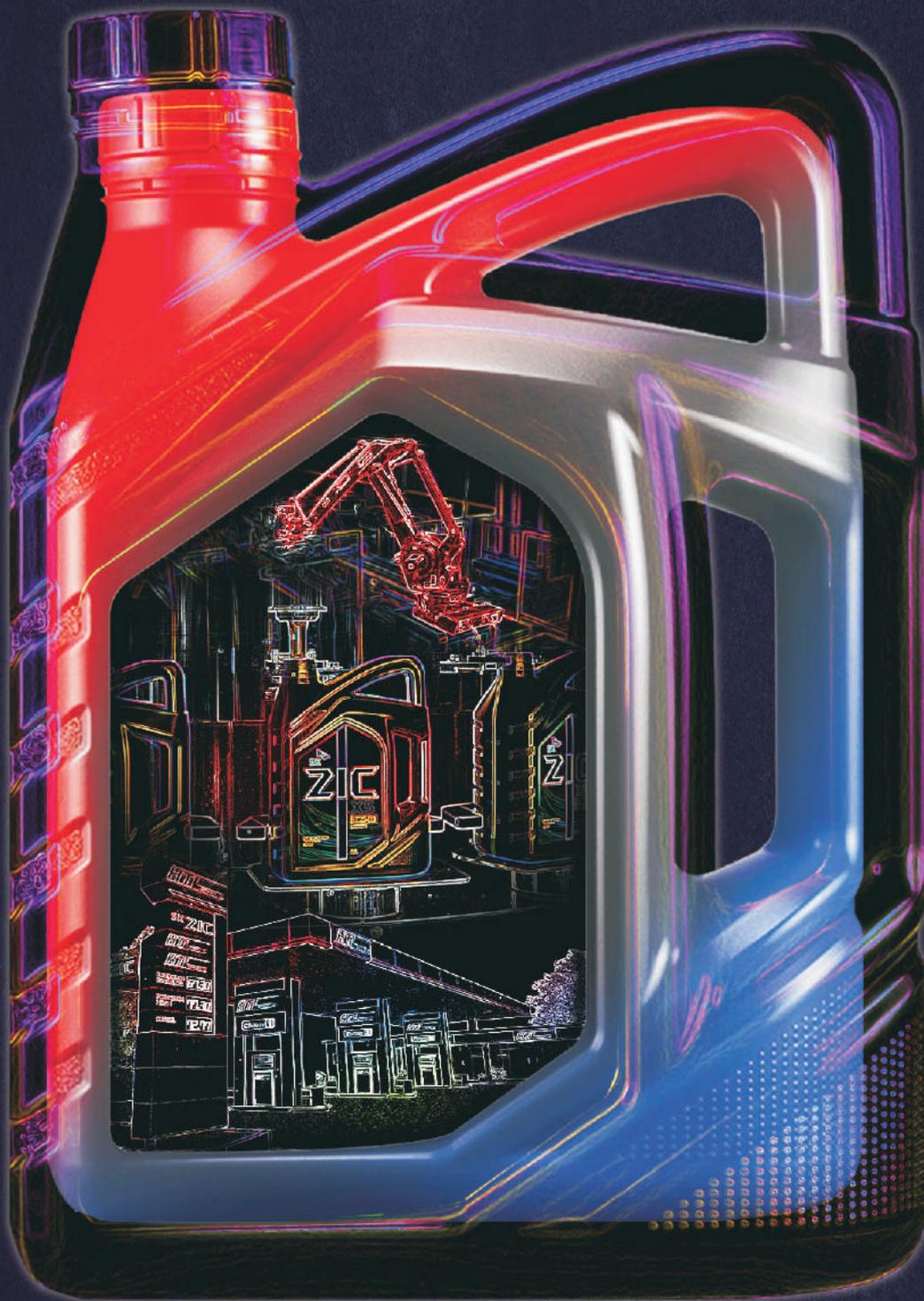


# Hi-Tech Lubricants Ltd

## Condensed Interim Financial Information

For the Quarter and Nine Months Period Ended March 31, 2024 (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 SKEN)

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



## Directors' Review

Dear Shareholders,

The Directors of Hi-Tech Lubricants Limited (the Company) take the pleasure in presenting financial information of the Company including **unconsolidated** and **consolidated unaudited financial statements** for the quarter and nine month ended March 31, 2024.

During this period, the Company recorded revenue of PKR 19.1 billion, an increase of 33% as compared to same period of last year. This growth is the result of strong demand of the Company's Products due to proper price management initiatives. Operating profit improved by 64% emanating from favorable product mix and tighter control over costs.

As of today, the company operates 49 fuel stations, 38 in Punjab and 11 in KPK provinces, out of 52 and 35 allowed respectively for both the provinces by Oil and Gas Regulatory Authority (OGRA). We expect that the majority of remaining fuel stations shall be operative by December 31, 2024, provided all regulatory approvals are in place. Expansion of network is critical for improvement in profitability and increase in volume of fuel products.

The Company's balance sheet has shown improvement as running finance facilities have been reduced to PKR 2.2 billion as compared to 2.4 billion on June 30, 2023. Your management is making strenuous efforts to maintain optimum inventory levels in order to control exorbitant financial cost.

### Position of Initial Public Offer (IPO) Funds

Total payments made out of IPO Funds for Oil Marketing Company (OMC) project during the quarter under review were PKR 98.3 million. As of 31 March 2024, un-utilized proceeds of IPO Funds were PKR 282.3 million. The Company has kept these funds as bank balances, term deposit receipts and investment in mutual funds. These funds can only be utilized for the purposes of expansions of OMC project.

### Future Outlook

The economy of Pakistan is passing through a turbulent inflationary phase. During nine months of the current financial year, sharp increase in energy and commodity prices, along with devaluation of Pakistani Rupee, has resulted in to inflation; a trend that is expected to continue in the foreseeable future. All of these factors are putting tremendous pressure on the disposable income of consumers and is having an adverse impact on consumption patterns.

The management of the company is fully cognizant of the situation and is taking best measures deemed necessary to manage these challenges. Your directors will continue to strive for delivering premium quality products in order to maintain the Company's positioning in the market and also keep it into the growth trajectory.

### Acknowledgement

We take pleasure in expressing our sincere gratitude and appreciation for the outstanding commitment and contribution of all the employees, investors and other stakeholders in the Company's management.

On behalf of the Board



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



Mr. Shaukat Hassan  
**(Chairman)**

Lahore, April 29, 2024

## ڈائریکٹران کا جائزہ

محترم ہمداران!

ہائی ٹیک لبریکیشن لمیٹڈ (کمپنی) کے ڈائریکٹرز ۳۱ مارچ ۲۰۲۳ء کو ختم ہونے والی سہ ماہی اور نو ماہ کے غیر متفقہ اور مستحکم غیر آڈٹ شدہ مالیاتی گوشواروں سمیت کمپنی کی مالی معلومات پیش کرنے میں خوشی محسوس کرتے ہیں۔

اس مدت کے دوران، کمپنی نے ۱۱۹.۱ ارب روپے کی آمدنی ریکارڈ کی، جو گزشتہ سال کی اسی مدت کے مقابلے میں ۳۳ فیصد زیادہ ہے۔ یہ اضافہ مناسب قیمت کے انتظام کے اقدامات کی وجہ سے کمپنی کی مصنوعات کی مضبوط مانگ کا نتیجہ ہے۔ آپریٹنگ منافع میں ۶۴ فیصد بہتری آئی ہے جو سازگار پروڈکٹس اور لاگت پر سخت کنٹرول سے نکلتی ہے۔

