUM PRODUCTS		POLYMER		TOTAL - GROUP	
	Un -Audited	Audited	Un -Audited	Audited	Un -Audited	Audited	Un -Audited	Audited
	31 December 2023	30 June 2023	31 December 2023	30 June 2023	31 December 2023	30 June 2023	31 December 2023	30 June 2023
Total assets for reportable segments	7,674,855,745	6,722,267,004	4,111,378,024	3,947,956,772	-	815,925,107	11,786,233,769	11,486,148,883
Unallocated assets							806,176,597	676,568,277
Total assets as per consolidated statement of financial position							12,592,410,366	12,162,717,160
Total liabilities for reportable segments	3,633,970,184	2,526,927,666	548,190,905	233,897,003	-	475,910,407	4,182,161,089	3,236,735,076
Unallocated liabilities							2,716,430,760	2,882,274,060
Total liabilities as per consolidated statement of financial position							6,898,591,849	6,119,009,136

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

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

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

For The Half Year Ended 31 December 2023

### 16 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)
<b>Investment in HTLL</b>		
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
	<b>1,612,562,500</b>	<b>815,199,584</b>
<b>Investment in 100% owned subsidiary</b>		
Additional filling lines for blending plant, HI-Tech Blending (Private) Limited - Subsidiary Company	200,000,000	-
Total	<b>1,812,562,500</b>	<b>815,199,584</b>
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 Half Year Ended 31 December 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

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

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

During the year ended on 30 June 2020, the Holding Company started its OMC operations and expediently worked on completion of its Nowshera oil storage. During the year ended 30 June 2021, Holding Company has completed its oil storage at Nowshera. On 09 August 2021, OGRA acknowledged the satisfactory completion of Nowshera oil storage based on third party inspection report. During the year ended 30 June 2022, the Holding Company has started work on new oil storage facility at Shikarpur. On 16 March 2023, OGRA has granted permission to the Holding Company to operate new storage facility at Nowshehra and marketing of petroleum products in the province of Khyber Pakhtunkhwa. Currently, the Holding Company has eight operational HTL Express Centers, four in Lahore, three in Karachi and one in Rawalpindi. Further, the Holding Company has forty one retail outlets operational for sale of petroleum products as on 31 December 2023. Detail of payments out of IPO proceeds during the period ended 31 December 2023 is as follows:

	<b>Rupees</b>
Un-utilized IPO proceeds as at 01 July 2023	395,898,356
Add: Profit on term deposit receipt	23,458,972
Add: Profit on bank deposits	619,103
Add: Dividend on investment in mutual funds	19,191,684
Add: Gain on disposal of investment in mutual funds	229,635
Add: Unrealised gain on investment in mutual funds	2,679,891
Less: Payments made relating to OMC Project	(68,425,005)
Less: Withholding tax on profit	(92,865)
Less: Withholding tax on dividend from mutual funds	(2,878,753)
Less: Withholding tax on profit on term deposit receipt	(3,518,846)
Less: Withholding tax on disposal of mutual funds	(86,560)
Less: Bank charges	(18)
Un-utilized IPO proceeds as at 31 December 2023	<u>367,075,594</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 Half Year Ended 31 December 2023

### **17. 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 2023.

### **18. CORRESPONDING FIGURES**

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

### **19. DATE OF AUTHORIZATION FOR ISSUE**

These consolidated financial statements were authorized for issue on February 28, 2024 by the Board of Directors of the Holding Company.

### **20. GENERAL**

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



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**Director**



**Chief Financial Officer**



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