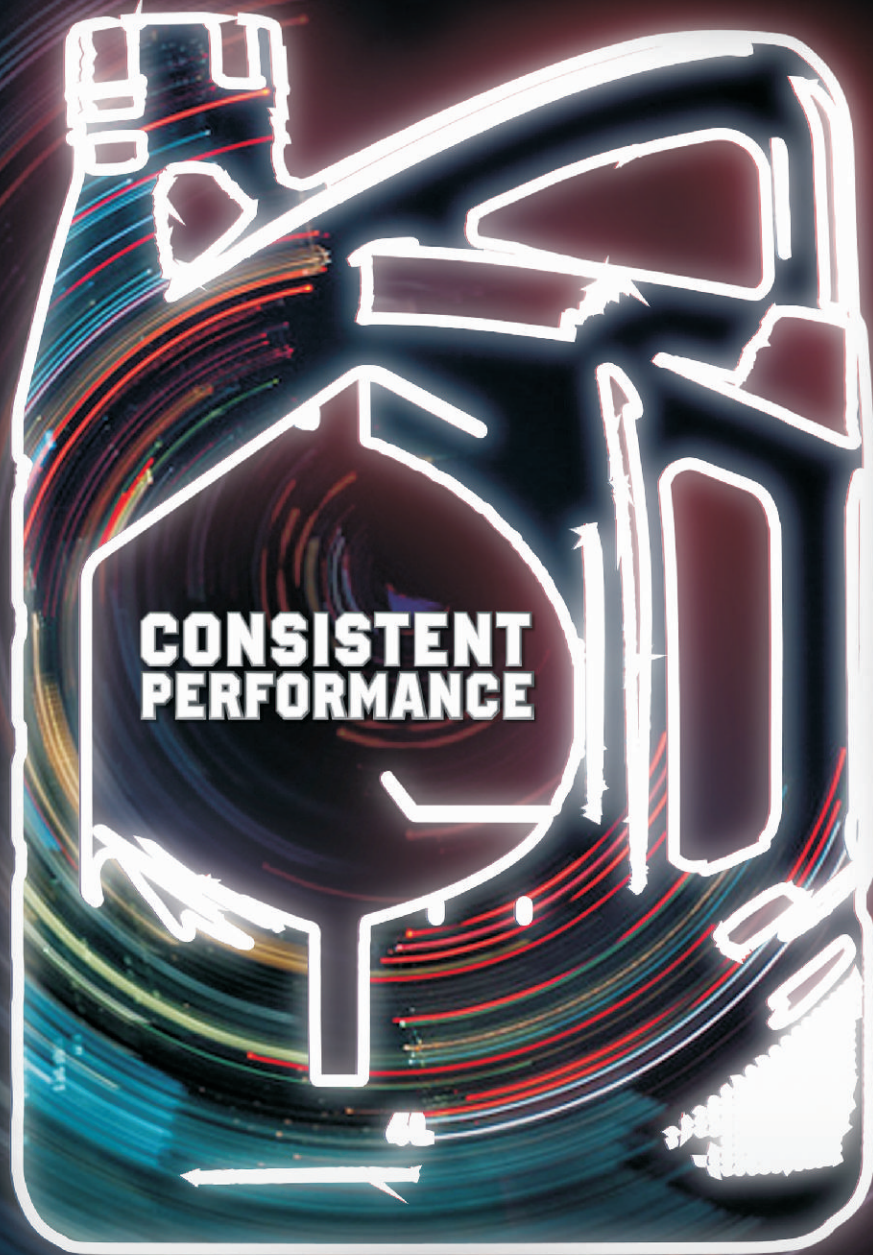


# Condensed Interim Financial Statements

For the Quarter and Nine Months Period Ended March 31, 2021 (Un-audited)

## Hi-Tech Lubricants Ltd



HTL Stands in Solidarity with the Affectees of COVID-19

# 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

Mr. Jung-Woo LEE  
Non Executive Director (a nominee of SK Lubricants Co. Ltd.)

Mr. Muhammad Tabassum Munir  
Independent Director

Dr. Safdar Ali Butt  
Independent Director

Syed Asad Abbas Hussain  
Independent 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 Shahrah-e-Faisal, Karachi, 74400.  
Telephone: +92 21 111-111-500,  
Fax: +92 21 34326053, Toll Free: 0800 23275 (CDCPL),  
Email address: info@cdcsrcsl.com,  
Website: https://www.cdcsrcsl.com

## 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

## WEBSITE:

www.hitechlubricants.com  
www.zicoil.pk

## LEGAL ADVISOR

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

## BANKERS

### ISLAMIC BANKS

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

### CONVENTIONAL BANKS

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

## Directors' Review

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

The Directors of Hi-Tech Lubricants Limited (the Company) have the pleasure in presenting to you the financial results of your Company which include both, **standalone** and **consolidated unaudited condensed interim financial statements**, for the quarter and nine months ended 31 March 2021.

#### OVERVIEW

#### FINANCIAL PERFORMANCE – CONSOLIDATED

During the period under review, on a **consolidated** basis, your Company earned profit after tax of Rs508 million, compared to a loss after tax of Rs92 million during the corresponding period of last year. The consolidated earnings per share increased to Rs4.35 as compared to loss per share of Rs0.80 during the corresponding period. The quarter's net income of PKR 203 million was the highest ever recorded by the Company in the third quarter of any fiscal year (a seasonally slower quarter for us generally). The Group's statement of financial position shows an impressive improvement with our short term borrowings levels reduced to Rs 580 million compared to Rs1 billion on June 2020 while our carrying stocks reached Rs 1.53 billion. The current ratio has also improved to stand at 1.46 against 1.33 on June 2020. This continued improvement in working capital position reiterates our ongoing commitment to financial strength and efficiency while creating shareholders' value.

Detailed **consolidated** financial performance of your Group for the nine months ended 31 March 2021 as compared to 31 March 2020 and 31 March 2019 is presented below:

PARTICULARS	NINE MONTHS ENDED	NINE MONTHS ENDED	NINE MONTHS ENDED	CHANGE 2021 VS 2020	CHANGE 2021 VS 2019
	31 March 2021	31 March 2020	31 March 2019	% (Positive Increase)	%(Positive Increase)
Gross revenue	10,680	5,224	7,728	104	33
Net revenue	7,254	3,712	5,822	95	25
Gross profit	1,688	963	1,172	75	44
Profit from	701	152	185	361	279
Profit / (loss) after tax	508	(92)	(269)	650	289
EPS / (LPS) :(Rs)	4.38	(0.80)	(2.32)	650	289

#### OPERATIONAL PERFORMANCE

##### LUBRICANTS SEGMENT

During the nine months' period ended, the lubricants segment net revenue has reached PKR5,788 million, up by 61.5 percent compared to PKR 3,585 million during the corresponding period. Gross profit and profit from operations has been increased by PKR 973.85million and PKR 423.26million respectively in comparison to the corresponding period.

Hi-Tech Blending (Private) Limited played an important role in the growth of lubricant segment of the Group for the period. The plant started local blending of Fighter Brands (in-house produced ZIC Lubricants) in November 2018 and during the period under review saw a 92% volumetric growth in this product line over the same period last year. We expect the blending plant to continue its strong volumetric and profitability growth in the future. Therefore, the Group is expanding its blending facilities with the establishment of new LCs for additional blow molding machines, storage tanks and filling lines.

Pakistan's automobile industry witnessed a significant growth due to new entrants' in the market and a rebound in economic activity. Pakistan Automotive Manufacturers Association (PAMA) released latest auto sales data for nine months ended March 21, portraying an increase of 36% year on year basis to 134,718 units which is a healthy sign for lubricants segment of the Company. To reap benefits of the growth in automobile sector, the Company has signed contracts with Hyundai Nishat Motors (Private) Limited and M/S Regal Automobile Industries Limited (DSFK) for use of ZIC lubricants in their after sales services in all variants of cars sold by them. Company is also in negotiation with other vehicle manufacturers and is expecting a favorable outcome.

## Directors' Review

The Company has also widened the scope of its Distribution Network beyond the geographical borders of Pakistan and have entered into a Non-Exclusive Distribution Agreement with M/S Osman Ghani Limited (an Afghanistan based company) for export of locally blended ZIC Brand products. It is expected that this will offer significant increase in our turnover in the near future.

### PETROLEUM SEGMENT

During the period under review, the marketing and sale of petroleum products through HTL Fuel stations reached PKR 1,465 million translating into the gross profit of PKR 66.4million and loss from operations of Rs36.1 million. The loss is mainly on account of fixed costs, including depreciation, which will be better absorbed with the expansion of this segment's operations through increase in number of fuel stations. The petroleum segment achieved accounting breakeven for the quarter.

Currently, the Company has twenty three fuel stations operational in Punjab with 3 under construction/ under approval process with OGRA. Expansion of our Sahiwal Oil storage depot is in final stages; which will allow us to substantially increase the number of our HTL Fuel Stations in Punjab Province, in addition to the twenty-six we are already permitted. In order to safeguard continuous uninterrupted supply of petroleum products. The Company also plans to build its own storage near the oil pipeline terminal for which agreements are under process.

The Nowshera Oil storage depot is complete in all respects and third party inspection has already been carried out. The Company expects to start marketing and sale of petroleum products in Khyber Pakhtunkhwa Province soon after receiving formal approvals from Oil and Gas Regulatory Authority (OGRA) in near future. It will enable the Company to operate thirty-five HTL Fuel Stations in Khyber Pakhtunkhwa Province.

### INDUSTRY'S OVERALL PERFORMANCE

Petroleum and lubricant sales in the country clocked in at 1.49 million tons in March 2021, depicting a gigantic growth of 44 percent on year-on-year basis.

The growth in sales volumes is primarily attributable to economic growth driving retail fuel sales, surge in trade activity (exports and imports) and better agricultural yields resulting in higher sales of HSD, double digit growth in automobile off take and preference to private transport over public transport to reduce chances of contracting Covid-19, and strict surveillance on borders and various parts of country in order to control supply of illegal or dumped fuel from neighbouring countries.

### ENTRANCE INTO NEW BUSINESS VENTURE THROUGH HI-TECH BLENDING (PRIVATE) LIMITED – WHOLLY OWNED SUBSIDIARY

The Group has decided to avail new business opportunities in the plastic packaging industry by venturing into the production of plastic products for external customers and third parties. This business will be pursued through our wholly-owned subsidiary, Hi-Tech Blending (Private) Limited (HTBL).

HTBL has produced bottles for its own needs since 2016 for both its locally blended and locally filled products. It has attained substantial experience in extrusion blow molding and injection molding. The Company has been exploring the provision of similar plastic packaging to outside customers for some time. In addition, the Company has been approached by potential large scale users of plastic bottles for supply of specially designed plastic bottles to meet their varied specific needs.

For this purpose, the process for import and installation of requisite machinery in the Extrusion Blow Molding and Feeding Recycling System section of the Plant Site of HTBL has been initiated for the production of various quality products for external customers/local third parties.

### POSITION OF IPO FUNDS

At 31 March 2021, the un-utilized proceeds of Rs516.49 million of the initial public offer have been kept by the Company in the shape of bank balances, term deposit receipts and mutual funds. These can only be utilized for the purposes of expansions related to OMC project (petroleum segment) of the Company.