آج تک کمپنی کے ۴۹ فیول اسٹیشن قابل عمل ہیں جن میں سے ۳۸ پنجاب میں اور اخییر پنجونو نواح کے صوبوں میں ہیں، جبکہ دونوں صوبوں کے لیے بالترتیب ۱۵۲ اور ۳۵ کی آئل اینڈ گیس ریگولیشن اتھارٹی (اوگرا) نے اجازت دی ہے۔ ہم توقع کرتے ہیں کہ باقی ماندہ ایندھن کے زیادہ تر اسٹیشن ۳۱ دسمبر ۲۰۲۳ء تک قابل عمل ہو جائیں گے، بشرطیکہ تمام ریگولیشن منظوریاں موجود ہوں۔ نیٹ ورک کی توسیع منافع میں بہتری اور ایندھن کی مصنوعات کے حجم میں اضافے کے لیے اہم ہے۔

کمپنی کی بیلنس شیٹ میں بہتری دکھائی گئی ہے کیونکہ مالیاتی سہولیات ۳۰ جون ۲۰۲۳ء کو ۱۲.۴ ارب روپے کے مقابلے میں کم کر کے ۲.۲ ارب روپے کر دیا گیا ہے۔ آپ کی انتظامیہ بہت زیادہ مالی لاگت کو کنٹرول کرنے کے لیے زیادہ سے زیادہ انویسٹری کی سطح کو برقرار رکھنے کے لیے سخت کوششیں کر رہی ہے۔

### ابتدائی عوامی پیشکش (IPO) فنڈز کی پوزیشن

زیر جائزہ سہ ماہی کے دوران آئی پی او فنڈز برائے آئل مارکیٹنگ کمپنی (OMC) پروجیکٹ کے لئے کی گئی کل ادائیگیاں ۹۸.۳ ملین روپے تھیں۔ ۳۱ مارچ ۲۰۲۳ء تک IPO فنڈز کی غیر استعمال شدہ رقم ۲۸۲.۳ ملین روپے تھی۔ کمپنی نے ان فنڈز کو بینک بیلنس، ٹرم ڈپازٹ کی رسیدیں اور میوچل فنڈز میں سرمایہ کاری کے طور پر رکھا ہے۔ یہ فنڈز صرف OMC پروجیکٹ کے نئے/توسیع کے مقاصد کے لیے استعمال کیے جاسکتے ہیں۔

### مستقبل کا نقطہ نظر

پاکستان کی معیشت مہنگائی کے ہنگامہ خیز دور سے گزر رہی ہے۔ رواں مالی سال کے نو مہینوں کے دوران، پاکستانی روپے کی قدر میں کمی کے ساتھ ساتھ توانائی اور اشیاء کی قیمتوں میں ہوشربا اضافے کے نتیجے میں افراط زر میں اضافہ ہوا ہے۔ ایک رجحان جس کے مستقبل قریب میں جاری رہنے کی توقع ہے۔ یہ تمام عوامل صارفین کی ڈسپوزیبل آمدنی پر زبردست دباؤ ڈال رہے ہیں اور کھپت کے نمونوں پر منفی اثر ڈال رہے ہیں۔

کمپنی کی انتظامیہ صورتحال سے پوری طرح باخبر ہے اور ان چیلنجوں سے نمٹنے کے لیے ضروری سمجھے جانے والے بہترین اقدامات کر رہی ہے۔ آپ کے ڈائریکٹرز مارکیٹ میں کمپنی کی پوزیشن کو برقرار رکھنے اور اسے ترقی کی رفتار میں رکھنے کے لیے اعلیٰ معیار کی مصنوعات کی فراہمی کے لیے کوششیں جاری رکھیں گے۔

### اعتراف

ہم کمپنی کے انتظام میں تمام ملازمین، سرمایہ کاروں اور دیگر اسٹیک ہولڈرز کے شاندار عزم اور شراکت کے لیے اپنے مخلصانہ شکر یہ اور تعریف کا اظہار کرتے ہوئے خوشی محسوس کرتے ہیں۔

### بورڈ کی جانب سے

جناب حسن طاہر

(چیف ایگزیکٹو)

لاہور، ۲۹ اپریل ۲۰۲۳ء

جناب شوکت حسن

(چیرمین)

# **HI-TECH LUBRICANTS LIMITED**

## **UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2024 (Un-audited)**

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

As At 31 March 2024

		Un-Audited 31 March 2024 Rupees	Audited 30 June 2023 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital 150,000,000 (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		1,392,048,000	1,392,048,000
Reserves		2,489,824,548	2,430,897,384
<b>Total equity</b>		<b>3,881,872,548</b>	<b>3,822,945,384</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	4	470,595,205	492,138,641
Long term deposits		18,500,000	16,500,000
		489,095,205	508,638,641
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,415,891,764	974,284,283
Accrued mark-up		56,475,739	81,019,923
Short term borrowings		1,680,182,779	1,851,556,185
Current portion of non-current liabilities	4	150,043,137	150,742,680
Unclaimed dividend		5,689,417	5,830,744
Provision for taxation - net		13,595,607	-
		3,321,878,443	3,063,433,815
<b>Total liabilities</b>		<b>3,810,973,648</b>	<b>3,572,072,456</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	5		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,692,846,196</b>	<b>7,395,017,840</b>

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 Financial Position (Un-audited)

As At 31 March 2024

	Note	Un-Audited 31 March 2024 Rupees	Audited 30 June 2023 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets	6	2,664,592,746	2,589,502,914
Right-of-use assets	7	574,396,357	605,121,153
Intangible assets	8	1,644,407	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		2,284,477	2,985,100
Deferred income tax asset - net		90,829,557	83,599,116
		<u>4,678,377,513</u>	<u>4,772,133,535</u>
<b>CURRENT ASSETS</b>			
Stock-in-trade	10	1,296,991,795	1,102,921,785
Trade debts		399,471,892	159,239,694
Loans and advances		217,287,965	625,010,633
Short term deposits and prepayments		73,399,514	32,337,488
Other receivables		298,908,523	188,392,066
Accrued interest		14,542,132	52,987,973
Short term investments		221,198,641	222,582,946
Cash and bank balances		357,668,221	239,411,720
		<u>2,879,468,683</u>	<u>2,622,884,305</u>
Non-current asset classified as held for sale	11	135,000,000	-
		<u>3,014,468,683</u>	<u>2,622,884,305</u>
<b>TOTAL ASSETS</b>		<u><u>7,692,846,196</u></u>	<u><u>7,395,017,840</u></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 Profit or Loss (Un-audited)

For The Quarter and Nine Months Period Ended 31 March 2024

	NINE MONTHS ENDED		QUARTER ENDED	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	Rupees	Rupees	Rupees	Rupees
GROSS REVENUE FROM CONTRACTS WITH CUSTOMERS	17,696,016,846	13,082,997,937	7,308,208,042	4,908,983,736
Discounts	(488,535,846)	(270,839,679)	(147,014,601)	(121,228,288)
Sales tax	(1,504,600,898)	(1,297,636,895)	(638,324,170)	(643,588,964)
NET REVENUE FROM CONTRACTS WITH CUSTOMERS	15,702,880,102	11,514,521,363	6,522,869,271	4,144,166,484
COST OF SALES	(14,824,502,141)	(10,273,447,037)	(6,104,565,535)	(3,509,955,124)
GROSS PROFIT	878,377,961	1,241,074,326	418,303,736	634,211,360
DISTRIBUTION COST	(705,416,925)	(668,933,014)	(385,895,943)	(298,969,678)
ADMINISTRATIVE EXPENSES	(533,477,072)	(500,665,962)	(189,800,536)	(163,500,255)
OTHER EXPENSES	(19,119,987)	(56,749,617)	(2,555,940)	(4,731,925)
	(1,258,013,984)	(1,226,348,593)	(578,252,419)	(467,201,858)
OTHER INCOME	909,815,603	423,701,672	500,243,694	92,352,515
PROFIT FROM OPERATIONS	530,179,580	438,427,405	340,295,011	259,362,017
FINANCE COST	(401,184,234)	(308,834,989)	(114,994,393)	(84,620,303)
PROFIT BEFORE TAXATION	128,995,346	129,592,416	225,300,618	174,741,714
TAXATION	(70,068,182)	(8,142,912)	(23,832,631)	(59,027,667)
PROFIT AFTER TAXATION	58,927,164	121,449,504	201,467,987	115,714,047
PROFIT PER SHARE - BASIC AND DILUTED	0.42	0.87	1.45	0.83

