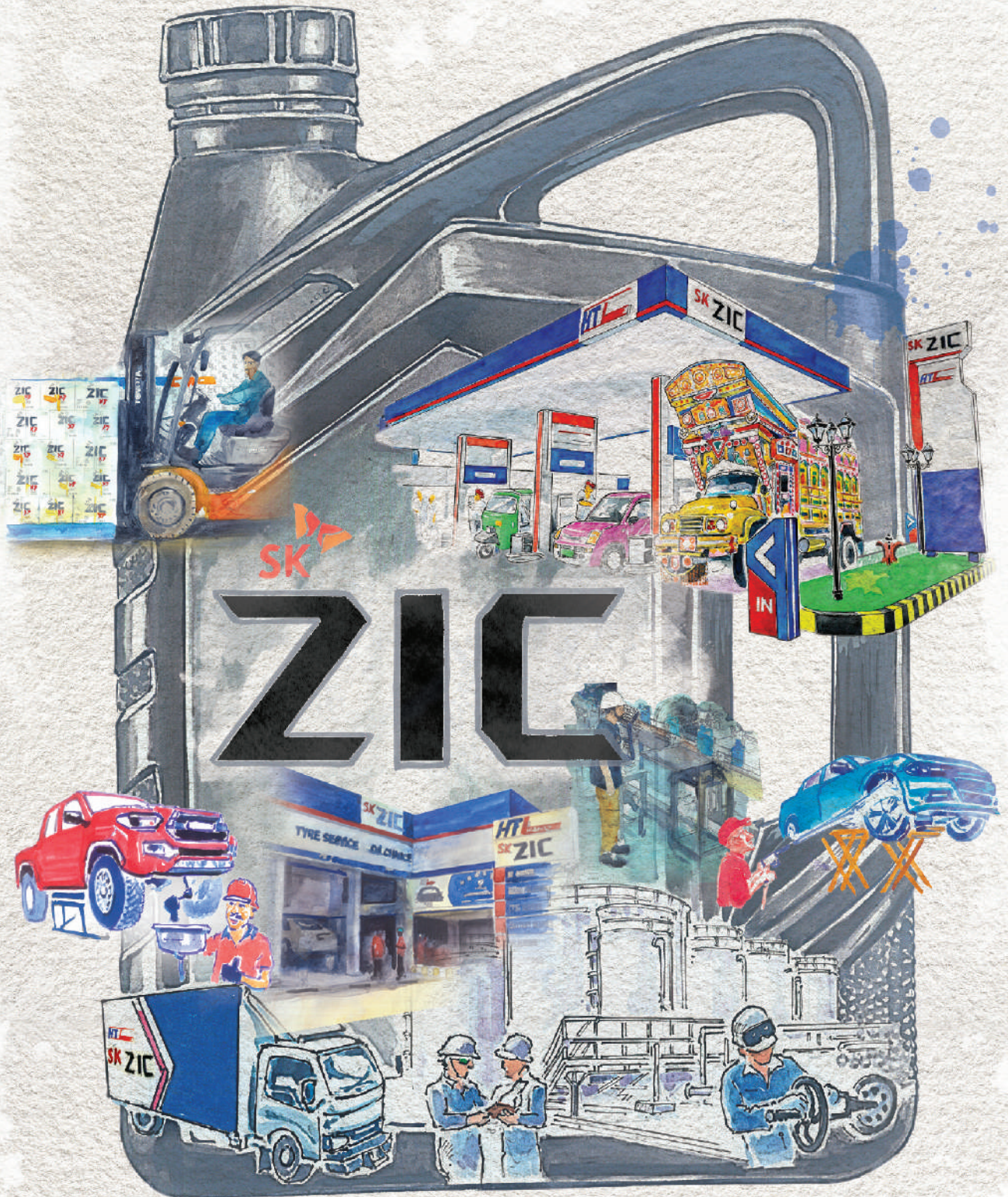




# Condensed Interim Financial Information

## For the Half Year Ended 31 December 2021



**ONE TEAM - ONE DREAM**

# 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. Sanghyuk Seo (Nominee of SK Lubricants Co. Ltd.)  
Non Executive Director

Dr. Safdar Ali Butt  
Independent Director

Syed Asad Abbas Hussain  
Independent Director

Mr. Shafiq ur Rehman  
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](http://www.hitechlubricants.com)  
[www.zicoil.pk](http://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

## DIRECTOR'S REVIEW

The Directors of Hi-Tech Lubricants Limited (the Company) have the pleasure of presenting the financial results of your Company which include both, **unconsolidated** (duly reviewed by the auditors) and **consolidated (unaudited) financial statements** for the half year ended 31 December 2021.