### FUTURE OUTLOOK

Pakistan has entered the third wave of the Covid – 19 pandemic with much improved economic indicators compared to weaker signs when the first wave hit the country almost a year ago. Further, availability of vaccines, though at limited extent, will play an important role to counter the pandemic in the coming months.

## Directors' Review

Pakistan's central bank has remained confident that the country's economy will grow 3% in the current fiscal year despite facing a third wave of Covid-19. Further, remittances sent home by overseas Pakistanis remained strong above \$ 2 billion for the 10<sup>th</sup> successive month in March 2021 and Pak Rupee (PKR) almost reaching its 22 month high levels by 31 March 2021 at PKR 152.74 against the US Dollar (USD).

The record activities in automobile sector, construction and allied industries, strong performance of large scale manufacturing, strong improvement in exchange rate and improved exports along with rising remittance have restored the investors' confidence, paving way for unprecedented economic growth. However, despite signs of economic resilience and recovery, the challenges of third wave of COVID -19 pandemic, high debt-to-GDP ratio, high inflation, increased cost of living in unstable political conditions and geopolitical tensions cloud the outlook.

The Company remains confident and committed to delivering enduring value for all its stakeholders by strengthening and building relationships and proactively exploring opportunities for organic growth.

### ACKNOWLEDGMENT

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

On behalf of the Board



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

Lahore,  
23 April, 2021



Mr. Shaukat Hassan  
**(Chairman)**

## ڈائریکٹران کا جائزہ

اللہ کے بابرکت نام سے جو نہایت ہی مہربان اور فضل والا ہے

ہائی ٹیک لبریکیشنس لمیٹڈ (کمپنی) کے ڈائریکٹران سہ ماہی اور نو ماہی ختمہ ۳۱ مارچ ۲۰۲۱ء کے مالیاتی نتائج پیش کرتے ہوئے مسرت محسوس کر رہے ہیں، جو کہ دونوں غیر مجموعی و مجموعی بنیادوں پر اور غیر منظم و غیر آڈٹ شدہ عبوری مالیاتی حسابات پر مشتمل ہیں۔

جائزہ:

مالیاتی کارکردگی، مجموعی بنیادوں پر:

زیرنوردت کے دوران آپ کی کمپنی کا مجموعی خالص منافع جو کہ پچھلے سال کی اسی مدت کے دوران ۹۲ ملین روپے کے نقصان کے مقابلے میں ۵۰۸ ملین روپے رہا۔ پچھلے سال کی اسی مدت جس میں فی حصص ۸۰ پیسے کا نقصان ہوا تھا، کمپنی کو اس سال ۴ روپے ۳۸ پیسے فی حصص آمدنی ہوئی۔ کمپنی کے کسی بھی سال کی تیسری سہ ماہی میں منافع ۲۰۳ ملین روپے کے ساتھ سب سے زیادہ رہا حالانکہ عام طور پر یہ سہ ماہی موسمی طور پر فروخت کے حساب سے سست رہتی ہے۔ گروپ کے معاشی حالات میں متاثر کن بہتری نمایاں نظر آئی، جہاں کمپنی کے قلیل مدتی قرضہ جات ۳۰ جون ۲۰۲۰ء کے مقابلے میں ایک ارب سے کم ہو کر ۵۸۰ ملین روپے رہ گئے جبکہ اثاثہ جات کی مالیت ۱.۵۳ ارب روپے پر پہنچ گئی۔ موجودہ تناسب بھی بہتر ہو کر ۱.۴۶ پر پہنچ گیا جو کہ جون ۲۰۲۰ء میں ۱.۳۳ پر تھا۔ یہ کام کرنے کے سرمائے میں مسلسل بہتری کے تسلسل اور ہماری مطلوب کارکردگی کا عکاس ہے جو کہ حصداران کی قدر میں اضافے کا بھی باعث بنا ہے۔

گروپ کی نو ماہی ختمہ ۳۱ مارچ ۲۰۲۱ء کی مجموعی کارکردگی کا تقابلی جائزہ نو ماہی ختمہ ۳۱ مارچ ۲۰۲۰ء اور نو ماہی ختمہ ۳۱ مارچ ۲۰۱۹ء کے حساب سے زیر نظر درج ذیل دیا گیا ہے۔

تفصیلات	پاکستانی روپے ملین میں مساوائے فی حصص آمدنی			تبدیلی	تبدیلی
	نو ماہی ختمہ ۳۱ مارچ ۲۰۲۱ء	نو ماہی ختمہ ۳۱ مارچ ۲۰۲۰ء	نو ماہی ختمہ ۳۱ مارچ ۲۰۱۹ء		
مجموعی فروخت	۱۰۶۸۰	۵۲۲۳	۷۷۲۸	۱۰۴	۳۳
خالص محصول	۷۲۵۲	۳۷۱۲	۵۸۲۲	۹۵	۲۵
کل منافع	۱۶۸۸	۹۶۳	۱۱۷۲	۷۵	۴۴
آپریٹنگ منافع	۷۰۱	۱۵۲	۱۸۵	۳۶۱	۲۷۹
بعد از ٹیکس منافع (خسارہ)	۵۰۸	(۹۲)	(۲۶۹)	۶۵۰	۲۸۹
فی حصص آمدنی (خسارہ) (روپوں میں)	۴.۳۸	(۰.۸۰)	(۲.۳۲)	۶۵۰	۲۸۹

آپریٹنگ کارکردگی:

لبریکیشن سیکمینٹ:

نو ماہی مدت کے دوران لبریکیشن سیکمینٹ کی خالص فروخت ۵۸۸ ملین روپے رہی، جو کہ پچھلے سال کی اسی مدت کے دوران ۳۵۸۵ ملین روپے تھی اور یوں مجموعی اضافہ ۶۱.۵ فیصد رہا۔ پچھلے سال کی اسی مدت کے مقابلے میں مجموعی آپریٹنگ منافع بالترتیب ۸۵.۸۳ ملین روپے اور ۲۶۳.۲۶ ملین روپے کے اضافے کے ساتھ رہا۔

ہائی ٹیک بلینڈنگ (پرائیویٹ) لمیٹڈ نے گروپ کے لبریکیشن سیکمینٹ کی بڑھوتی میں اس دوران اہم کردار ادا کیا، پلانٹ نے کمپنی کے اندر بننے والے زک لبریکیشنس کی مقامی تیاری نومبر ۲۰۱۸ء میں شروع کی تھی، اور زیر نظر مدت کے دوران ان مصنوعات کی مقدار میں پچھلے سال کی اسی سہ ماہی کے مقابلے میں ۹۲ فیصد اضافہ دیکھنے میں آیا۔ ہم پر امید ہیں کہ ہمارا بلینڈنگ پلانٹ مستقبل میں بھی اسی طرح مضبوطی کے ساتھ مقدار میں اضافے اور منافع کا باعث بنا رہے گا، اسی وجہ سے گروپ اپنے بلینڈنگ پلانٹ کی توسیع کی طرف متوجہ ہے اور تیل کے ذخیرے بنانے اور بھرائی کرنے اور بوتل بنانے کی مشینوں کی نئی ایل سی کھولی جا رہی ہیں۔

## ڈائریکٹران کا جائزہ

نئے گاڑیاں بنانے والوں کے اندراج اور معاشی حالات میں نمایاں بہتری کی وجہ سے پاکستان کی گاڑی سازی کی صنعت میں قابل ذکر اضافہ دیکھا جا رہا ہے۔ پاکستان کی گاڑی سازی کی ایجنسی (پی اے ایم اے) کی طرف سے دیئے گئے اعداد و شمار کے مطابق سال کے نو ماہ میں گاڑی سازی میں کل ۱۳۷۱۸ یونٹوں کے ساتھ ۳۶ فیصد اضافہ دیکھنے میں آیا اور یہ لبریکینٹ سیکمیٹ کے لئے ایک خوش آئند اور مستندانہ نشانی ہے۔ گاڑی سازی کی صنعت میں ترقی سے بھرپور طریقے سے مستفید ہونے کے لئے کمپنی نے ہندائی نشاط موٹرز (پرائیویٹ) لمیٹڈ اور میسرز ریگل آٹوموبائل انڈسٹری لمیٹڈ (ڈی ایف ایس کے) کے ساتھ معاہدات کئے ہیں جن کے مطابق ان کمپنیوں کی تمام طرح کی کاروں کی فروخت کے بعد کی دیکھ بھال میں زک لبریکینٹ استعمال کیا جائے گا۔ کمپنی کئی اور گاڑیاں بنانے والوں کے ساتھ بھی مذاکرات کے مراحل میں ہے اور سازگار نتائج کے لئے پرامید ہے۔

آپ کی کمپنی نے پاکستان سے باہر اپنے تقسیمی جال کو پھیلانے کے لئے میسرز عثمان غنی لمیٹڈ (جو کہ افغانستان کی کمپنی ہے) سے مقامی تیار کردہ مصنوعات کی برآمد کا غیر خصوصی تقسیم کا معاہدہ کیا ہے۔ ہم پرامید ہیں کہ یہ مستقبل قریب میں کمپنی کے ٹرن اوور میں اضافے کا باعث بنے گا۔

### پٹرولیم سیکمیٹ:

زیر نظر مدت کے دوران ایچ ٹی ایل پٹرول اسٹیشنوں کے ذریعے پٹرولیم مصنوعات کی تشہیر اور فروخت ۱۳۶۵ ملین روپے جو کہ ۶۶۔۲ ملین روپے کے مجموعی منافع اور ۳۶۔۱ ملین روپے کے نقصان کا باعث رہا۔ یہ نقصان زیادہ تر بندھی ہوئی لاگت، بشمول فرسودگی کے، کی مد میں ہونے، جو کہ پٹرول اسٹیشنوں کی تعداد میں اضافے کے ذریعے اس سیکمیٹ کے آپریشنز کے پھیلاؤ کے ساتھ بہتر طور پر جذب ہو جائیں گے۔ کھاتوں کے مطابق پٹرولیم سیکمیٹ کو اس سہ ماہی میں نفع نقصان برابری کی سطح پر دیکھا گیا۔

فی الحال کمپنی ۲۳ آپریشنل پٹرول اسٹیشنوں کے ساتھ صوبہ پنجاب میں کام کر رہی ہے جبکہ مزید ۳ پٹرول اسٹیشن تعمیراتی اور اوگرا کی منظوری کے مراحل میں ہیں۔ ہمارے ساہیوال میں تیل کے ذخیرے کے ڈپو کی توسیع تکمیل کے آخری مراحل میں ہے جو کہ ہماری صوبہ پنجاب میں پٹرول اسٹیشنوں کی تعداد کو مزید بڑھانے کا باعث بنے گا، ان ۲۶ پٹرول اسٹیشنوں کے علاوہ جن کی اجازت مل چکی ہے۔ کمپنی اپنی پٹرولیم مصنوعات کی مسلسل اور بلا تعطل فراہمی برقرار رکھنے کے لئے اپنے ذاتی ذخیرے پائپ لائن کے نظام کے قریب بنانے پر متوجہ ہے اور اس کے لئے معاہدات کئے جا رہے ہیں۔

نو شہرہ کے قریب تیل ذخیرہ کرنے کے لئے ڈپو مکمل طور پر تیار ہے اور تیسری پارٹی کا معائنہ مکمل ہو چکا ہے۔ مستقبل قریب میں اوگرا کی منظوری کے فوراً بعد ہی کمپنی اپنی پٹرولیم مصنوعات کی صوبہ خیبر پختونخواہ میں تشہیر اور فروخت شروع کرنے کی توقع کر رہی ہے، اس منظوری کے بعد کمپنی کو صوبہ خیبر پختونخواہ میں ۳۵ ایچ ٹی ایل پٹرول اسٹیشنوں کو چلانے کا اختیار حاصل ہو جائے گا۔