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

  
Chief Executive

  
Director

  
Chief Financial Officer

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

For The Quarter and Nine Months Period Ended 31 March 2024

	NINE MONTHS ENDED		QUARTER ENDED	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	Rupees	Rupees	Rupees	Rupees
PROFIT AFTER TAXATION	58,927,164	121,449,504	201,467,987	115,714,047
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income for the period	-	-	-	-
<b>TOTAL COMPREHENSIVE PROFIT FOR THE PERIOD</b>	<b>58,927,164</b>	<b>121,449,504</b>	<b>201,467,987</b>	<b>115,714,047</b>

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



Chief Executive



Director



Chief Financial Officer

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

For The Quarter and Nine Months Period Ended 31 March 2024

	RESERVES					TOTAL RESERVES	TOTAL EQUITY
	SHARE CAPITAL	CAPITAL RESERVES			REVENUE RESERVE		
		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
Transactions with owners:							
Final dividend for the year ended 30 June 2022 @ Rupees 2.00 per share	-	-	-	-	(278,409,600)	(278,409,600)	(278,409,600)
Profit/(Loss) for the nine months period ended 31 March 2023	-	-	-	-	121,449,504	121,449,504	121,449,504
Other comprehensive income/(loss) for the nine months period ended 31 March 2023	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the nine months period ended 31 March 2023	-	-	-	-	121,449,504	121,449,504	121,449,504
<b>Balance as at 31 March 2023 - Un-Audited</b>	<u>1,392,048,000</u>	<u>1,441,697,946</u>	<u>704,626,206</u>	<u>2,146,324,152</u>	<u>447,214,508</u>	<u>2,593,538,660</u>	<u>3,985,586,660</u>
<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
Transaction with owners:							
Profit/(Loss) for the nine months period ended 31 March 2024	-	-	-	-	58,927,164	58,927,164	58,927,164
Other comprehensive income/(loss) for the nine months period ended 31 March 2024	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the nine months period ended 31 March 2024	-	-	-	-	58,927,164	58,927,164	58,927,164
<b>Balance as at 31 March 2024 - Un-Audited</b>	<u>1,392,048,000</u>	<u>1,441,697,946</u>	<u>756,846,956</u>	<u>2,198,544,902</u>	<u>291,279,646</u>	<u>2,489,824,548</u>	<u>3,881,872,548</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 Cash Flows (Un-audited)

For The Quarter and Nine Months Period Ended 31 March 2024

	Note	NINE MONTHS ENDED	
		31 March 2024	31 March 2023
		Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash generated from / (used in) operations</b>	12	(128,726,106)	594,178,660
Finance cost paid		(425,728,418)	(321,517,442)
Income tax paid		(63,703,016)	(152,834,653)
Net increase in long term loans to employees		(233,543)	(3,369,478)
Net Decrease in long term security deposits		9,007,556	20,475,665
Increase / (Decrease) in long term deposits		2,000,000	(2,000,000)
<b>Net cash used / (from) in operating activities</b>		<b>(607,383,527)</b>	<b>134,932,752</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on operating fixed assets		(212,188,262)	(84,805,092)
Short term loan given to subsidiary company		-	(500,000,000)
Short term loan repaid by subsidiary company		485,500,000	-
Proceeds from disposal of operating fixed assets		13,364,000	10,371,701
Short term investments - net		7,471,236	(9,279,384)
Dividends received		551,081,791	283,275,077
Interest received on short term loan to subsidiary company		102,001,081	8,460,384
Profit on bank deposits and term deposit receipt received		31,872,008	12,961,519
<b>Net cash (used in) / from investing activities</b>		<b>979,101,854</b>	<b>(279,015,795)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of lease liabilities		(81,947,092)	(93,598,900)
Dividend paid		(141,327)	(278,186,484)
Long term financing repaid		-	(47,851,814)
Short term borrowings - net		(171,373,407)	130,267,837
<b>Net cash (used in) / from financing activities</b>		<b>(253,461,826)</b>	<b>(289,369,361)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>118,256,501</b>	<b>(433,452,404)</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>357,668,221</b>	<b>223,689,392</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 Quarter and Nine Months Period Ended 31 March 2024

### 1. THE COMPANY AND ITS OPERATIONS

Hi-Tech Lubricants Limited ("the Company") was incorporated under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at 1-A, Danapur Road, GOR-1, Lahore. The principal activity of the Company is to procure and distribute lubricants and petroleum products. During the year ended 30 June 2017, Oil and Gas Regulatory Authority (OGRA) 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 nine months period ended 31 March 2024, 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 Quarter and Nine Months Period Ended 31 March 2024

### 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 March 2024 Rupees	Audited 30 June 2023 Rupees
<b>4. LEASE LIABILITIES</b>		
Total lease liabilities	620,638,342	642,881,321
Less: Current portion shown under current liabilities	150,043,137	150,742,680
	<u>470,595,205</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 March 2024 Rupees	Audited 30 June 2023 Rupees
<b>5.2 Commitments</b>		
<b>5.2.1</b> For capital expenditures	42,044,776	46,143,062
<b>5.2.2</b> Letters of credit for other than capital expenditures	44,704,444	49,166,475
	<u>86,749,220</u>	<u>95,309,537</u>
<b>6. FIXED ASSETS</b>		
Operating fixed assets (Note 6.1)	2,522,036,944	2,458,955,725
Capital work-in-progress (Note 6.2)	142,555,801	130,547,189
	<u>2,664,592,746</u>	<u>2,589,502,914</u>

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

For The Quarter and Nine Months Period Ended 31 March 2024

	Un-Audited 31 March 2024 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)	164,750,638	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)	15,761,778	1,574,708
	<u>2,639,468,141</u>	<u>2,648,348,487</u>
Less: Book value of deletions during the period / year (Note 6.1.2)	11,411,275	53,164,438
Less: Book value of assets transferred to investment property during the period / year	-	-
Less: Book value of assets written off during the period / year	6,075,596	-
	<u>2,621,981,270</u>	<u>2,595,184,049</u>
Less: Depreciation charged during the period / year	99,944,326	136,228,324
Closing book value	<u>2,522,036,944</u>	<u>2,458,955,725</u>
<b>6.1.1 Cost of additions during the period / year</b>		
Buildings on leasehold land	81,738,831	42,056,824
Machinery	612,550	4,000,035
Tanks and pipelines	34,620,807	3,409,167
Dispensing pumps	26,814,986	20,156,420
Furniture and fittings	1,960,722	879,250
Vehicles	6,847,755	50,562,795
Office equipment	1,288,647	2,282,272
Computers	10,866,340	12,013,778
	<u>164,750,638</u>	<u>135,360,541</u>
<b>6.1.2 Book value of deletions during the period / year</b>		
Cost:		
Vehicles	16,063,197	60,003,353
Computers	4,232,095	1,713,776
	<u>20,295,292</u>	<u>61,717,129</u>
Less: Accumulated depreciation	8,884,017	8,552,691
	<u>11,411,275</u>	<u>53,164,438</u>
<b>6.2 Capital work-in-progress</b>		
Civil works	45,313,305	44,199,846
Dispensing pumps	11,481,660	8,681,790
Advance against purchase of apartment	25,976,750	25,976,750
Tanks and pipelines	58,689,985	50,594,702
Mobilization advances	1,094,101	1,094,101
	<u>142,555,801</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)	74,578,017	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)	15,761,778	1,574,708
Less: Depreciation expense for the period / year	106,190,687	127,079,971
Closing book value	<u>574,396,357</u>	<u>605,121,153</u>