### OVERVIEW

#### FINANCIAL PERFORMANCE - UNCONSOLIDATED

During the period under review, on **unconsolidated** basis, attained profit after tax of PKR 619.308 million, up by 254 percent as compared to after tax of PKR 174.863 million during the corresponding period. The unconsolidated earnings per share increased to PKR 4.45 as compared to earnings per share of PKR 1.26 during the corresponding period. Increase in revenue and earnings is attributed to release of demand hitherto suppressed by Covid and economic conditions. Furthermore, first dividend of PKR 260 million has been received from Hi-Tech Blending (Private) Limited – wholly owned subsidiary which is itself an achievement.

Detailed unconsolidated financial performance of your Company for the six months ended 31 Dec. 2021 as compared to the same period last year is presented below:

<b>Particulars</b>	<b>Six Months Ended</b>	<b>Six Months Ended</b>	<b>%</b>
<i>PKR in millions except EPS</i>	31 Dec 2021	31 Dec 2020	Change
Gross revenue	8,691	6,037	43
Net revenue	7,066	4,618	53
Gross profit	1,291	891	44
Other income	288	45	540
Profit from operations	807	295	173
Profit after taxation	619	174	255
Earnings per share (PKR)	4.45	1.26	253

#### FINANCIAL PERFORMANCE - CONSOLIDATED

During the period under review, on **consolidated** basis, attained profit after tax of PKR 396.394 million, up by 30 percent as compared to after tax of PKR 304.846 million during the corresponding period. The consolidated earnings per share increased to PKR 2.85 as compared to earnings per share of PKR 2.19 during the corresponding period.

Detailed **consolidated** financial performance of your Group for six months ended 31 December 2021 as compared to 31 December 2020 is presented below:

<b>Particulars</b>	<b>Six Months Ended</b>	<b>Six Months Ended</b>	<b>%</b>
	31 Dec 2021	31 Dec 2020	Change
Gross revenue	9,405	6,862	37
Net revenue	7,066	4,618	53
Gross profit	1,520	1,061	43
Profit from operations	612	417	46
Profit after taxation	396	304	30
Earnings per share (PKR)	2.85	2.19	30

#### LUBRICANT SEGMENT

During the period under review, net revenue of lubricants segment has reached PKR 4,322 million, up by 14% as compared to PKR 3,762 million during the corresponding period. Gross profit and profit from operations have increased by PKR 375 million and PKR 150 million respectively in comparison to the corresponding period.

#### PETROLEUM SEGMENT

During the period under review, the petroleum segment of the Company recorded net sales revenue of PKR 2,744 million as compared to PKR 856 million which is higher by 220% as compared to same period last year, mainly on account of increase in sales volume and average selling prices of petroleum products. Efficient inventory management, increase in average margins and inventory gains due to increase in the prices of petroleum products led to impressive 218% increase in gross profit translating it into net profit of PKR 8.2 million which is higher by 122% as compared to same period last year. The total number of pumps which are in operation are as follows:

	<b>On 31 Dec 2021</b>	<b>On 31 Dec 2020</b>	<b>% Change</b>
<b>NO. OF HTL FUEL STATIONS</b>	26	20	30%

During the period under review, Oil and Gas Regulatory Authority (OGRA) has enhanced the limit of HTL Fuel Stations from twenty-six to fifty-two in the Province of Punjab on the basis of successful expansion of Sahiwal Oil Storage Facility. Furthermore, the Company has successfully completed its second Oil Storage Facility located at Nowshera, Khyber Pakhtunkhwa Province and received satisfactory completion acknowledgment from OGRA. It will allow the Company to operate a further thirty-five HTL Fuel Stations in Khyber Pakhtunkhwa Province.

#### **INDUSTRY'S OVERALL PERFORMANCE**

During the period under review, sales of total petroleum products increased by 14 percent on year on year basis to 11.10 million tons versus 9.75 million tons in the same period last year. The growth in sales is primarily attributable to economic growth driving retail fuel sales, massive growth in automobile sales and higher HSD demand from agriculture sector.