### صنعت کی مجموعی کارکردگی:

مارچ ۲۰۲۱ء میں پٹرولیم اور لبریکینٹ کی فروخت ۴۹۔۱ ملین ٹن رہی جو کہ سال بہ سال کی بنیاد پر ۴۴ فیصد قابل دید بڑھوتری کو ظاہر کرتی ہے۔

فروخت کے حجم میں بڑھوتری کو معاشی ترقی، پرچون پٹرول کی فروخت، بڑھتی ہوئی تجارتی سرگرمیاں (برآمدات اور درآمدات)، بہتر زرعی پیداوار کی وجہ سے ہائی سپیڈ ڈیزل کی بہتر فروخت، آٹوموبائل کی فروخت میں دوہرے ہندسے کی ترقی، کرونا وائرس وبا سے بچنے کے لئے عوام کا ذاتی گاڑیوں پر عوامی گاڑیوں کی نسبت زیادہ انحصار اور ہمسایہ ممالک کی طرف سے غیر قانونی طور پھینکے گئے تیل کی فراہمی کو روکنے کے لئے سرحدی اور ملک کے دیگر علاقہ جات میں سختی سے نگرانی کے عمل کے ساتھ مزہرول کیا جاسکتا ہے۔

نئے کاروباری منصوبے میں داخلہ مکمل ملکیتی ذیلی کمپنی ہائی ٹیک پلینڈنگ (پرائیویٹ) لمیٹڈ (ایچ ٹی ایل) کے ذریعے:

گروپ نے پلاسٹک بیکیٹنگ کی مصنوعات میں ترقی کے مواقع دیکھتے ہوئے باہر کے گاہکوں کے لئے مصنوعات سازی کا فیصلہ کیا ہے۔ ایچ ٹی ایل نے ۲۰۱۶ء میں اپنی مقامی پلیمنڈ اور مقامی بھرائی ہوئی مصنوعات کے لئے بوتلیں بنانا شروع کیں اور اسی وجہ سے کمپنی کو اس صنعت میں خاطر خواہ تجربہ ہو چکا ہے۔ کمپنی کافی عرصہ سے باہر کے گاہکوں کے لئے ایسی ہی بیکیٹنگ مصنوعات بنانے کے لئے کوشاں تھی۔ اس کے علاوہ کمپنی کو مکمل بڑے پیمانے والے صارفین نے رابطہ کیا ہے جو کہ اپنی مصنوعات کے لئے مختلف طرز کی پلاسٹک بوتلیں بنوانا چاہتے ہیں۔

اسی وجہ سے بوتل بنانے اور ری سائیکل کرنے کی مشینوں کی درآمد اور تنصیب کے کام کا آغاز کمپنی کے پلانٹ پر کر دیا گیا ہے، تاکہ مختلف طرز اور سائز کی معیاری مصنوعات بنا کر گاہکوں کو دی جائیں۔

## ڈائریکٹران کا جائزہ

آئی پی او فنڈز کی پوزیشن:

۳۱ مارچ ۲۰۲۱ء کو ۵۱۶.۳۹ بلین روپے کا بینک بیلینس ابتدائی پبلک آفر سے حاصل غیر استعمال شدہ آمدنی کو ظاہر کرتی ہے، جو کہ بینک بیلینس، قلیل مدتی رسیدوں اور مشترکہ چندہ کی صورت میں رکھی گئی ہے اور یہ رقم صرف کمپنی کے آئل مارکیٹنگ پراجیکٹ (پٹرولیم سیکویٹ) کے لیے ہی مختص ہے۔

مستقبل کا نقطہ نظر:

پاکستان کو کرونا وائرس وبا کی تیسری لہر میں داخل ہو چکا ہے تاہم معاشی اعشاریے پہلی لہر کی ایک سال پہلے کی صورتحال سے بہت مضبوط ہیں۔ اس کے علاوہ ویکسینیشن کی مکملگی کے ساتھ آمدنی وبا کے بہتر مقابلے کے لئے ایک اہم کردار آنے والے مہینوں میں ادا کرے گی۔

پاکستان کا مرکزی بینک پر امید ہے کہ تیسری لہر ہونے کے باوجود معیشت ۳ فیصد کے حساب سے افزائش پائے گی۔ اس کے علاوہ مسلسل دسویں مہینے بیرون ملک مقیم پاکستانی شہریوں نے ۲ ارب ڈالر کی ترسیلات زر پاکستان بھیجیں اور پاکستانی روپیہ اپنے ۲۲ مہینوں کے سب سے اوپر مقام پر ڈالر کے مقابلے میں ۷۲.۷۲ روپے کے ساتھ دیکھا گیا۔

گاڑی سازی، تعمیر سازی اور اس سے ملتی جلتی صنعتوں کی قابل دید سرگرمیاں، مضبوط بڑے پیمانے کے صنعت کاروں، روپیہ کے تبادلہ میں استحکام اور برآمدات کی بہتری کے ساتھ بڑھتی ہوئی ترسیلات زر نے سرمایہ داروں کا اعتماد بحال کرنے اور معیشت کو درست راہ پر گامزن کرنے میں اہم کردار ادا کیا۔ تاہم معاشی چلک اور بحالی کے باوجود کرونا وائرس وبا کی تیسری لہر کے چیلنجز، جی ڈی پی کے مقابلے میں زیادہ قرضہ جات، افراط زر اور رہن سہن کے اخراجات میں اضافہ، غیر مستحکم سیاسی صورتحال اور جغرافیائی سیاسی تناؤ نے مستقبل کو گہنا رکھا ہے۔

کمپنی اپنے تمام متعلقین کو پائیدار قیمت کی فراہمی کے لئے پراعتماد اور پر عزم ہے اور تعلقات کی پائیداری اور نامیاتی افزائش پر متوجہ ہے۔

اعتراف:

آپ کی کمپنی کے ڈائریکٹران تمام ملازمین کے عزم و شکر اور تمام متعلقین کے اعتماد اور بھروسہ کے تبادلے سے مشکور ہیں۔



جناب شوکت حسن

(چیئرمین)



جناب حسن طاہر

(چیف ایگزیکٹو)

لاہور، ۱۲ اپریل، ۲۰۲۱ء

**HI-TECH LUBRICANTS LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2021 (Un-audited)**

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

As At March 31, 2021

	Note	Un-Audited 31 March, 2021 Rupees	Audited 30 June, 2020 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital 150,000,000 (30 June 2020: 150,000,000) ordinary shares of Rupees 10 each		1,500,000,000	1,500,000,000
Issued, subscribed and paid-up share capital		1,160,040,000	1,160,040,000
Reserves		1,952,878,083	1,997,625,503
<b>Total equity</b>		3,112,918,083	3,157,665,503
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	4	90,424,263	42,267,650
Lease liabilities	5	285,468,596	204,637,134
Long term deposit		11,000,000	500,000
Deferred income		7,046,783	5,285,365
		393,939,642	252,690,149
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,668,800,953	704,278,864
Accrued mark-up / profit		6,540,977	22,102,743
Short term borrowings		277,267,685	766,262,927
Current portion of non-current liabilities		109,764,897	86,778,970
Unclaimed dividend		6,922,283	3,438,436
Taxation-net		3,450,879	-
		2,072,747,674	1,582,861,940
<b>Total liabilities</b>		2,466,687,316	1,835,552,089
<b>CONTINGENCIES AND COMMITMENTS</b>	6		
<b>TOTAL EQUITY AND LIABILITIES</b>		5,579,605,399	4,993,217,592

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 March 31, 2021

	Note	Un-Audited 31 March, 2021 Rupees	Audited 30 June, 2020 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets	7	1,844,483,837	1,693,745,762
Right-of-use assets	8	315,681,903	270,942,898
Intangible assets	9	9,073,891	7,596,802
Investment in subsidiary company	10	1,300,000,600	1,300,000,600
Long term security deposits		21,530,705	11,744,718
Deferred income tax asset - net		37,669,817	107,956,234
		<u>3,528,440,753</u>	<u>3,391,987,014</u>
<b>CURRENT ASSETS</b>			
Stock-in-trade	11	919,109,388	447,345,239
Trade debts		83,661,014	76,104,012
Loans and advances		200,306,029	149,156,999
Short term deposits and prepayments		38,673,806	31,144,473
Other receivables		101,937,067	50,014,789
Accrued interest		-	2,236
Short term investments		496,250,451	723,285,160
Cash and bank balances		211,226,891	124,177,670
		2,051,164,646	1,601,230,578
<b>TOTAL ASSETS</b>		<u><u>5,579,605,399</u></u>	<u><u>4,993,217,592</u></u>



Chief Executive



Director



Chief Financial Officer

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

For The Quarter and Nine Months Period Ended March 31, 2021

	NINE MONTHS ENDED		QUARTER ENDED	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	Rupees	Rupees	Rupees	Rupees
SALES	9,426,551,132	4,726,024,268	3,389,380,689	2,097,491,324
Discounts	(501,916,366)	(95,183,581)	(159,906,167)	(70,730,981)
Sales tax	(1,670,862,023)	(918,413,400)	(593,648,269)	(390,945,436)
NET REVENUE	<u>7,253,772,743</u>	<u>3,712,427,287</u>	<u>2,635,826,253</u>	<u>1,635,814,907</u>
COST OF SALES	<u>(5,870,651,576)</u>	<u>(2,944,090,666)</u>	<u>(2,143,499,124)</u>	<u>(1,301,317,720)</u>
GROSS PROFIT	1,383,121,167	768,336,621	492,327,129	334,497,187
DISTRIBUTION COST	(616,372,681)	(552,748,156)	(207,329,346)	(180,083,378)
ADMINISTRATIVE EXPENSES	(335,900,612)	(291,404,336)	(120,459,762)	(94,336,131)
OTHER EXPENSES	(23,154,772)	(14,448,360)	(7,566,400)	(8,926,030)
	(975,428,065)	(858,600,852)	(335,355,508)	(283,345,539)
OTHER INCOME	70,311,003	99,713,064	25,498,599	24,945,882
PROFIT FROM OPERATIONS	478,004,105	9,448,833	182,470,220	76,097,530
FINANCE COST	(59,467,424)	(149,322,048)	(20,932,746)	(52,916,024)
PROFIT/(LOSS) BEFORE TAXATION	418,536,681	(139,873,215)	161,537,474	23,181,506
TAXATION	(126,872,501)	(35,751,989)	(44,735,838)	(13,683,644)
PROFIT/(LOSS) AFTER TAXATION	<u>291,664,180</u>	<u>(175,625,204)</u>	<u>116,801,636</u>	<u>9,497,862</u>
EARNINGS/(LOSS) PER SHARE - BASIC AND DILUTED	<u>2.51</u>	<u>(1.51)</u>	<u>1.01</u>	<u>0.08</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 Comprehensive Income (Un-audited)