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

For The Quarter and Nine Months Period Ended 31 March 2024

	Un-Audited 31 March 2024 Rupees	Audited 30 June 2023 Rupees
<b>7.1 Cost of additions during the period / year</b>		
Land	72,485,095	18,557,113
Buildings	2,092,922	45,328,092
Vehicles	-	71,928,735
	<u>74,578,017</u>	<u>135,813,940</u>
<b>7.2 Book value of assets transferred to fixed assets during the period / year</b>		
Vehicles	15,761,778	1,574,708
	<u>15,761,778</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	2,337,117	4,176,196
Closing book value	<u>1,644,407</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.		
	Un-Audited 31 March 2024 Rupees	Audited 30 June 2023 Rupees
<b>10. STOCK-IN-TRADE</b>		
Lubricants and parts (Note 10.1)	399,187,504	292,185,127
Less: Provision for slow moving and damaged inventory items	9,302,576	27,068,373
	<u>389,884,928</u>	<u>265,116,754</u>
Petroleum products		
- Stock in hand (Note 10.2)	232,127,837	139,978,203
- Stock in pipeline system (Note 10.3)	631,408,997	638,125,434
	863,536,834	778,103,637
Dispensing pumps and other installations	43,570,033	59,701,394
	<u>1,296,991,795</u>	<u>1,102,921,785</u>
<b>10.1</b> This includes stock-in-transit of Rupees Nil (30 June 2023: Rupees Nil) and stock amounting to Rupees 219.010 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:		
	Un-Audited 31 March 2024 Rupees	Audited 30 June 2023 Rupees
Askar Oil Services (Private) Limited	2,519,352	2,425,987
Be Energy Limited	3,417,967	36,668,049
Al-Rahim Trading Company (Private) Limited	-	459,393
Gas and Oil Pakistan Limited	5,084,591	3,410,459
Karachi Hydrocorban Terminal Limited	5,694,449	4,756,350
Z.Y. & Co. Bulk Terminal (Private) Limited	6,351,242	-
	<u>23,067,601</u>	<u>47,720,238</u>

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

For The Quarter and Nine Months Period Ended 31 March 2024

**10.3** This represents the Company's share of pipeline stock of High Speed Diesel and Petroleum Motor Gasoline amounting to Rupees 429.819 million (30 June 2023: Rupees 469.131 million) and Rupees 201.589 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)	
	NINE MONTHS ENDED	
	31 March 2024	31 March 2023
	Rupees	Rupees
<b>12. CASH GENERATED FROM / (USED IN) OPERATIONS</b>		
Profit/(Loss) before taxation	128,995,346	129,592,416
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation on operating fixed assets	99,944,332	99,025,857
Depreciation on right-of-use assets	106,190,687	92,626,073
Amortization on intangible assets	2,337,117	3,069,470
Amortization of deferred income - Government grant	-	(361,618)
Allowance for expected credit losses	-	13,658,497
Loss/(Gain) on disposal of operating fixed assets	1,952,725	(6,996,788)
Dividend income	(551,081,791)	(283,275,077)
Profit on bank deposits and term deposit receipt	(25,666,083)	(21,489,215)
Interest income on short term loan to subsidiary company	(69,761,165)	(44,386,254)
Gain on disposal of short term investments	(1,936,890)	(189,090)
Unrealized gain on remeasurement of investments carried at fair value through profit or loss - net	(4,150,041)	(56,560)
Fixed assets written off	6,075,596	-
Credit balances written back	(201,554)	-
Debit Balance written off	84,068	-
Gain on foreign remittance	-	(30,797,348)
Exchange loss - net	-	25,082,103
Finance cost	401,184,234	308,834,989
Working capital changes (Note 12.1)	(222,692,687)	309,841,205
	<u>(128,726,106)</u>	<u>594,178,660</u>

### 12.1 Working capital changes

(Increase) / decrease in current assets:

Stock-in-trade	(194,070,010)	1,843,214,472
Trade debts	(240,232,198)	(172,996,265)
Loans and advances	(76,843,166)	(268,195,938)
Short term deposits and prepayments	(42,755,823)	(34,522,320)
Other receivables	(110,600,525)	254,441,266
	(664,501,722)	1,621,941,215
Increase / (decrease) in trade and other payables	441,809,035	(1,312,100,010)
	<u>(222,692,687)</u>	<u>309,841,205</u>

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

For The Quarter and Nine Months Period Ended 31 March 2024

### 13. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of subsidiary company, associated undertakings, other related

NATURE OF TRANSACTIONS	UN-AUDITED			
	NINE MONTHS ENDED		QUARTER ENDED	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023

#### i. Transactions

Rupees

##### Subsidiary company

Hi-Tech Blending (Private) Limited	Sale of lubricants	1,122,352	1,755,955	-	597,487
	Purchase of	4,421,275,802	3,272,698,687	1,737,464,781	2,018,896,258
	Dividend received	5,200,002,400	260,000,120	4,940,002,280	-
	Lease rentals paid	2,250,000	2,250,000	750,000	750,000
	Short term loan	112,800,000	500,000,000	-	-
	Short term loan repaid	598,300,000	-	403,800,000	-
	Interest received	102,001,081	44,386,254	26,422,760	35,925,870

##### Associated company

MAS Associates	Share of common	1,534,284	1,008,395	857,063	370,608
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##### Other related parties

SK Enmove Co.,	Purchase of	554,662,456	279,464,188	243,702,222	129,787,260
	Dividend paid	-	1,986,660	-	-
	Incentive	247,122,002	181,400,000	69,525,001	-
Provident fund trust	Contribution	22,319,023	19,366,551	8,424,168	6,467,154
Key management	Remuneration	323,270,612	333,062,314	98,031,337	104,670,990
Sabra Hamida Trust	Donations	13,500,000	13,500,000	4,500,000	4,500,000

Un-Audited  
31 March  
2024  
Rupees

Audited  
30 June  
2023  
Rupees

#### ii. Period / year end balances

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

Investment	1,300,000,600	1,300,000,600
Payable against purchases	301,920,639	157,782,083
Receivable against short term loan	-	485,500,000
Interest receivable on short term loan	13,715,072	45,954,988

##### Associated company

Receivable/(Payable) from MAS Associates (Private) Limited	320,069	314,409
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##### Other related parties:

Receivable from SK Enmove Co., Ltd	69,525,001	90,000,000
Payable to SK Enmove Co., Ltd	129,440,047	-
Payable to employees' provident fund trust	5,706,400	4,128,882
Remuneration payable to directors	6,263,167	-

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

For The Quarter and Nine Months Period Ended 31 March 2024

### 14. 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 March 2024	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 March 2024. 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 Quarter and Nine Months Period Ended 31 March 2024

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

#### (i) Fair value hierarchy

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

Recurring fair value measurements at 31 March 2024	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
<b>Financial assets</b>				
Financial assets at fair value through profit or loss	221,198,641	-	-	221,198,641

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

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

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

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

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

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

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

For The Quarter and Nine Months Period Ended 31 March 2024

### 1.6. SEGMENT INFORMATION

The Company has two reportable segments. The following summary describes the operation in each of the Company's reportable segments:  
Lubricants  
Purchase and sale of lubricants, parts and rendering of services.  
Petroleum products  
Marketing and sale of petroleum products.