#### **POSITION OF IPO FUNDS**

At 31 December 2021, the un-utilized proceeds of PKR 478.842 million of the initial public offer that have been kept by the Company in the form of bank balances, term deposit receipts and money market mutual funds. These can only be utilized for the purposes of expansions related to OMC project (petroleum segment) of the Company.

#### **FUTURE OUTLOOK**

The COVID-19 Omicron variant appears to be milder and the resultant disruptions to economic activity have been minimal as compared to the previous variants of the virus. Under the current scenario, so far, the new variant has not impaired the overall global economic recovery which can also be witnessed through the decision of OPEC+ to continue with its production plans despite the emergence of the Omicron variant.

Pakistan's economy is on the path to recovery, supported by promising growth in both the industry and services sectors. Growth in industry, predominantly construction and small-scale manufacturing, and services are forecast to improve in upcoming months. The agricultural sector is also expected to continue supporting the GDP growth.

However, despite the signs of strong economic recovery, certain headwinds in the short term including higher commodity prices, current account deficit and external payments have built pressure on the currency exchange rate. Higher inaction, hike in interest rate, rising debt and expected increase in tariffs and tax hikes, together with geopolitical tensions, may pose challenges to aforesaid economic recovery.

While navigating through the aforementioned challenges, the Company remains focused on minimizing the negative impacts and serving its stakeholders by delivering enduring value; strengthening stakeholder relationships, leveraging its diversified product portfolio and actively exploring opportunities for organic and inorganic growth in line with its growth aspirations.

#### **ACKNOWLEDGMENT**

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

On behalf of the Board



Mr. Hassan Tahir  
(Chief Executive)



Mr. Shaukat Hassan  
(Chairman)

Lahore, February 18, 2022

## ڈائریکٹران کا جائزہ

ہائی ٹیک لبریکنٹس لمیٹڈ (کمپنی) کے ڈائریکٹران انتہائی مسرت کے ساتھ آپ کی کمپنی کے مالیاتی نتائج بشمول غیر مربوط (آڈیٹرز کی جانب سے باضابطہ طور پر جائزہ شدہ) اور مربوط (غیر آڈٹ شدہ) مالیاتی حسابات پیش کر رہے ہیں۔

### جائزہ

مالیاتی کارکردگی - غیر مربوط

زیر جائزہ مدت کے دوران غیر مربوط بنیادوں پر کمپنی کا بعد از ٹیکس منافع 619.308 ملین روپے رہا جو گزشتہ مدت کے دورانیہ بعد از ٹیکس حاصل ہونے والے 174.863 ملین روپے منافع سے 254 فیصد زیادہ ہے۔ گزشتہ سال فی حصص حاصل ہونے والی 1.26 روپے آمدنی کے مقابلے میں اس مدت کے دوران فی حصص غیر مربوط آمدنی 4.45 روپے تک بڑھی۔ منافع اور آمدنی میں اس اضافے کی وجہ کوڈ اور معاشی صورت حال میں بہتری کی وجہ سے بڑھتی ہوئی طلب ہے۔ مزید برآں ہائی ٹیک لبریکنٹس (پرائیویٹ) لمیٹڈ - کمپنی کے کل ملکیتی ذیلی ادارے کی جانب سے دریں اثنا 260 ملین روپے کا پہلا منافع منقسمہ حاصل ہوا جو درحقیقت خود ایک بہت بڑی کامیابی ہے۔

31 دسمبر 2021 کو ختم ہونے والی چھ ماہ کی مدت کے دوران ایسی گزشتہ مدت کے مقابلے میں آپ کی کمپنی کی غیر مربوط مالیاتی کارکردگی کی تفصیل ذیل میں درج ہے۔

### روپے ملین ماسوائے ایم بی ایس

تفصیلات	31 دسمبر 2021 کو ختم ہونے والی	31 دسمبر 2020 کو ختم ہونے والی	تبدیلی
	چھ ماہ کی مدت	چھ ماہ کی مدت	فیصد میں
مجموعی آمدنی	8,691	6,037	43
خالص آمدنی	7,066	4,618	53
مجموعی منافع	1,291	891	44
دیگر آمدنی	288	45	540
آپریٹنگ منافع	807	295	173
بعد از ٹیکس منافع	619	174	255
آمدنی فی حصص	4.45	1.26	253