For The Quarter and Nine Months Period Ended March 31, 2021

	NINE MONTHS ENDED		QUARTER ENDED	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	Rupees	Rupees	Rupees	Rupees
PROFIT / (LOSS) AFTER TAXATION	291,664,180	(175,625,204)	116,801,636	9,497,862
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 / (LOSS) FOR THE PERIOD</b>	<b>291,664,180</b>	<b>(175,625,204)</b>	<b>116,801,636</b>	<b>9,497,862</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 March 31, 2021

	RESERVES				TOTAL EQUITY
	CAPITAL RESERVE	REVENUE RESERVE	TOTAL RESERVES		
	SHARE PREMIUM	UN-APPROPRIATED PROFIT			
	( ..... Rupees ..... )				
<b>Balance as at 30 June 2019 - audited</b>	1,160,040,000	1,441,697,946	625,046,533	2,066,744,479	3,226,784,479
Transaction with owners:					
Final dividend for the year ended 30 June 2019 @ Rupees 0.25 per share of Rupees 10 each	-	-	(29,001,000)	(29,001,000)	(29,001,000)
Loss for the nine months period ended 31 March 2020	-	-	(175,625,204)	(175,625,204)	(175,625,204)
Other comprehensive income for the nine months period ended 31 March 2020	-	-	-	-	-
Total comprehensive loss for the nine months period ended 31 March 2020	-	-	(175,625,204)	(175,625,204)	(175,625,204)
<b>Balance as at 31 March 2020 - un audited</b>	<b>1,160,040,000</b>	<b>1,441,697,946</b>	<b>420,420,329</b>	<b>1,862,118,275</b>	<b>3,022,158,275</b>
<b>Balance as at 30 June 2020 - audited</b>	1,160,040,000	1,441,697,946	555,927,557	1,997,625,503	3,157,665,503
Transaction with owners:					
Final dividend for the year ended 30 June 2020 @ Rupees 0.90 per share of Rupees 10 each	-	-	(104,403,600)	(104,403,600)	(104,403,600)
Interim dividend for half year ended 31 December 2020 @ Rupees 2.00 per share of Rupees 10 each	-	-	(232,008,000)	(232,008,000)	(232,008,000)
	-	-	(336,411,600)	(336,411,600)	(336,411,600)
Profit for the nine months period ended 31 March 2021	-	-	291,664,180	291,664,180	291,664,180
Other comprehensive income for the nine months period ended 31 March 2021	-	-	-	-	-
Total comprehensive loss for the nine months period ended 31 March 2021	-	-	291,664,180	291,664,180	291,664,180
<b>Balance as at 31 March 2021 - un audited</b>	<b>1,160,040,000</b>	<b>1,441,697,946</b>	<b>511,180,137</b>	<b>1,952,878,083</b>	<b>3,112,918,083</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 Cash Flows (Un-audited)

For The Quarter and Nine Months Period Ended March 31, 2021

	Note	NINE MONTHS ENDED	
		31 March 2021 Rupees	31 March 2020 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash generated from / (utilized in) operations</b>	12	920,146,082	994,633,500
Finance cost paid		(45,308,111)	(167,473,347)
Income tax paid		(37,427,257)	(62,377,862)
Net decrease in long term loans to employees		-	280,112
Net decrease / (increase) in long term security deposits		(13,660,867)	14,992,356
Increase / (decrease) in long term deposits		10,500,000	(500,000)
<b>Net cash generated from / (used in) operating activities</b>		<b>834,249,847</b>	<b>779,554,759</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditures on operating fixed assets		(209,896,907)	(268,611,412)
Capital expenditure on intangible assets		(4,260,611)	-
Proceeds from disposal of operating fixed assets		9,057,516	15,175,071
Short term investments - net		227,857,996	138,891,116
Dividends received		14,583,625	5,472,185
Interest received on loans to subsidiary company		-	7,741,006
Profit on bank deposits and term deposit receipts received		18,299,098	69,721,551
<b>Net cash (used in)/from investing activities</b>		<b>55,640,717</b>	<b>(31,610,483)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of lease liabilities		(86,416,805)	(88,215,564)
Dividend paid		(332,927,753)	(29,552,973)
Proceeds from long term financing		105,498,457	-
Repayment of long term financing		-	(14,894,159)
Short term borrowings - net		(488,995,242)	(719,693,591)
<b>Net cash used in financing activities</b>		<b>(802,841,343)</b>	<b>(852,356,287)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>87,049,221</b>	<b>(104,412,011)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>124,177,670</b>	<b>158,925,453</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>211,226,891</b>	<b>54,513,442</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 March 31, 2021

### **1. THE COMPANY AND ITS OPERATIONS**

Hi-Tech Lubricants Limited ("the Company") was incorporated under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at 1-A, Danepur Road, GOR-1, Lahore. The principal activity of the Company is to procure and distribute petroleum products. During the year ended 30 June 2017, Oil and Gas Regulatory Authority (OGRA) has granted license to the Company to establish an Oil Marketing Company (OMC), subject to some conditions. On 31 May 2019, 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 Province.

### **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 2020. These unconsolidated condensed interim financial statements are un-audited, however, have been subjected to limited scope review by the auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017.

### **3. ACCOUNTING POLICIES**

The accounting policies and methods of computations adopted for the preparation of these unconsolidated condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2020

### **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 2020.

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

For The Quarter and Nine Months Period Ended March 31, 2021

	Un-audited 31 March 2021 Rupees	Audited 30 June 2020 Rupees
<b>4 LONG TERM FINANCING</b>		
<b>From banking companies - secured</b>		
Bank Alfalah Limited - Loan under SBP Refinance Scheme (Note 4.1)	159,614,742	58,118,654
Less: Current portion shown under current liabilities	69,190,479	15,851,004
	<u>90,424,263</u>	<u>42,267,650</u>

- 4.1 These term finance facilities, aggregating to Rupees 189.968 million (30 June 2020: Rupees 63.40 million) are obtained by the Company under SBP Refinance Scheme for payment of wages and salaries to workers and employees of business concerns. These are secured against first hypothecation charge of Rupees 254.000 million and personal guarantees of all sponsor directors. These finance facilities are payable in 8 equal quarterly installments commencing from 01 January 2021 and ending on 01 October 2022. Mark-up is payable quarterly at the rate of SBP refinance rate plus 3.00% per annum. These finance facilities are recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustments are recognized at discount rates are 8.67% and 10.04% per annum.

	Un-audited 31 March 2021 Rupees	Audited 30 June 2020 Rupees
<b>5. LEASE LIABILITIES</b>		
Total lease liabilities	326,043,014	275,565,100
Less: Current portion shown under current liabilities	40,574,418	70,927,966
	<u>285,468,596</u>	<u>204,637,134</u>

- 5.1 The interest expense on lease liabilities for the period is Rupees 26.005 million (30 June 2020: Rupees 35.756 million). The total cash outflow for leases for the period ended 31 March 2021 amounted to Rupees 86.850 million (30 June 2020: Rupees 48.576 million).
- 5.2 Implicit rates against lease liabilities range from 7.00% to 13.97% (30 June 2020: 8.76% to 14.99%) per annum.
- 5.3 Leases from banking companies are secured against charge on the leased assets, personal guarantees of directors and security deposits of Rupees 14.694 million (30 June 2020: Rupees 9.732 million).

## 6. CONTINGENCIES AND COMMITMENTS

### 6.1 Contingencies

- 6.1.1 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 2020 except for the following:

- 6.1.2 On 05 June 2018, the Competition Commission of Pakistan ("CCP") initiated a formal enquiry under the provisions of the Competition Act, 2010 ("the Act") on complaint against the Company and its subsidiary company, Hi-Tech Blending (Private) Limited by Chevron Pakistan Lubricants (Private) Limited ("Chevron") for adopting deceptive marketing practices in contravention of section 10 of the Act. It was also been prayed by Chevron to CCP to impose a penalty of 10% of the annual turnover of the Company and its subsidiary company and / or Rupees 75 million, as CCP may deem appropriate. CCP has concluded its enquiry on the complaint lodged by Chevron on 07 February 2019. On 20 August 2019, CCP issued show cause notices to the Company and its subsidiary company regarding deceptive marketing practices by distributing false and misleading information about its brand "ZIC" under section 10 of the Act. The Company and its subsidiary company appeared before the CCP through their advocates, rejecting the contents of the enquiry report concluded by CCP. On 15 September 2020, in a detailed order, CCP has set aside the findings of enquiry report and disposed of the show cause notices issued against the Company and its subsidiary company.

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

For The Quarter and Nine Months Period Ended March 31, 2021

	Un-audited 31 March 2021 Rupees	Audited June 30, 2020 Rupees
<b>6.2 Commitments</b>		
6.2.1 For capital expenditures	-	107,622,214
6.2.2 Letters of credit other than for capital expenditures	67,617,310	-
6.2.3 The amount of future ijara rentals and the period in which these payments will become due are as follow:		
Not later than one year	-	3,130,124
Later than one year but not later than five years	-	-
	-	3,130,124
<b>7. FIXED ASSETS</b>		
Operating fixed assets:		
- Owned (Note 7.1)	1,383,084,706	1,394,602,141
Capital work-in-progress (Note 7.2)	461,399,130	299,143,621
	1,844,483,836	1,693,745,762
<b>7.1 Operating fixed assets – owned</b>		
Opening book value	1,394,602,141	1,375,599,503
Add: Cost of additions during the period / year (Note 7.1.1)	47,641,397	76,310,414
Add: Book value of assets transferred from right-of-use of assets	16,970,625	43,241,714
	1,459,214,163	1,495,151,631
Less: Book value of assets written off during the period / year	-	724,166
Less: Book value of deletions during the period / year (Note 7.1.2)	4,766,473	9,407,853
	1,454,447,690	1,485,019,612
Less: Depreciation charged during the period / year	71,362,984	90,417,471
Closing book value	1,383,084,706	1,394,602,141
<b>7.1.1 Cost of additions during the period / year</b>		
Buildings on freehold land	1,127,483	7,150,643
Buildings on leasehold land	19,032,549	41,519,296
Machinery	-	4,419,000
Tanks and Pipeline and Tanks	813,690	4,411,150
Dispensing Pumps	7,638,404	9,120,343
Furniture and fittings	619,500	900,206
Vehicles	3,554,254	-
Office equipment	7,433,227	5,841,091
Computers	7,422,290	2,948,685
	47,641,397	76,310,414
<b>7.1.2 Book value of deletions during the period / year</b>		
Cost:		
Vehicles	9,520,999	18,912,133
Computers	3,092,165	1,169,500
Office Equipments	67,397	-
Less: Accumulated depreciation	7,914,088	10,673,780
	4,766,473	9,407,853

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

For The Quarter and Nine Months Period Ended March 31, 2021

	Un-audited 31 March 2021 Rupees	Audited June 30, 2020 Rupees
<b>7.2 Capital work-in-progress</b>		
Advance against purchase of apartment (Note 7.2.1)	28,122,414	25,226,750
Advances to suppliers	-	24,895,701
Civil works	311,858,625	194,227,385
Dispensing pumps	17,572,095	9,082,648
Mobilization and other advances	-	11,626,452
Unallocated expenditures	<u>103,845,996</u>	<u>34,084,685</u>
	<u>461,399,130</u>	<u>299,143,621</u>

**7.2.1** This represent advance given to BNP (Private) Limited against purchase of apartment in Grand Hayatt at 1-Constitution Avenue, Islamabad. On 29 July 2016, Capital Development Authority (CDA) cancelled the leased deed of BNP (Private) Limited on the grounds of violating the terms and conditions of the said lease. Against the alleged order, BNP (Private) Limited filed a writ petition before the Honorable Islamabad High Court ("IHC") challenging the cancellation of said lease. IHC dismissed the writ petition of BNP (Private) Limited. However, the honorable judge of IHC ruled that it is a duty of the Federal Government to ensure that the purchasers do not suffer due to Government's own wrongful actions and omissions, particularly when the regulatory failure of the CDA stands admitted. The Company and others filed appeals against the aforesaid judgment of IHC before Honorable Supreme Court of Pakistan. Honorable Supreme Court of Pakistan has passed order on 09 January 2019 whereby the Court has revived the original lease together with all approvals and permissions already granted. The Court has further ordered that BNP (Private) Limited shall complete the entire project within a reasonable time. On 15 March 2019, CDA has filed a review petition before the Honorable Supreme Court of Pakistan urging to cancel the lease deed and to allow the federal cabinet to review the matter as per the directions of IHC. The decision on the review petition is still pending. In view of the aforesaid, advice of the legal counsel of the Company and the fact that the Company's apartment is one of the duly built apartments on 6th Floor of the Tower, no provision against advance for purchase of apartment has been recognized in these unconsolidated interim financial statements.