	LUBRICANTS		PETROLEUM PRODUCTS		UNALLOCATED		TOTAL - COMPANY	
	31 March		31 March		31 March		31 March	
	2024	2023	2024	2023	2024	2023	2024	2023
	(-----RUPEES-----)							
Revenue from contracts with customers - net	5,570,845,548	5,774,672,571	10,132,034,554	5,739,848,792	-	-	15,702,880,102	11,514,521,363
Cost of sales	(4,965,433,730)	(4,692,765,817)	(9,859,068,411)	(5,580,681,220)	-	-	(14,824,502,141)	(10,273,447,037)
Gross profit	605,411,818	1,081,906,754	272,966,143	159,167,573	-	-	878,377,961	1,241,074,326
Distribution cost	(421,315,956)	(446,225,411)	(284,100,969)	(222,707,603)	-	-	(705,416,925)	(668,933,014)
Administrative expenses	(517,043,438)	(485,933,550)	(16,433,634)	(14,732,412)	-	-	(533,477,072)	(500,665,962)
Other expenses	6,619,893	(49,743,211)	(25,739,880)	(7,006,406)	-	-	(19,119,987)	(56,749,617)
Other income	(931,739,500)	(981,902,173)	(326,274,484)	(244,446,420)	-	-	(1,258,013,984)	(1,226,348,593)
Profit / (loss) from operations	844,939,010	348,124,670	64,876,593	75,577,002	-	-	909,815,603	423,701,672
Finance cost	(306,669,577)	(248,738,076)	(94,514,657)	(60,096,913)	-	-	(401,184,234)	(308,834,989)
(Loss) / profit before taxation	211,941,750	199,391,175	(82,946,404)	(69,798,759)	-	-	128,995,346	129,592,416
Taxation	-	-	-	-	(70,068,182)	(8,142,912)	(70,068,182)	(8,142,912)
(Loss) / profit after taxation	211,941,750	199,391,175	(82,946,404)	(69,798,759)	(70,068,182)	(8,142,912)	58,927,164	121,449,504
<b>1.6.1 Reconciliation of reportable segment assets and liabilities:</b>								
	LUBRICANTS		PETROLEUM PRODUCTS		TOTAL - COMPANY		Rupees-----	
	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited
	31 March	30 June	31 March	30 June	31 March	30 June	31 March	30 June
	2024	2023	2024	2023	2024	2023	2024	2023
Total assets for reportable segments	3,196,543,201	2,770,492,791	4,178,262,123	3,947,956,772	-	-	7,374,805,324	6,718,449,563
Unallocated assets	-	-	-	-	318,040,872	676,568,277	-	-
Total assets as per unconsolidated condensed interim statement of financial position	3,196,543,201	2,770,492,791	4,178,262,123	3,947,956,772	318,040,872	676,568,277	7,395,017,840	7,395,017,840
Total liabilities for reportable segments	1,196,171,839	456,486,909	782,222,788	233,897,003	1,978,394,627	690,383,912	1,832,579,021	2,881,688,544
Unallocated liabilities	-	-	-	-	-	-	3,810,973,648	3,572,072,456
Total liabilities as per unconsolidated condensed interim statement of financial position	1,196,171,839	456,486,909	782,222,788	233,897,003	1,978,394,627	690,383,912	5,643,552,676	6,453,760,999

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

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

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

For The Quarter and Nine Months Period Ended 31 March 2024

	Un-Audited 31 March 2024 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>		
Loans	-	-
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)	
	<b>NINE MONTHS ENDED</b>	
	<b>31 March 2024</b>	<b>31 March 2023</b>
	Rupees	Rupees
<b>iii) Profit earned from shariah complaint bank deposits / bank balances</b>	-	-
Profit on bank deposits and term deposit receipts	-	-
<b>iv) Mark up paid on Islamic mode of financing</b>	-	-
<b>v) Revenue earned from a shariah complaint business segment</b>	15,702,880,102	11,514,521,363
<b>vi) Gain / (loss) or dividend earned from shariah complaint investments:</b>		
Dividend income	635,853	220,784
Gain on sale of investments	-	-
Loss on remeasurement of investment at fair value through profit or loss	-	(132,530)
<b>vii) Exchange gain / (loss)</b>	9,819,286	(25,082,103)
<b>viii) Profits earned or interest paid on any conventional loan or advance:</b>		
Profit earned	(69,761,165)	(44,386,254)
Interest paid on loans	230,644,945	271,217,107
<b>ix) Relationship with shariah compliant banks</b>		

### Name

Al-Baraka Bank (Pakistan) Limited  
Meezan Bank Limited  
Dubai Islamic Bank Pakistan Limited  
Faysal Bank Limited

### Relationship as at reporting date

Bank balance  
Bank balance  
Bank balance  
Bank balance

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

For The Quarter and Nine Months Period Ended 31 March 2024

### 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</u> (B)	<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.

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.

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

For The Quarter and Nine Months Period Ended 31 March 2024

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 Nowshera and marketing of petroleum products in the province of Khyber Pakhtunkhwa. Currently, the Company has eight operational HTL Express Centers, four in Lahore, three in Karachi and one in Rawalpindi. Further, the Company has forty one retail outlets operational for sale of petroleum products as on 31 March 2024. Detail of payments out of IPO proceeds during the nine months period ended 31 March 2024 is as follows:

	Rupees
Un-utilized IPO proceeds as at 01 July 2023	395,898,356
Add: Profit on term deposit receipt	27,699,244
Add: Profit on bank deposits	1,612,487
Add: Dividend on investment in mutual funds	30,313,780
Add: Gain on disposal of investment in mutual funds	2,859,543
Less: Unrealised loss on investment in mutual funds	(980,726)
Less: Payments made relating to OMC Project	(166,100,021)
Less: Withholding tax on profit	(241,873)
Less: Withholding tax on dividend from mutual funds	(4,547,067)
Less: Withholding tax on profit on term deposit receipt	(4,154,887)
Less: Withholding tax on disposal of mutual funds	(86,560)
Less: Bank charges	(53)
Un-utilized IPO proceeds as at 31 March 2024	<u>282,272,223</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 Quarter and Nine Months Period Ended 31 March 2024

### 21. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on April 29, 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 FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2024 (Un-audited)**

# Consolidated Condensed Interim Statement Of Financial Position

As At 31 March 2024

	Un-Audited 31 March 2024 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	4,334,057,203	4,651,660,024
<b>Total equity</b>	<b>5,726,105,203</b>	<b>6,043,708,024</b>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Long term financing	486,392,564	596,988,256
Lease liabilities	463,245,295	487,911,254
Long term deposits	18,500,000	16,500,000
Deferred income tax liability - net	385,574,850	321,124,507
	1,353,712,709	1,422,524,017
<b>CURRENT LIABILITIES</b>		
Trade and other payables	2,242,421,240	1,926,226,196
Accrued mark-up	76,320,159	124,519,872
Short term borrowings	2,168,335,060	2,406,866,985
Current portion of non-current liabilities	289,002,880	233,041,322
Unclaimed dividend	5,689,417	5,830,744
	4,781,768,756	4,696,485,119
<b>Total liabilities</b>	<b>6,135,481,465</b>	<b>6,119,009,136</b>
<b>CONTINGENCIES AND COMMITMENTS</b>		
	5	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>11,861,586,668</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