مالیاتی کارکردگی - مجموعی

زیر جائزہ مدت کے دوران مجموعی / جامع بنیادوں پر کمپنی کا بعد از ٹیکس منافع 396.394 ملین روپے رہا جو گزشتہ مدت کے دوران بعد از ٹیکس حاصل ہونے والے 304.846 ملین روپے منافع سے 30 فیصد زیادہ ہے۔ گزشتہ سال فی حصص حاصل ہونے والی 2.85 روپے آمدنی کے مقابلے میں اس مدت کے دوران فی حصص مجموعی آمدنی 2.19 روپے تک بڑھ گئی۔

31 دسمبر 2021 کو ختم ہونے والی چھ ماہ کی مدت کے دوران ایسی گزشتہ مدت کے مقابلے میں آپ کی کمپنی کی مجموعی مالیاتی کارکردگی کی تفصیل ذیل میں درج ہے:

### روپے ملین ماسوائے ایم بی ایس

تفصیلات	31 دسمبر 2021 کو ختم ہونے والی	31 دسمبر 2020 کو ختم ہونے والی	تبدیلی
	چھ ماہ کی مدت	چھ ماہ کی مدت	فیصد میں
مجموعی آمدنی	9,405	6,862	37
خالص آمدنی	7,066	4,618	53
مجموعی منافع	1,520	1,061	43
آپریٹنگ منافع	612	417	46
بعد از ٹیکس منافع	396	304	30
آمدنی فی حصص	2.85	2.19	30

لبریکنٹس کا شعبہ:

زیر جائزہ مدت کے دوران لبریکنٹس کے شعبے نے 4,322 ملین روپے کا خالص منافع حاصل کیا جو گزشتہ مدت کے دوران حاصل ہونے والے 3,762 ملین روپے سے 14 فیصد زیادہ ہے۔ شعبہ ہذا کا مجموعی منافع اور آپریٹنگ منافع بھی گزشتہ مدت کے مقابلے میں بالترتیب 375 ملین روپے اور 150 ملین روپے تک بڑھ گیا۔

## پیٹرولیم کا شعبہ:

زیر جائزہ مدت کے دوران کمپنی کے پیٹرولیم کے شعبہ کی خالص ہلز آمدنی گزشتہ مدت کے دوران حاصل ہونے والی 856 ملین روپے کی آمدنی سے بڑھ کر 2,744 ملین روپے تک پہنچ گئی جو گزشتہ سال اسی مدت میں حاصل ہونے والی آمدنی سے 220 فیصد زیادہ ہے۔ اس کی بنیادی وجہ فروخت کے حجم اور پیٹرولیم مصنوعات کی اوسط قیمت فروخت میں اضافہ ہے۔ پیٹرولیم مصنوعات میں اضافے کے بعد انٹرنی کے مؤثر انضباط سے اوسط مارجن اور انٹرنی گینز میں اضافہ ہوا جو اس کی بدولت کل منافع 218 فیصد بڑھا اور اس کے نتیجے میں 8.2 ملین روپے خالص منافع حاصل ہوا جو گزشتہ سال اسی مدت کے دوران حاصل ہونے والے منافع سے 122 فیصد زیادہ ہے۔ چالو پیس کی کل تعداد کی تفصیل مندرجہ ذیل ہے:

تبدیلی فیصد	31 دسمبر 2020 تک	31 دسمبر 2021 تک	ایچ ٹی ایل فیول سٹیشنز کی کل تعداد
30	20	26	

زیر جائزہ مدت کے دوران آئل اینڈ گیس ریگولیشنز اتھارٹی (اگر) نے ساہیوال آئل سٹورج کی سہولت کامیاب توسیع کی بنیاد پر صوبہ پنجاب میں ایچ ٹی ایل فیول سٹیشنز کی تعداد کو 26 سے بڑھا کر 52 کر دیا ہے۔ مزید برآں کمپنی نے نوشہرہ، خیبر پختونخواہ کے مقام پر اپنی تیل ذخیرہ کرنے کی دوسری سہولت کو کامیابی سے مکمل کیا ہے اور اگر ان کی جانب سے اس کی طینان بخش تکمیل کی تصدیق بھی کر دی گئی ہے۔ اس کی وجہ سے کمپنی صوبہ خیبر پختونخواہ میں مزید 35 ایچ ٹی ایل فیول سٹیشنز کھولنے کے قابل ہو جائے گی۔