### 8. RIGHT-OF-USE ASSETS

	Land	Buildings	Vehicles	Total
	R u p e e s			
Net carrying amount				
30 June 2020	212,827,264	3,064,790	55,050,844	270,942,898
31 March 2021	231,044,321	25,026,664	59,610,918	315,681,903
Depreciation expense for the period ended 31 March 2021	33,579,449	6,083,175	8,208,521	47,871,145
Addition during the period ended 31 March 2021	51,796,506	28,045,049	29,739,220	109,580,775
Book value of assets transferred to operating fixed assets	-	-	16,970,625	16,970,625

#### 8.1 Lease of land

The Company obtained land on lease for construction and operation of its service centers and storage warehouse. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Lease periods range from four to ten years.

#### 8.2 Lease of buildings

The Company obtained buildings on lease for its offices. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Lease periods range from two to five years.

#### 8.3 Lease of vehicles

The Company obtained vehicles on lease for employees. The average contract duration is three years.

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

For The Quarter and Nine Months Period Ended March 31, 2021

8.4 There is no impairment against right-of-use assets.

	Un-audited 31 March 2021 Rupees	Audited June 30, 2020 Rupees
<b>9. INTANGIBLE ASSETS</b>		
Computer softwares (Note 9.1)	9,073,891	7,596,802
<b>9.1 Computer softwares</b>		
Opening book value	7,596,802	4,732,856
Add: Cost of additions during the period / year	4,260,611	5,362,625
Less: Amortization charged during the period / year	2,783,522	2,498,679
Closing book value	9,073,891	7,596,802
<b>9.2 Cost as at reporting date</b>	42,340,882	38,080,272
Accumulated amortization	(33,266,991)	(30,483,470)
Net book value as at reporting date	9,073,891	7,596,802

9.3 Intangible assets - computer softwares have been amortized at the rate of 30% (30 June 2020: 30%) per annum.

### 10. INVESTMENT IN SUBSIDIARY COMPANY - at cost

Hi-Tech Blending (Private) Limited - unquoted

130,000,060 (30 June 2020: 130,000,060) fully paid ordinary shares of Rupees 10 each

Equity held 100% (30 June 2020: 100%)

1,300,000,600	1,300,000,600
---------------	---------------

10.1 Investment in Hi-Tech Blending (Private) Limited includes 60 (30 June 2020: 60) shares in the name of nominees of the Company.

	Un-audited 31 March 2021 Rupees	Audited June 30, 2020 Rupees
<b>11. STOCK-IN-TRADE</b>		
Lubricants and parts	245,523,688	378,075,086
Less: Provision for slow moving and damaged inventory items	2,137,403	6,488,123
	243,386,285	371,586,963
Petroleum products	629,174,059	35,224,062
Dispensing pumps and other installations	46,356,890	40,324,810
Stock of promotional items	192,154	209,404
	919,109,388	447,345,239

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

For The Quarter and Nine Months Period Ended March 31, 2021

	(Un-Audited)	
	NINE MONTHS ENDED	
	31 March, 2021	31 March, 2020
	Rupees	Rupees
<b>12. CASH GENERATED FROM / (USED IN) OPERATIONS</b>		
Profit/(Loss) before taxation	418,536,681	(139,873,215)
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation on operating fixed assets	71,362,984	65,297,269
Depreciation on right-of-use assets	53,054,398	49,382,728
Amortization on intangible assets	2,783,522	1,706,021
Amortization of deferred grant	(5,956,459)	-
Allowance for expected credit losses	4,793,574	-
Reversal of provision of slow moving and damaged inventory items	(4,350,720)	-
Debit balance written off	87,815	-
Provision for doubtful trade debts	-	(4,620,180)
Credit balances written back	(374,735)	-
Gain on disposal of operating fixed assets	(4,291,043)	(6,493,574)
Dividend income	(14,583,625)	(5,472,185)
Profit on bank deposits and term deposit receipts	(18,296,862)	(69,712,747)
Unrealized (gain) / loss on remeasurement of investments carried at fair value through profit or loss - net	(823,287)	(2,426,620)
Exchange gain - net	(10,449,886)	(10,818,990)
Finance cost	59,467,424	149,322,048
Working capital changes (Note 12.1)	369,186,301	968,342,945
	<u>920,146,082</u>	<u>994,633,500</u>

### 12.1 Working capital changes

Decrease / (increase) in current assets:

Stock-in-trade	(467,413,429)	278,312,772
Trade debts	(11,975,841)	1,065,353,927
Loans and advances	(51,149,030)	(30,783,852)
Short term deposits and prepayments	(7,529,333)	17,342,181
Other receivables	(67,630,226)	(16,891,768)
	(605,697,859)	1,313,333,260
Increase/(Decrease) in trade and other payables	974,884,160	(344,990,315)
	<u>369,186,301</u>	<u>968,342,945</u>

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

For The Quarter and Nine Months Period Ended March 31, 2021

### 13. TRANSACTIONS WITH RELATED PARTIES

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

NATURE OF TRANSACTIONS	UN-AUDITED				
	NINE MONTHS ENDED		QUARTER ENDED		
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	
	Rupees	Rupees	Rupees	Rupees	
<b>i. Transactions</b>					
<b>Relationship</b>					
<b>Subsidiary company</b>					
Hi-Tech Blending (Private) Limited	Sale of lubricants	714,720	638,705	19,936	184,505
	Purchase of lubricants	3,990,305,157	1,785,512,071	1,390,177,020	910,736,592
	Interest received on short term loans	-	7,741,006	-	-
	Lease rentals paid	2,250,000	2,250,000	750,000	750,000
<b>Associated company</b>					
MAS Associates (Private) Limited	Share of common expenses	519,407	480,497	179,475	166,146
<b>Other related parties</b>					
SK Lubricants Co., Ltd.	Purchase of lubricants	251,314,453	546,969,480	78,695,819	24,629,073
SK Lubricants Co., Ltd.	Dividend paid	2,288,797	206,944	1,655,550	-
Provident fund trust	Contribution	24,720,516	11,681,819	8,661,191	3,764,587
Key management personnel and executive	Remuneration	208,642,503	143,785,202	84,120,491	45,852,959
Sabra Hamida Trust	Donations	13,500,000	13,500,000	4,500,000	4,500,000
			<b>Un-Audited March 31, 2021 Rupees</b>	<b>Audited June 30, 2020 Rupees</b>	
<b>ii. Period end balances</b>					
<b>Hi-Tech Blending (Private) Limited - Subsidiary company:</b>					
	Investment			1,300,000,600	1,300,000,600
	Receivable against sales			714,121	89,201
	Payable against purchases			1,013,512,915	301,579,747
<b>Associated company</b>					
	Receivable from MAS Associates (Private) Limited			185,475	151,425
<b>Other related parties:</b>					
	Receivable from SK Lubricants Co., Ltd.			-	28,501,777
	Payable to SK Lubricants Co., Ltd.			56,323,744	201,763,028
	Payable to employees' provident fund trust			2,970,769	2,742,114

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

For The Quarter and Nine Months Period Ended March 31, 2021

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

#### (i) Fair value hierarchy

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

Recurring fair value measurements at 31 March 2021	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
<b>Financial assets</b>				
Financial assets at fair value through profit or loss	240,715,079	-	-	240,715,079
	----- Rupees -----			
Recurring fair value measurements at 30 June 2020	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
<b>Financial assets</b>				
Financial assets at fair value through profit or loss	250,864,373	-	-	250,864,373

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.

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

For The Quarter and Nine Months Period Ended March 31, 2021

### 15. SEGMENT INFORMATION

The Company has two reportable segments. The following summary describes the operation in each of the Company's reportable segments: Lubricants and Petroleum products.

	LUBRICANTS		PETROLEUM PRODUCTS		UNALLOCATED		TOTAL - COMPANY	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Revenue - net	5,788,393,558	3,584,830,786	1,465,379,185	127,596,501	-	-	7,253,772,743	3,712,427,287
Cost of sales	(4,471,711,190)	(2,804,226,340)	(1,398,940,386)	(139,864,326)	-	-	(5,870,651,576)	(2,944,090,666)
Gross profit	1,316,682,367	780,604,446	66,438,800	(12,267,825)	-	-	1,383,121,167	768,336,621
Distribution cost	(499,578,372)	(512,225,773)	(11,679,430)	(40,522,383)	-	-	(616,372,681)	(652,748,156)
Administrative expenses	(317,246,583)	(286,680,725)	(18,654,029)	(4,723,611)	-	-	(335,900,612)	(291,404,336)
Other expenses	(16,298,478)	(14,448,360)	(6,856,294)	-	-	-	(23,154,772)	(14,448,360)
Other income	(833,123,432)	(813,354,858)	(142,304,633)	(45,245,994)	-	-	(975,428,065)	(858,600,852)
Profit / (loss) from operations	30,584,271	31,037,632	39,726,732	68,675,432	-	-	70,311,003	99,713,064
Finance cost	514,143,206	(1,712,780)	(36,139,101)	11,161,613	-	-	478,004,105	9,448,833
Profit / (Loss) before taxation	514,143,206	(1,712,780)	(36,139,101)	11,161,613	(59,467,424)	(149,322,048)	(59,467,424)	(149,322,048)
Taxation	-	-	-	-	(59,467,424)	(149,322,048)	418,536,681	(139,873,215)
Profit / (Loss) after taxation	514,143,206	(1,712,780)	(36,139,101)	11,161,613	(126,872,501)	(35,751,989)	(126,872,501)	(35,751,989)
Loss of Rs. 36,139,101 reported in Petroleum Products Segment includes Depreciation of Rs. 27,657,294 for the period ended 31 March 2021					(186,339,925)	(185,074,037)	291,664,180	(175,625,204)

15.1 Loss of Rs. 36,139,101 reported in Petroleum Products Segment includes Depreciation of Rs. 27,657,294 for the period ended 31 March 2021