# Consolidated Condensed Interim Statement Of Financial Position

As At 31 March 2024

		Un-Audited 31 March 2024 Rupees	Audited 30 June 2023 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets	6	6,479,088,306	6,439,774,188
Right-of-use assets	7	598,072,921	635,782,031
Intangible assets	8	13,315,994	20,260,771
Investment property		-	135,000,000
Long term security deposits		62,156,289	63,700,448
Long term loans to employees		2,284,477	2,985,100
		<u>7,154,917,987</u>	<u>7,297,502,538</u>
<b>CURRENT ASSETS</b>			
Stores		92,579,328	129,169,374
Stock-in-trade	9	2,538,224,447	3,210,734,081
Trade debts		501,317,423	233,969,194
Loans and advances		243,019,830	342,094,549
Short term deposits and prepayments		79,821,915	40,379,947
Other receivables		298,908,523	213,788,973
Advance income tax - net of provision for taxation		233,534,083	210,385,009
Accrued interest		827,060	7,032,985
Short term investments		221,198,641	222,582,946
Cash and bank balances		362,237,431	255,077,564
		<u>4,571,668,681</u>	<u>4,865,214,622</u>
Non-current asset classified as held for sale	10	135,000,000	-
		<u>4,706,668,681</u>	<u>4,865,214,622</u>
<b>TOTAL ASSETS</b>		<u><u>11,861,586,668</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 Quarter and Nine Months Period Ended 31 March 2024

	NINE MONTHS ENDED		QUARTER ENDED	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	Rupees	Rupees	Rupees	Rupees
GROSS REVENUE FROM CONTRACTS WITH CUSTOMERS	19,130,426,232	14,381,076,999	7,783,907,872	5,677,643,939
Discounts	(488,535,846)	(270,839,679)	(147,014,601)	(121,228,288)
Sales tax	(2,660,728,714)	(2,595,715,957)	(988,761,569)	(1,412,249,167)
NET REVENUE FROM CONTRACTS WITH CUSTOMERS	15,981,161,672	11,514,521,363	6,648,131,702	4,144,166,484
COST OF SALES	(14,408,069,796)	(9,816,490,564)	(6,000,147,466)	(3,217,059,889)
GROSS PROFIT	1,573,091,876	1,698,030,799	647,984,236	927,106,595
DISTRIBUTION COST	(744,516,893)	(689,406,055)	(401,366,999)	(307,022,558)
ADMINISTRATIVE EXPENSES	(677,185,791)	(625,033,224)	(237,292,260)	(209,376,408)
OTHER EXPENSES	(47,895,168)	(244,372,468)	(2,614,907)	(40,525,538)
	(1,469,597,852)	(1,558,811,747)	(641,274,166)	(556,924,504)
OTHER INCOME	319,975,932	119,333,049	226,396,590	56,455,371
PROFIT FROM OPERATIONS	423,469,956	258,552,101	233,106,660	426,637,462
FINANCE COST	(578,706,829)	(466,422,752)	(167,673,706)	(141,176,468)
PROFIT / (LOSS) BEFORE TAXATION	(155,236,873)	(207,870,651)	65,432,954	285,460,994
TAXATION	(162,365,948)	28,077,979	(33,146,268)	(95,877,223)
PROFIT / (LOSS) AFTER TAXATION	(317,602,821)	(179,792,672)	32,286,686	189,583,771
PROFIT / (LOSS) PER SHARE - BASIC AND DILUTED	(2.28)	(1.29)	0.23	1.36

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

  
Chief Executive

  
Director

  
Chief Financial Officer

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

For The Quarter and Nine Months Period Ended 31 March 2024

	NINE MONTHS ENDED		QUARTER ENDED	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	Rupees	Rupees	Rupees	Rupees
<b>PROFIT / (LOSS) AFTER TAXATION</b>	(317,602,821)	(179,792,672)	32,286,686	189,583,771
<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 PROFIT / (LOSS) FOR THE PERIOD</b>	<u>(317,602,821)</u>	<u>(179,792,672)</u>	<u>32,286,686</u>	<u>189,583,771</u>

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



Chief Executive



Director



Chief Financial Officer

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

For The Quarter and Nine Months Period Ended 31 March 2024

SHARE CAPITAL	RESERVES					TOTAL EQUITY	
	CAPITAL RESERVES			REVENUE RESERVE	TOTAL RESERVES		
	SHARE PREMIUM	SURPLUS ON REVALUATION OF FREEHOLD LAND	SUB TOTAL	UN-APPROPRIATED PROFIT			
----- Rupees -----							
<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 nine months period ended 31 March 2023	-	-	-	-	(179,792,672)	(179,792,672)	(179,792,672)
Other comprehensive income for the nine months period ended 31 March 2023	-	-	-	-	-	-	-
Total comprehensive loss for the nine months period ended 31 March 2023	-	-	-	-	(179,792,672)	(179,792,672)	(179,792,672)
<b>Balance as at 31 March 2023 - 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>1,179,357,518</b>	<b>4,404,157,462</b>	<b>5,796,205,462</b>
<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>
Transactions with owners:							
Loss for the nine months period ended 31 March 2024	-	-	-	-	(317,602,821)	(317,602,821)	(317,602,821)
Other comprehensive income for the nine months period ended 31 March 2024	-	-	-	-	-	-	-
Total comprehensive loss for the nine months period ended 31 March 2024	-	-	-	-	(317,602,821)	(317,602,821)	(317,602,821)
<b>Balance as at 31 March 2024 - 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>794,565,009</b>	<b>4,334,057,203</b>	<b>5,726,105,203</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 Quarter and Nine Months Period Ended 31 March 2024

	Note	NINE MONTHS ENDED	
		31 March 2024 Rupees	31 March 2023 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash generated from / (Used in) operations</b>	11	1,282,512,104	221,071,418
Finance cost paid		(626,906,542)	(466,162,143)
Income tax paid		(121,064,679)	(133,904,328)
Net increase in long term loans to employees		(233,543)	(3,369,478)
Net increase in long term security deposits		5,619,962	20,475,665
Net increase/ (decrease) in long term deposits		2,000,000	(2,000,000)
<b>Net cash used in operating activities</b>		<b>541,927,302</b>	<b>(363,888,866)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on operating fixed assets		(111,872,992)	(378,208,277)
Capital expenditure on intangible assets		-	(188,784)
Initial direct cost incurred on right-of-use assets		-	(5,313,999)
Proceeds from disposal of operating fixed assets		120,000	12,869,660
Short term investments made		(20,428,766)	(9,279,384)
Short term investments disposed of		27,900,000	-
Dividends received		31,081,551	23,274,957
Profit on bank deposits and term deposit receipts received		31,872,008	12,961,519
<b>Net cash used in investing activities</b>		<b>(41,328,199)</b>	<b>(343,884,308)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Short term borrowings - net		(238,531,925)	612,976,242
Dividend paid		(141,327)	(278,186,484)
Proceeds from long term financing		-	97,417,000
Repayment of long term financing		(46,522,157)	(54,702,972)
Repayment of lease liabilities		(108,243,827)	(102,878,298)
<b>Net cash from financing activities</b>		<b>(393,439,236)</b>	<b>274,625,488</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>107,159,867</b>	<b>(433,147,686)</b>
<b>Cash and cash equivalents at beginning of the period</b>		<b>255,077,564</b>	<b>660,429,600</b>
<b>Cash and cash equivalents at end of the period</b>		<b>362,237,431</b>	<b>227,281,914</b>

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



Chief Executive



Director



Chief Financial Officer

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

For The Quarter and Nine Months Period Ended 31 March 2024

## 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 Company for the year ended 30 June 2023.

During the nine months period ended 31 March 2024, 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 Quarter and Nine Months Period Ended 31 March 2024

	Un-Audited 31 March 2024 Rupees	Audited 30 June 2023 Rupees
<b>4. LEASE LIABILITIES</b>		
Total lease liabilities	629,439,565	662,217,503
Less: Current portion shown under current liabilities	166,194,270	174,306,249
	<u>463,245,295</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 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 consolidated condensed interim financial statements.