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

	LUBRICANTS		PETROLEUM PRODUCTS		TOTAL - COMPANY	
	Un-audited 31 March 2021	Audited 30 June 2020	Un-audited 31 March 2021	Audited 30 June 2020	Un-audited 31 March 2021	Audited 30 June 2020
Total assets for reportable segments	1,406,236,722	1,631,222,555	2,301,518,926	1,716,788,872	3,707,755,648	3,348,011,427
Unallocated assets						
Total assets as per statement of financial position					1,871,849,751	1,645,206,165
Total liabilities for reportable segments	1,316,868,074	617,441,705	537,106,607	148,390,643	1,853,974,680	765,832,348
Unallocated liabilities					612,712,636	1,069,719,741
Total liabilities as per statement of financial position					2,466,687,316	1,835,552,089

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

15.4 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 March 31, 2021

	Un-Audited March 31, 2021 Rupees	Audited June 30, 2020 Rupees
<b>16. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX</b>		
<b>Description</b>		
<b>i) Loans / advances obtained as per Islamic mode:</b>		
Loans	-	50,000,000
Advances	47,349,564	48,465,976
<b>ii) Shariah complaint bank deposits / bank balances</b>		
Bank balances	8,290,711	8,543,511
	Un-Audited March 31 2021 Rupees	Un-Audited March 31 2020 Rupees
<b>iii) Profit earned from shariah complaint bank deposits / bank balances</b>		
Profit on bank deposits and term deposit receipts	-	-
<b>iv) Revenue earned from a shariah complaint business</b>	7,253,772,743	3,712,427,287
<b>v) Gain / (loss) or dividend earned from shariah complaint investments</b>		
Dividend income	6,318,448	345,666
Gain on sale of investments	440,993	6,824
Gain / (loss) on remeasurement of investments at fair value through profit or loss	(5,736)	136,428
<b>vi) Exchange gain earned</b>	15,173,383	10,818,990
<b>vii) Mark up paid on Islamic mode of financing</b>	2,238,976	26,509,439
<b>viii) Profits earned or interest paid on any conventional loan or advance</b>		
Interest paid on loans	38,168,603	118,403,545
<b>ix) Relationship with shariah compliant banks</b>		
<b>Name</b>	<b>Relationship as at reporting date</b>	
Al-Baraka Bank (Pakistan) Limited	Bank balance	
Meezan Bank Limited	Bank balance	
Dubai Islamic Bank Pakistan Limited	Bank balance	

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

During the period ended 31 March 2021, the Company has made payments of Rupees 211.815 million out of IPO proceeds relating to OMC project. The un-utilized proceeds of Rupees 516.490 million of the public offer have been kept by the Company in the shape of bank balances, term deposit receipts and mutual funds.

### 18. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual financial statements of the Company for the year ended 30 June 2020.

### 19. CORRESPONDING FIGURES

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

### 20. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on 23 April 2021 by the Board of Directors of the Company.

### 21. GENERAL

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



Chief Executive



Director



Chief Financial Officer

# **HI-TECH LUBRICANTS LIMITED**

## **CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**

**FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2021 (Un-audited)**

## Consolidated Condensed Interim Statement Of Financial Position

As At March 31, 2021

	Note	Un-Audited 31 March 2021 Rupees	Audited June 30, 2020 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
150,000,000 (30 June 2020: 150,000,000) ordinary shares of Rupees 10 each		<u>1,500,000,000</u>	<u>1,500,000,000</u>
Issued, subscribed and paid-up share capital		1,160,040,000	1,160,040,000
Reserves		<u>3,000,842,387</u>	<u>2,829,226,721</u>
<b>Total equity</b>		<u>4,160,882,387</u>	<u>3,989,266,721</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	4	177,261,656	48,791,918
Lease liabilities	5	285,468,596	184,195,982
Long term deposits		11,000,000	500,000
Deferred liabilities		<u>87,393,496</u>	<u>6,107,347</u>
		561,123,748	239,595,247
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,379,479,019	1,108,298,946
Accrued mark-up / profit		8,281,794	31,928,575
Short term borrowings		580,070,239	1,013,995,774
Current portion of non-current liabilities		110,188,783	90,607,376
Unclaimed dividend		<u>6,922,283</u>	<u>3,438,436</u>
		2,084,942,118	2,248,269,107
<b>Total liabilities</b>		<u>2,646,065,866</u>	<u>2,487,864,354</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	6		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>6,806,948,253</u>	<u>6,477,131,075</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 Financial Position

As At March 31, 2021

	Note	Un-Audited 31 March 2021 Rupees	Audited June 30, 2020 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets	7	3,367,860,472	3,184,059,176
Right-of-use assets	8	316,305,931	253,085,332
Intangible assets	9	9,191,897	7,866,531
Long term security deposits		23,716,005	13,700,318
Deferred income tax asset		37,669,817	17,050,536
		<u>3,754,744,122</u>	<u>3,475,761,893</u>
<b>CURRENT ASSETS</b>			
Stores		66,815,197	70,578,853
Stock-in-trade	10	1,535,405,310	1,459,281,663
Trade debts		82,946,897	76,104,012
Loans and advances		275,557,742	174,362,842
Short term deposits and prepayments		48,585,398	41,259,119
Other receivables		101,937,067	34,309,077
Short term investments		496,250,451	723,285,160
Taxation - net		218,380,083	235,446,961
Cash and bank balances		226,325,986	186,741,495
		<u>3,052,204,131</u>	<u>3,001,369,182</u>
<b>TOTAL ASSETS</b>		<u><u>6,806,948,253</u></u>	<u><u>6,477,131,075</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 March 31, 2021

	NINE MONTHS ENDED		QUARTER ENDED	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	Rupees	Rupees	Rupees	Rupees
GROSS REVENUE	10,679,855,294	5,224,174,647	3,817,957,446	2,418,727,722
Discounts	(501,916,366)	(95,183,581)	(159,906,167)	(70,730,981)
Sales tax	(2,924,166,185)	(1,416,563,779)	(1,022,225,026)	(712,181,834)
NET REVENUE	7,253,772,743	3,712,427,287	2,635,826,253	1,635,814,907
COST OF SALES	(5,565,302,706)	(2,749,678,702)	(2,008,399,091)	(1,243,338,351)
GROSS PROFIT	1,688,470,037	962,748,585	627,427,162	392,476,556
DISTRIBUTION COST	(647,923,319)	(569,915,219)	(217,540,248)	(182,273,515)
ADMINISTRATIVE EXPENSES	(386,312,169)	(328,455,017)	(140,433,412)	(105,024,178)
OTHER EXPENSES	(37,477,460)	(18,948,367)	(15,111,103)	(10,458,826)
	(1,071,712,948)	(917,318,603)	(373,084,763)	(297,756,519)
OTHER INCOME	83,998,354	106,532,080	29,069,423	25,445,575
PROFIT FROM OPERATIONS	700,755,443	151,962,062	283,411,822	120,165,612
FINANCE COST	(77,144,016)	(192,111,670)	(25,380,986)	(64,546,431)
PROFIT/(LOSS) BEFORE TAXATION	623,611,427	(40,149,608)	258,030,836	55,619,181
TAXATION	(115,584,161)	(52,280,172)	(54,849,868)	(13,683,644)
PROFIT/(LOSS) AFTER TAXATION	508,027,266	(92,429,780)	203,180,968	41,935,537
PROFIT/(LOSS) PER SHARE - BASIC AND DILUTED	4.38	(0.80)	1.75	0.36

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 March 31, 2021

	NINE MONTHS ENDED		QUARTER ENDED	
	31 March 2021 Rupees	31 March 2020 Rupees	31 March 2021 Rupees	31 March 2020 Rupees
PROFIT/(LOSS) AFTER TAXATION	508,027,266	(92,429,780)	203,180,968	41,935,537
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income for the period	-	-	-	-
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD	<u>508,027,266</u>	<u>(92,429,780)</u>	<u>203,180,968</u>	<u>41,935,537</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 March 31, 2021

	RESERVES				TOTAL EQUITY
	CAPITAL RESERVE	REVENUE RESERVE	TOTAL RESERVES		
	SHARE PREMIUM	UN-APPROPRIATED PROFIT			
SHARE CAPITAL					
(----- Rupees -----)					
<b>Balance as at 30 June 2019 - audited</b>	1,160,040,000	1,441,697,946	1,294,913,098	2,736,611,044	3,896,651,044
Transaction with owners:					
Final dividend for the year ended 30 June 2019 @ Rupees 0.25 per share of Rupees 10 each	-	-	(29,001,000)	(29,001,000)	(29,001,000)
Loss for the nine months period ended 31 March 2020	-	-	(92,429,780)	(92,429,780)	(92,429,780)
Other comprehensive Loss for the nine months period ended 31 March 2020	-	-	-	-	-
Total comprehensive Loss for the nine months period ended 31 March 2020	-	-	(92,429,780)	(92,429,780)	(92,429,780)
<b>Balance as at 31 March 2020 - un audited</b>	<b>1,160,040,000</b>	<b>1,441,697,946</b>	<b>1,173,482,318</b>	<b>2,615,180,264</b>	<b>3,775,220,264</b>
<b>Balance as at 30 June 2020 - audited</b>	<b>1,160,040,000</b>	<b>1,441,697,946</b>	<b>1,387,528,775</b>	<b>2,829,226,721</b>	<b>3,989,266,721</b>
Transaction with owners:					
Final dividend for the year ended 30 June 2020 @ Rupees 0.90 per share of Rupees 10 each	-	-	(104,403,600)	(104,403,600)	(104,403,600)
Interim dividend for half year ended 31 December 2020 @ Rupees 2.00 per share of Rupees 10 each	-	-	(232,008,000)	(232,008,000)	(232,008,000)
	-	-	(336,411,600)	(336,411,600)	(336,411,600)
Profit for the nine months period ended 31 March 2021	-	-	508,027,266	508,027,266	508,027,266
Other comprehensive income for the period ended 31 March 2021	-	-	-	-	-
Total comprehensive income for the period ended 31 March 2021	-	-	508,027,266	508,027,266	508,027,266
<b>Balance as at 31 March 2021 - un audited</b>	<b>1,160,040,000</b>	<b>1,441,697,946</b>	<b>1,559,144,441</b>	<b>3,000,842,387</b>	<b>4,160,882,387</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 March 31, 2021

	Note	NINE MONTHS ENDED	
		31 March 2021	31 March 2020
		Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash generated from operations</b>	11	849,646,872	944,671,203
Finance cost paid		(71,162,346)	(179,559,487)
Income tax paid		(39,519,206)	(114,890,090)
Net decrease in long term loans to employees		-	280,112
Net decrease / (increase) in long term security deposits		(13,660,867)	14,992,356
Net increase / (decrease) in long term deposits		10,500,000	(500,000)
<b>Net cash generated from operating activities</b>		<u>735,804,453</u>	<u>664,994,094</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on operating fixed assets		(292,893,745)	(282,998,025)
Capital expenditure on intangible assets		(4,260,611)	-
Proceeds from disposal of operating fixed assets		9,057,516	16,125,071
Short term investments - net		227,857,996	138,891,116
Dividend received		14,583,625	5,472,185
Interest received on loan to subsidiary company		-	7,741,006
Profit on bank deposits and term deposit receipts received		18,299,098	69,721,551
<b>Net cash used in investing activities</b>		<u>(27,356,121)</u>	<u>(45,047,096)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Short term borrowings - net		(433,925,535)	(719,693,591)
Dividend paid		(332,927,753)	(29,552,973)
Proceeds from long term financing		189,837,207	-
Repayment of long term financing		(4,025,625)	(19,211,338)
Repayment of lease liabilities		(87,822,135)	(94,915,024)
<b>Net cash used in financing activities</b>		<u>(668,863,841)</u>	<u>(863,372,926)</u>
<b>Net decrease in cash and cash equivalents</b>		<u>39,584,491</u>	<u>(243,425,928)</u>
<b>Cash and cash equivalents at beginning of the period</b>		<u>186,741,495</u>	<u>308,935,747</u>
<b>Cash and cash equivalents at end of the period</b>		<u><u>226,325,986</u></u>	<u><u>65,509,819</u></u>

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 March 31, 2021

## 1. THE GROUP AND ITS OPERATIONS

The Group consists of:

### Holding Company

- Hi-Tech Lubricants Limited

### Subsidiary Company

- Hi-Tech Blending (Private) Limited

### 1.1 Hi-Tech Lubricants Limited

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

### 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 2020.

## 3. ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of these consolidated condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Group for the year ended 30 June 2020.

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

For The Quarter and Nine Months Period Ended March 31, 2021

### 3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

During preparation of these consolidated condensed interim financial statements, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Group for the year ended 30 June 2020.

	Un-Audited March 31 2021 Rupees	Audited June 30, 2020 Rupees
<b>4. LONG TERM FINANCING</b>		
<b>From banking companies - secured</b>		
<b>Holding Company</b>		
Bank Alfalah Limited - Loan under SBP Refinance Scheme (Note 4.1 )	159,614,742	58,118,654
<b>Subsidiary Company</b>		
Bank Al-Habib Limited - Loan under SBP Refinance Scheme (Note 4.2 and Note 4.3)	27,357,393	8,973,018
Bank Al-Habib Limited - Loan under SBP TERF	59,480,000	-
	<u>246,452,135</u>	<u>67,091,672</u>
Less: Current portion shown under current liabilities	<u>69,190,479</u>	<u>18,299,754</u>
	<u>177,261,656</u>	<u>48,791,918</u>

4.1 These term finance facilities, aggregating to Rupees 189.968 million (30 June 2020: Rupees 63.40 million) are obtained by the holding Company under SBP Refinance Scheme for payment of wages and salaries to workers and employees of business concerns. These are secured against first hypothecation charge of Rupees 254.000 million and personal guarantees of all sponsor directors. These finance facilities are payable in 8 equal quarterly installments commencing from 01 January 2021 and ending on 01 October 2022. Mark-up is payable quarterly at the rate of SBP refinance rate plus 3.00% per annum. These financing facilities are recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustments are recognized at discount rates range from 8.67% and 10.04% per annum.

4.2 This term finance facility, aggregating to Rupees 32.205 million is obtained by the subsidiary Company under SBP Refinance Scheme for payment of wages and salaries to workers and employees of business concerns. This finance facility is repayable in 8 equal quarterly instalments commencing from 23 January 2021 and ending on 23 October 2022. Mark-up is payable quarterly at the rate of SBP refinance rate plus 3.00% per annum. This loan is recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment has been recognized at discount rate of 9.68% per annum.

4.3 These finance facilities are secured by first pari passu hypothecation charge over current assets of the subsidiary Company of Rupees 1,067 million, hypothecation charge over plant and machinery of Rupees 610 million, mortgage charge over land and building of the subsidiary Company of Rupees 400 million, corporate guarantee of the holding company of Rupees 1.3 billion and personal guarantees of directors of the Company.

	Un-Audited March 31 2021 Rupees	Audited June 30, 2020 Rupees
<b>5. LEASE LIABILITIES</b>		
Total lease liabilities	326,466,900	256,503,604
Less: Current portion shown under current liabilities	40,998,304	72,307,622
	<u>285,468,596</u>	<u>184,195,982</u>

5.1 The interest expense on lease liabilities for the period is Rupees 26.065 million (30 June 2020: Rupees 33.359 million). The total cash outflow for leases for the period ended 31 March 2021 amounted to Rupees 86.850 million (30 June 2020: Rupees 47.273 million).

5.2 Implicit rates against lease liabilities range from 7.00% to 13.97% (30 June 2020: from 8.00% to 14.99% ) per annum.

5.3 Leases from banking companies are secured against charge on the leased assets, personal guarantees of directors and security deposits of Rupees 15.117 million (30 June 2020: Rupees 10.155 million ) .

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

For The Quarter and Nine Months Period Ended March 31, 2021

### 6. CONTINGENCIES AND COMMITMENTS

#### 6.1 Contingencies

There is no significant change in the status of contingencies as disclosed in the preceding audited annual published financial statements of the Group for the year ended 30 June 2020 except for the following:

- 6.1.1** On 05 June 2018, the Competition Commission of Pakistan ("CCP") has initiated a formal enquiry under the provisions of the Competition Act, 2010 ("the Act") on complaint against the Holding Company and its subsidiary company, Hi-Tech Blending (Private) Limited by Chevron Pakistan Lubricants (Private) Limited ("Chevron") for adopting deceptive marketing practices in contravention of section 10 of the Act. It has also been prayed by Chevron to CCP to impose a penalty of 10% of the annual turnover of the Holding Company and its subsidiary company and / or Rupees 75 million, as CCP may deem appropriate. CCP has concluded its enquiry on the complaint lodged by Chevron on 07 February 2019. On 20 August 2019, CCP has issued a show cause notices to the Holding Company and its subsidiary company regarding deceptive marketing practices by distributing false and misleading information about its brand "ZIC" under section 10 of the Act. The Holding Company and its subsidiary company have appeared before the CCP through their advocates, rejecting the contents of the enquiry report concluded by CCP. On 15 September 2020, in a detailed order, CCP has set aside the findings of enquiry report and disposed of the show cause notices issued against the Holding Company and its subsidiary company.

	Un-Audited March 31 2021 Rupees	Audited June 30, 2020 Rupees
<b>6.2 Commitments</b>		
<b>6.2.1</b> Contracts for capital expenditures	292,793,835	108,892,539
<b>6.2.2</b> Letters of credit other than for capital expenditures	756,024,667	3,469,584
<b>6.2.3</b> The amount of future ijara rentals and the period in which these payments will become due are as follow:		
Not later than one year	-	3,130,124
Later than one year but not later than five years	-	-
	-	3,130,124

### 7. FIXED ASSETS

Operating fixed assets:

Owned (Note 7.1)	2,826,311,401	2,852,230,682
Capital work-in-progress (Note 7.2)	541,549,071	331,828,494
	3,367,860,472	3,184,059,176

#### 7.1 Operating fixed assets – owned

Opening book value	2,852,230,682	2,880,461,259
Add: Cost of additions during the period / year (Note 7.1.1)	83,443,650	100,689,040
Add: Book value of assets transferred from right-of-use of assets	16,970,625	45,110,595
	2,952,644,957	3,026,260,894
Less: Book value of assets written off during the period / year	-	724,166
Less: Book value of deletions during the period / year (Note 7.1.2)	4,766,473	9,620,173
	2,947,878,484	3,015,916,555
Less: Depreciation charged during the period / year	121,567,083	163,685,873
Closing book value	2,826,311,401	2,852,230,682

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

For The Quarter and Nine Months Period Ended March 31, 2021

	Un-Audited March 31 2021 Rupees	Audited June 30, 2020 Rupees
<b>7.1.1 Cost of additions during the period / year</b>		
Buildings on freehold land	27,755,897	30,299,232
Buildings on leasehold land	19,032,549	41,519,296
Machinery	813,725	5,575,151
Tanks and Pipeline	813,690	4,411,150
Dispensing Pumps	7,638,404	9,120,343
Electric Installation	4,432,100	-
Furniture and fittings	670,500	974,092
Vehicles	5,537,900	-
Office equipment	8,476,095	5,841,091
Computers	8,272,790	2,948,685
	<u>83,443,650</u>	<u>100,689,040</u>
<b>7.1.2 Book value of deletions during the period / year</b>		
Cost:		
Vehicles	9,520,999	19,439,278
Computers	3,092,165	1,169,500
Office Equipments	67,397	-
Less: Accumulated depreciation	<u>7,914,088</u>	<u>10,988,605</u>
	<u>4,766,473</u>	<u>9,620,173</u>
<b>7.2. Capital work-in-progress</b>		
Advance for purchase of apartment (Note 7.2.1)	28,122,414	25,226,750
Advances to suppliers	-	-
Civil works	311,858,626	213,465,802
Dispensing pumps	17,572,095	9,082,648
Mobilization and other advances	-	25,072,908
Plant and machinery	80,149,940	24,895,701
Vehicles	-	-
Unallocated expenditures	<u>103,845,996</u>	<u>34,084,685</u>
	<u>541,549,071</u>	<u>331,828,494</u>

**7.2.1** This represent advance given to BNP (Private) Limited against purchase of apartment in Grand Hayatt at 1-Constitution Avenue, Islamabad. On 29 July 2016, Capital Development Authority (CDA) cancelled the leased deed of BNP (Private) Limited on the grounds of violating the terms and conditions of the said lease. Against the alleged order, BNP (Private) Limited filed a writ petition before the Honorable Islamabad High Court ("IHC") challenging the cancellation of said lease. IHC dismissed the writ petition of BNP (Private) Limited. However, the honorable judge of IHC ruled that it is a duty of the Federal Government to ensure that the purchasers do not suffer due to Government's own wrongful actions and omissions, particularly when the regulatory failure of the CDA stands admitted. The Holding Company and others filed appeals against the aforesaid judgment of IHC before Honorable Supreme Court of Pakistan. Honorable Supreme Court of Pakistan has passed order on 09 January 2019 whereby the Court has revived the original lease together with all approvals and permissions already granted. The Court has further ordered that BNP (Private) Limited shall complete the entire project within a reasonable time. On 15 March 2019, CDA has filed a review petition before the Honorable Supreme Court of Pakistan urging to cancel the lease deed and to allow the federal cabinet to review the matter as per the directions of IHC. Honorable Supreme Court of Pakistan has passed order to pay Rupees 17.5 billion in six installments to CDA to de-scale the Tower. Subsequent to the reporting period, BNP (Private) Limited has given performance bank guarantee to CDA on account of first installment and CDA has de-scaled the Tower accordingly. In view of the aforesaid, advice of the legal counsel of the Holding Company and the fact that the Holding Company's apartment is one of the duly built apartments on 6th Floor of the Tower, no provision against advance for purchase of apartment has been recognized in these consolidated condensed interim financial statements.

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

For The Quarter and Nine Months Period Ended March 31, 2021

### 8. RIGHT-OF-USE ASSETS

	Land	Buildings	Vehicles	Total
Net carrying amount				
01 July 2020	212,827,264	3,064,790	56,764,008	272,656,062
31 March 2021	231,044,321	25,026,664	60,234,946	316,305,931
Depreciation expense for period ended 31 March 2021	33,579,449	6,083,175	9,297,657	48,960,281
Addition during the period ended 31 March 2021	51,796,506	28,045,049	29,739,220	109,580,775
Book value of assets transferred to operating fixed assets	-	-	16,970,625	16,970,625

#### 8.1 Lease of land

The Holding Company obtained land on lease for construction and operation of its service centers and storage warehouse. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Lease periods range from four to ten years.

#### 8.2 Lease of buildings

The Holding Company obtained buildings on lease for its offices. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Lease periods range from two to five years.

#### 8.3 Lease of vehicles

The Group obtained vehicles on lease for employees. The average contract duration is three years.