	Un-Audited 31 March 2024 Rupees	Audited 30 June 2023 Rupees
<b>5.2 Commitments</b>		
<b>5.2.1</b> Contracts for capital expenditures	42,044,776	46,143,062
<b>5.2.2</b> Letters of credit other than for capital expenditures	697,731,244	493,096,138

### 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

	Un-Audited 31 March 2024 Rupees	Audited 30 June 2023 Rupees
	6,336,532,505	6,309,226,999
	142,555,801	130,547,189
	<u>6,479,088,306</u>	<u>6,439,774,188</u>
	6,309,226,999	5,716,441,584
	237,851,052	599,815,422
	-	314,692,250
	15,761,770	1,574,708
	6,562,839,821	6,632,523,964
	11,489,541	53,189,599
	6,075,596	-
	<u>6,545,274,685</u>	<u>6,579,334,365</u>
	208,742,180	270,107,366
	<u>6,336,532,505</u>	<u>6,309,226,999</u>

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

For The Quarter and Nine Months Period Ended 31 March 2024

	Un-Audited 31 March 2024 Rupees	Audited 30 June 2023 Rupees
<b>6.1.1 Cost of additions during the period / year</b>		
Buildings on freehold land	-	120,363,492
Buildings on leasehold land	81,738,831	42,056,824
Machinery	29,542,943	286,908,016
Tanks and Pipeline	34,620,807	3,409,167
Dispensing Pumps	26,814,986	20,156,420
Electric Installation	-	45,183,722
Moulds	42,190,441	12,667,000
Furniture and fittings	1,960,722	1,242,535
Vehicles	6,847,755	51,157,053
Office equipment	2,123,307	3,571,830
Computers	12,011,260	13,099,363
	<u>237,851,052</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
Vehicles	16,063,197	-
Computers	4,461,095	-
Less: Accumulated depreciation	9,034,751	8,666,330
	<u>11,489,541</u>	<u>53,189,599</u>
<b>6.2 Capital work-in-progress</b>		
Civil works	45,313,305	44,199,846
Tanks and Pipelines	58,689,985	50,594,702
Dispensing pumps	11,481,660	8,681,790
Advance for purchase of apartment	25,976,750	25,976,750
Mobilization advances	1,094,101	1,094,101
	<u>142,555,801</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)	74,578,017	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)	15,761,778	1,574,708
Less: Depreciation expense for the period / year	113,175,001	137,386,504
Closing book value	<u>598,072,921</u>	<u>635,782,031</u>
<b>7.1. Cost of additions during the period / year</b>		
Land	72,485,095	18,557,113
Buildings	2,092,922	45,328,092
Vehicles	-	77,658,685
	<u>74,578,017</u>	<u>141,543,890</u>
<b>7.2 Book value of assets transferred to fixed assets - owned during the period / year</b>		
Vehicles	<u>15,761,770</u>	<u>1,574,708</u>

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

For The Quarter and Nine Months Period Ended 31 March 2024

	Un-Audited 31 March 2024 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	6,944,777	10,199,746
Closing book value	<u>13,315,994</u>	<u>20,260,771</u>
<b>9. STOCK-IN-TRADE</b>		
Raw materials (Note 9.1)	858,721,957	1,650,353,383
Work-in-process	<u>67,705,463</u>	<u>94,122,182</u>
	926,427,420	1,744,475,565
Lubricants and parts (Note 9.2)	<u>714,908,843</u>	<u>656,437,964</u>
Less: Provision for slow moving and damaged stock items	<u>10,218,683</u>	<u>27,984,479</u>
	704,690,160	628,453,485
Petroleum products		
- Stock in hand (Note 9.3 )	<u>232,127,837</u>	<u>139,978,203</u>
- Stock in pipeline system (Note 9.4 )	<u>631,408,997</u>	<u>638,125,434</u>
	863,536,834	778,103,637
Dispensing pumps and other installations	<u>43,570,033</u>	<u>59,701,394</u>
	<u>2,538,224,447</u>	<u>3,210,734,081</u>

**9.1** These includes raw materials in transit amounting to Rupees 241.059 million (2023: Rupees 121.813 million) and raw materials amounting to Rupees 75.297 million (2023: Rupees 1,119.587 million) lying at customs bonded warehouse.

**9.2** This includes stock-in-transit of Rupees Nil (30 June 2023: Rupees Nil) and stock amounting to Rupees 219.010 million (30 June 2023 : Rupees 70.612 million) lying at customs bonded warehouse.

**9.3** This include stock of petroleum products in possession of third parties as follows:

	Un-Audited 31 March 2024 Rupees	Audited 30 June 2023 Rupees
Askar Oil Services (Private) Limited	2,519,352	2,425,987
Be Energy Limited	3,417,967	36,668,049
Al-Rahim Trading Company (Private) Limited	-	459,393
Gas and Oil Pakistan Limited	5,084,591	3,410,459
Karachi Hydrocorban Terminal Limited	5,694,449	4,756,350
Z.Y. & Co. Bulk Terminal (Private) Limited	6,351,242	-
	<u>23,067,601</u>	<u>47,720,238</u>

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

For The Quarter and Nine Months Period Ended 31 March 2024

9.4 This represents the Company's share of pipeline stock of High Speed Diesel and Petroleum Motor Gasoline amounting to Rupees 429,819 million (30 June 2023: Rupees 469,131 million) and Rupees 201,589 million (30 June 2023: Rupees 168,995 million) held by Pak-Arab Pipeline Company Limited.

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

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.

### 11. CASH GENERATED FROM OPERATIONS

Loss before taxation (155,236,873) (207,870,651)

#### Adjustments for non-cash charges and other items:

	(Un-Audited)	
	NINE MONTHS ENDED	
	31 March 2024	31 March 2023
	Rupees	Rupees
Depreciation on operating fixed assets	68,316,003	186,000,666
Depreciation on right-of-use assets	113,175,001	101,188,751
Amortization of intangible assets	6,944,779	7,317,132
Amortization of deferred income - Government grant	-	(361,618)
Allowance for expected credit losses	5,998,605	13,658,497
Provision for slow moving and damaged stock items	-	-
(Reversal of provision) / provision for slow moving and obsolete store items	-	-
Provision for slow moving and obsolete store items	-	-
(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	(1,952,725)	(7,014,539)
Dividend income	(31,081,551)	(23,274,957)
Profit on bank deposits and term deposit receipt	(25,666,083)	(21,489,215)
Unrealized gain on remeasurement of investments carried at fair value through profit or loss - net	(4,150,041)	(56,560)
Interest income on short term loan to subsidiary company	-	-
Gain on disposal of short term investments	(1,936,890)	(189,090)
Fair value gain on investment property	-	-
Gain on termination of leases	-	-
Finance cost	578,706,829	474,883,136
Exchange loss - net	2,950,763	208,600,285
Provision for workers' profit participation fund	14,199,217	-
Provision for workers' welfare fund	5,010,275	-
Fixed assets written off	6,075,596	-
Gain on foreign remittance	-	(30,797,348)
Short term security deposits written off	-	-
Long term security deposits written off	-	-
Other receivables written off	-	-
Working capital changes (Note 11.1)	702,093,536	(479,523,071)
	1,282,512,104	221,071,418

#### 11.1 Working capital changes

Decrease / (increase) in current assets:

Stores	36,590,046	1,029,941
Stock-in-trade	672,509,634	1,039,760,866
Trade debts	(100,995,379)	221,869,301
Loans and advances	99,924,817	(285,202,856)
Short term deposits and prepayments	(43,517,771)	(29,607,536)
Other receivables	(85,119,550)	254,441,266
	579,391,797	1,202,290,982

Increase / (decrease) in trade and other payables

	122,701,739	(1,681,814,053)
	702,093,536	(479,523,071)

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

For The Quarter and Nine Months Period Ended 31 March 2024

### 12. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated undertakings, other related parties, key management

Nature of transaction	UN-AUDITED			
	NINE MONTHS ENDED		QUARTER ENDED	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	-----Rupees-----			

#### i. Transactions

##### Associated company

MAS Associates	Share of common	1,534,284	1,008,395	370,608	323,379
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##### Other related parties

SK Enmove Co., Ltd.	Purchase of	1,718,867,680	2,594,271,146	617,289,494	33,111,505
	Dividend paid	-	1,986,660	-	1,986,660
	Incentive	247,122,002	181,400,000	-	181,400,000
Provident fund trust	Contribution	26,978,900	23,126,483	7,731,798	6,545,357
Key management	Remuneration	372,786,025	370,629,359	118,955,044	98,186,024
Sabra Hamida Trust	Donations	13,500,000	13,500,000	4,500,000	4,500,000

<b>Un-Audited</b>	<b>Audited</b>
<b>31 March</b>	<b>30 June</b>
<b>2024</b>	<b>2023</b>
<b>Rupees</b>	<b>Rupees</b>

#### ii. Period / year end balances

##### Associated company

Receivable from MAS Associates (Private) Limited	320,069	314,409
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##### Other related parties:

Receivable from SK Enmove Co., Ltd	69,525,001	90,000,000
Payable to SK Enmove Co., Ltd	487,471,872	562,838,000
Payable to employees' provident fund trust	6,926,982	4,979,216
Remuneration payable to directors	7,763,167	2,100,000

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

For The Quarter and Nine Months Period Ended 31 March 2024

### 13 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

#### (i) Fair value hierarchy

Judgments 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 March 2024	Level 1	Level 2	Level 3	Total
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----- Rupees -----

#### Financial assets

Financial assets at fair value through profit or loss	221,198,641	-	-	221,198,641
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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 year. Further there was no transfer in and out of level 3 measurements.

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

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

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

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

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

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

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

For The Quarter and Nine Months Period Ended 31 March 2024

### 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 March 2024	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 period ended 31 March 2024. 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.

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 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Revenue from contracts with customers - net	5,570,845,548	5,774,672,571	10,132,034,554	5,739,848,792	278,281,570	-	-	-	15,981,161,672	11,514,521,363
Cost of sales	(4,337,080,300)	(4,235,809,344)	(9,859,068,411)	(5,580,681,220)	(211,921,085)	-	-	-	(14,408,069,796)	(9,816,490,564)
Gross profit	1,233,765,248	1,538,863,227	272,966,143	159,167,572	66,360,485	-	-	-	1,573,091,876	1,698,030,799
Distribution cost	(463,349,229)	(466,698,452)	(284,100,969)	(222,707,603)	(7,066,695)	-	-	-	(744,516,893)	(689,406,055)
Administrative expenses	(658,920,719)	(610,300,812)	(16,433,634)	(14,732,412)	(1,831,438)	-	-	-	(677,185,791)	(625,033,224)
Other expenses	(22,155,288)	(237,366,062)	(25,739,880)	(7,006,406)	-	-	-	-	(47,895,168)	(244,372,468)
Other income	(1,134,425,236)	(1,314,365,326)	(326,274,483)	(244,446,421)	(8,898,133)	-	-	-	(1,469,897,852)	(1,558,811,747)
Profit / (loss) from operations	255,099,339	43,756,047	64,876,593	75,577,002	-	-	-	-	319,975,932	119,333,049
Finance cost	354,439,361	268,253,948	11,568,253	(9,701,847)	57,462,352	-	-	-	423,469,956	258,562,101
(Loss) / profit before taxation	(375,892,701)	(406,325,839)	(94,514,657)	(60,096,913)	(108,299,471)	-	-	-	(578,706,829)	(466,422,752)
Taxation	(21,453,350)	(138,071,891)	(82,946,404)	(69,798,760)	(50,837,119)	-	-	-	(155,236,873)	(207,870,651)
(Loss) / profit after taxation	(2,169,246,051)	(544,397,680)	(157,461,061)	(129,895,673)	(109,136,590)	-	-	-	(734,173,702)	(674,291,403)
	(21,453,350)	(138,071,891)	(82,946,404)	(69,798,760)	(50,837,119)	-	-	-	(162,365,948)	(28,077,979)
									(162,365,948)	(317,602,821)

15.1 Reconciliation of reportable segment assets and liabilities:

	LUBRICANTS		PETROLEUM PRODUCTS		POLYMER		TOTAL - GROUP	
	Un-Audited 31 March 2024	Audited 30 June 2023	Un-Audited 31 March 2024	Audited 30 June 2023	Un-Audited 31 March 2024	Audited 30 June 2023	Un-Audited 31 March 2024	Audited 30 June 2023
Total assets for reportable segments	7,193,749,069	6,722,267,004	4,178,262,123	3,947,956,772	-	815,925,107	11,372,011,192	11,486,148,883
Unallocated assets							318,040,872	676,568,277
Total assets as per consolidated statement of financial position							11,690,052,064	12,162,717,160
Total liabilities for reportable segments	3,349,145,052	2,526,927,666	782,222,788	233,897,003	-	475,910,407	4,131,367,840	3,236,735,076
Unallocated liabilities							1,832,579,021	2,882,274,060
Total liabilities as per consolidated statement of financial position							5,963,946,861	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 of the reporting dates are located in Pakistan.

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

For The Quarter and Nine Months Period Ended 31 March 2024

### 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 Quarter and Nine Months Period Ended 31 March 2024

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

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

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

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

During the year ended on 30 June 2020, the Holding Company started its OMC operations and expediently worked on completion of its Nowshera oil storage. During the year ended 30 June 2021, Holding Company has completed its oil storage at Nowshera. On 09 August 2021, OGRA acknowledged the satisfactory completion of Nowshera oil storage based on third party inspection report. During the year ended 30 June 2022, the Holding Company has started work on new oil storage facility at Shikarpur. On 16 March 2023, OGRA has granted permission to the Holding Company to operate new storage facility at Nowshera and marketing of petroleum products in the province of Khyber Pakhtunkhwa. Currently, the Holding Company has eight operational HTL Express Centers, four in Lahore, three in Karachi and one in Rawalpindi. Further, the Holding Company has forty one retail outlets operational for sale of petroleum products as on 31 March 2024. Detail of payments out of IPO proceeds during the period ended 31 March 2024 is as follows:

	Rupees
Un-utilized IPO proceeds as at 01 July 2023	395,898,356
Add: Profit on term deposit receipt	27,699,244
Add: Profit on bank deposits	1,612,487
Add: Dividend on investment in mutual funds	30,313,780
Add: Gain on disposal of investment in mutual funds	2,859,543
Add: Unrealised gain on investment in mutual funds	(980,726)
Less: Payments made relating to OMC Project	(166,100,021)
Less: Withholding tax on profit	(241,873)
Less: Withholding tax on dividend from mutual funds	(4,547,067)
Less: Withholding tax on profit on term deposit receipt	(4,154,887)
Less: Withholding tax on disposal of mutual funds	(86,560)
Less: Bank charges	(53)
Un-utilized IPO proceeds as at 31 March 2024	<u>282,272,223</u>

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

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

For The Quarter and Nine Months Period Ended 31 March 2024

### **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 April 29, 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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