#### 8.4 There is no impairment against right-of-use assets.

	Un-Audited March 31 2021 Rupees	Audited June 30, 2020 Rupees
<b>9. INTANGIBLE ASSETS</b>		
Computer softwares (Note 9.1)	9,191,897	7,866,531
<b>9.1 Computer Softwares</b>		
Opening book value	7,866,531	5,204,882
Additions during the period/year	4,260,611	5,362,625
Amortization during the period/year	(2,935,245)	(2,700,976)
Closing book value	9,191,897	7,866,531
<b>9.2</b>		
Cost as at 30 June 2020	43,774,175	39,513,565
Accumulated amortization	(34,582,277)	(31,647,034)
Net book value as at 31 March 2021	9,191,898	7,866,531
<b>9.3</b>		
Intangible assets - computer softwares have been amortized at the rate of 30% (2020: 30%) per annum.		

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

For The Quarter and Nine Months Period Ended March 31, 2021

	Un-Audited March 31 2021 Rupees	Audited June 30, 2020 Rupees
<b>10. STOCK-IN-TRADE</b>		
Raw Material	345,454,750	633,749,692
Work-in-process	50,742,277	35,955,890
	<u>396,197,027</u>	<u>669,705,582</u>
Lubricants and parts	463,485,180	720,305,928
Less: Provision for slow moving and damaged stock items	-	6,488,123
	463,485,180	713,817,805
Petroleum products	629,174,059	35,224,062
Stock of promotional items	192,154	209,404
Dispensing pumps and other installations	46,356,890	40,324,810
	<u>1,535,405,310</u>	<u>1,459,281,663</u>
	<b>Un-Audited March 31 2021 Rupees</b>	<b>Un-Audited March 31 2020 Rupees</b>
<b>11. CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation	623,611,427	(40,149,608)
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation on operating fixed assets	124,257,902	120,623,675
Amortization on right-of-use assets	53,282,822	49,382,728
Amortization on intangible assets	2,935,245	1,807,169
Amortization of deferred income	(6,049,087)	-
Debit balance written off	87,815	-
Allowance for expected credit losses	4,793,574	-
Reversal of provision of slow moving and damaged inventory items	(4,350,720)	-
Reversal of allowance for expected credit losses	-	(4,620,180)
Credit balances written back	(374,735)	-
Gain on disposal of operating fixed assets	(4,291,043)	(7,231,254)
Dividend income	(14,583,625)	(5,472,185)
Profit on bank deposits and short term investments	(18,296,862)	(69,712,747)
Unrealised (gain) / loss on remeasurement of investments (Gain) / loss on disposal of investment	(823,287)	(2,426,620)
Finance cost	77,144,016	192,111,670
Exchange gain - net	(21,307,521)	(16,886,326)
Provision for workers' profit participation fund	10,380,889	4,500,007
Provision for workers' welfare fund	498,597	-
Working capital changes (Note 11.1)	22,731,465	722,744,874
	<u>849,646,872</u>	<u>944,671,203</u>

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

For The Quarter and Nine Months Period Ended March 31, 2021

	Un-Audited March 31 2021 Rupees	Un-Audited March 31 2020 Rupees
<b>11.1 Working capital changes</b>		
Decrease / (increase) in current assets:		
Stores	3,763,656	(638,077,167)
Stock-in-trade	(77,403,349)	230,261,713
Trade debts	315,789,034	1,221,426,181
Loans and advances	(101,194,900)	(59,959,511)
Short term deposits and prepayments	(7,749,379)	18,396,346
Other receivables	(67,630,226)	10,296,038
	65,574,836	782,343,600
Increase / (decrease) in trade and other payables	(42,843,371)	(59,598,726)
	<u>22,731,465</u>	<u>722,744,874</u>

## 12. TRANSACTIONS WITH RELATED PARTIES

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

NATURE OF TRANSACTIONS	UN-AUDITED				
	NINE MONTHS ENDED		QUARTER ENDED		
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	
Relationship	-----Rupees-----				
<b>i Transactions</b>					
<b>Associated companies</b>					
MAS Associates (Private) Limited	Share of common expenses	519,407	480,497	185,475	166,146
<b>Other related parties</b>					
SK Lubricants Co., Ltd.	Purchase of Lubricants	2,324,415,073	1,477,866,645	777,653,375	106,403,609
SK Lubricants Co., Ltd.	Dividend Paid	2,288,797	206,944	1,655,370	-
Provident fund trusts	Contribution	29,257,530	11,681,819	11,761,950	2,513,560
Key management personnel	Remuneration	225,612,503	151,577,695	94,896,943	48,325,492
Sabra Hamida Trust	Donations	14,500,000	13,500,000	5,500,000	4,500,000
				<b>Un-Audited March 31 2021 Rupees</b>	<b>Audited June 30, 2020 Rupees</b>
<b>ii. Period end balances</b>					
<b>Associated company</b>					
Receivable from MAS Associates (Private) Limited				185,475	151,425
<b>Other related party:</b>					
Receivable from SK Lubricants Company Limited				-	28,501,777
Payable to SK Lubricants Company Limited				694,450,052	201,763,028
Payable to employees' provident fund trust				3,531,521	-

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

For The Quarter and Nine Months Period Ended March 31, 2021

### 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 2021	Level 1	Level 2	Level 3	Total
--	---------	---------	---------	-------

----- Rupees -----

#### Financial assets

Financial assets at fair value through profit or loss

240,715,079	-	-	240,715,079
-------------	---	---	-------------

Recurring fair value measurements at 30 June 2020	Level 1	Level 2	Level 3	Total
---	---------	---------	---------	-------

----- Rupees -----

#### Financial assets

Financial assets at fair value through profit or loss

250,864,373	-	-	250,864,373
-------------	---	---	-------------

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.

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

For The Quarter and Nine Months Period Ended March 31, 2021

### 14. SEGMENT INFORMATION

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

Lubricants  
Petroleum products

Purchase and sale of lubricants, parts and rendering of services.  
Marketing and sale of petroleum products.

	LUBRICANTS		PETROLEUM PRODUCTS		UNALLOCATED		(Un-audited)	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Revenue - net	5,788,393,558	3,584,830,786	1,465,379,185	127,596,501	-	-	7,253,772,743	3,712,427,287
Cost of sales	(4,166,362,320)	(2,609,814,376)	(1,398,940,386)	(139,864,326)	-	-	(5,565,302,706)	(2,749,678,702)
Gross profit	1,622,031,237	975,016,410	66,438,800	(12,267,825)	-	-	1,688,470,037	962,748,585
Distribution cost	(531,129,010)	(529,392,836)	(116,794,309)	(40,522,383)	-	-	(647,923,319)	(569,915,219)
Administrative expenses	(367,658,140)	(323,731,406)	(18,654,029)	(4,723,611)	-	-	(386,312,169)	(328,455,017)
Other expenses	(30,621,166)	(18,948,367)	(6,856,294)	-	-	-	(37,477,460)	(18,948,367)
Other income	(929,408,315)	(872,072,609)	(142,304,633)	(45,245,994)	-	-	(1,071,712,948)	(917,318,603)
Profit / (loss) from operations	44,271,622	37,856,648	39,726,732	68,675,432	-	-	83,998,354	106,532,080
Finance cost	736,894,544	140,800,449	(36,139,101)	11,161,613	-	-	700,755,443	151,962,062
Profit / (Loss) before taxation	736,894,544	140,800,449	(36,139,101)	11,161,613	(77,144,016)	(192,111,670)	(77,144,016)	(192,111,670)
Taxation	-	-	-	-	(77,144,016)	(192,111,670)	623,611,427	(40,149,608)
Profit / (Loss) after taxation	736,894,544	140,800,449	(36,139,101)	11,161,613	(115,584,161)	(52,280,172)	(115,584,161)	(52,280,172)
					(192,728,177)	(244,391,842)	508,027,266	(92,429,780)

14.1 Loss of Rs. 36,139,101 reported in Petroleum Products Segment includes Depreciation of Rs. 27,657,294 for the period ended 31 March 2021

14.2 Reconciliation of reportable segment assets and liabilities:

	LUBRICANTS		PETROLEUM PRODUCTS		TOTAL - COMPANY	
	Un-audited 31 March 2021	Audited 30 June 2020	Un-audited 31 March 2021	Audited 30 June 2020	Un-audited 31 March 2021	Audited 30 June 2020
Total assets for reportable segments	2,633,579,576	3,115,136,038	2,301,518,926	1,716,788,872	4,935,098,502	4,831,924,910
Unallocated assets					1,871,849,751	1,645,206,165
Total assets as per statement of financial position	1,496,246,624	1,269,753,970	537,106,607	148,390,643	6,806,948,253	6,477,131,075
Total liabilities for reportable segments					2,033,353,230	1,418,144,613
Unallocated liabilities					612,712,636	1,069,719,741
Total liabilities as per statement of financial position					2,646,065,866	2,487,864,354

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

14.4 All non-current assets of the Company as at 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 March 31, 2021

	Un-Audited March 31 2021 Rupees	Audited June 30, 2020 Rupees
<b>15. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX</b>		
<b>Description</b>		
<b>i) Loans / advances obtained as per Islamic mode:</b>		
Loans	-	50,000,000
Advances	47,349,564	48,465,976
<b>ii) Shariah complaint bank deposits / bank balances</b>		
Bank balances	8,290,711	8,543,511
	<b>Un-Audited March 31 2021 Rupees</b>	<b>Un-Audited March 31 2020 Rupees</b>
<b>iii) Profit earned from shariah complaint bank deposits / bank balances</b>		
Profit on bank deposits and term deposit receipts	-	-
<b>iv) Revenue earned from a shariah complaint business</b>		
	7,253,772,743	3,712,427,287
<b>v) Gain / (loss) or dividend earned from shariah complaint investments</b>		
Dividend income	6,318,448	345,666
Gain on sale of investments	440,993	6,824
Gain / (loss) on remeasurement of investments at fair value through profit or loss	(5,736)	136,428
<b>vi) Exchange gain earned</b>		
	15,173,383	10,818,990
<b>vii) Mark up paid on Islamic mode of financing</b>		
	2,238,976	26,509,439
<b>viii) Profits earned or interest paid on any conventional loan or advance</b>		
Interest paid on loans	38,168,603	118,403,545
<b>ix) Relationship with shariah compliant banks</b>		
<b>Name</b>	<b>Relationship as at reporting date</b>	
Al-Baraka Bank (Pakistan) Limited	Bank balance	
Meezan Bank Limited	Bank balance	
Dubai Islamic Bank Pakistan Limited	Bank balance	

### 16. UTILIZATION OF THE PROCEEDS OF THE INITIAL PUBLIC OFFER (IPO)

During the period ended 31 March 2021, the Group has made payments of Rupees 211.815 million out of IPO proceeds relating to OMC project. The un-utilized proceeds of Rupees 516.490 million of the public offer have been kept by the Group in the shape of bank balances, term deposit receipts and mutual funds.

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

For The Quarter and Nine Months Period Ended March 31, 2021

### 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 2020.

### 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 condensed interim financial statements were authorized for issue on 23 April 2021 by the Board of Directors of the Company.

### 20. GENERAL

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



Chief Executive



Director



Chief Financial Officer

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**Corporate Office:**

1-A, Danepur Road, G.O.R-1, Lahore.

UAN: +92 42 111 645 942

Phone: +92 42 36311881-3

Fax: +92 42 36311884

**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