## انڈسٹری کی مجموعی کارکردگی

زیر جائزہ مدت کے دوران گزشتہ سال اس سال پیٹرولیم مصنوعات کی کل سالانہ فروخت 14 فیصد اضافے کے ساتھ 9.75 ملین ٹن کے مقابلے میں 11.10 ملین ٹن تک بڑھی۔ فروخت میں یہ اضافہ معاشی ترقی، گاڑیوں کی فروخت میں بڑے اضافے اور شعبہ زراعت میں ایچ ٹی ایل ڈی کی بڑھتی ہوئی طلب کی وجہ سے دیکھنے میں آیا۔

## آئی پی او فنڈ کی صورت حال

31 دسمبر 2021 تک کمپنی نے ابتدائی طور پر بیلک سے حاصل ہونے والا 478.842 ملین روپے کا استعمال شدہ سرمایہ بینک بیننس، ہرم ڈیپازٹ اور سٹی مارکیٹ میچوکل فنڈز کی صورت میں محفوظ رکھا۔ اسے صرف کمپنی کے اداہم پر ارجیکٹ (پیٹرولیم گینٹ) میں توسیع کے لیے استعمال میں لایا جاسکتا ہے۔

## مستقبل کا جائزہ:

کووڈ 19 کی پچھلی انواع کے مقابلے میں اومی کرون قسم کے معاشی سرگرمی پر منفی اثرات بہت کم ہیں۔ موجودہ حالات میں اب تک کووڈ کی کسی اور قسم کی پیش گوئی نہیں کی گئی ہے جس کے نتیجے میں عالمی سطح پر معاشی بحالی دیکھنے میں آ رہی ہے اور اس کا ایک ثبوت یہ بھی ہے کہ OPEC+ نے اومی کرون ویرینٹ کے خطرے کے باوجود اپنے پراڈکشن پلان کو بدستور جاری رکھنے کا فیصلہ کیا ہے۔

پاکستان کی معیشت بھی اب بحالی کا راہ پر گامزن ہو چکی ہے جس سے انڈسٹری اور سروس سیکٹرز دونوں میں تقابلی ترقی متوقع ہے۔ آنے والے مہینوں میں انڈسٹری کے شعبہ میں ترقی بالخصوص تعمیراتی، چھوٹے صنعتی اداروں اور سروسز انڈسٹری میں مزید بہتری کی پیش گوئی کی جا رہی ہے۔ مزید برآں یہ بھی توقع ہے کہ شعبہ زراعت مٹی کی ڈی پی پی میں اضافے کے لیے اپنا اہم کردار ادا کرتا رہے گا۔

تاہم، معاشی بحالی کی ان مضبوط علامات کو قلیل مدت کے لیے اجناس کی قیمتوں میں اضافے، کرنٹ مالیاتی خسارے، بیرونی ادائیگیوں کی صورت میں باہمخالفا کا سامنا کرنا پڑے گا جس سے کرنسی کی پچھلی ریٹ پر دباؤ بنے گا۔ نیز شرح سود میں اضافے، بڑھتے ہوئے قرضہ جات، ٹیئر اور ریکسز میں متوقع اضافے کے ساتھ خطہ کے سیاسی حالات کی وجہ سے معاشی بحالی کوئی دیگر چیلنجز کا سامنا بھی رہے گا۔

مذکورہ بالا چیلنجز سے نمبر ڈالنا ہونے کے لیے، کمپنی نے اپنی تمام تر توجہ ان کے منفی اثرات کو کم کرنے، حصص داران کے حصص کی قدر میں پائیدار اضافے اور ان کے ساتھ اپنے تعلق کی مضبوطی کی جانب مرکوز کر رکھی ہے اور اس مقصد کی خاطر کمپنی، اپنے متنوع پورٹ فولیو اور دستیاب مواقع سے بھرپور استفادہ کرتے ہوئے نامیاتی اور غیر نامیاتی ترقی کے لیے مصروف عمل ہے۔

## اعتراف:

آپ کی کمپنی کے ڈائریکٹران اپنے ملازمین کی فرض شناسی اور ان کے گراں قدر خدمات کے ساتھ تمام فریقین کے کمپنی پر مستقل اعتماد کا بخوشی اعتراف کرتے ہوئے ان کے تبادلے سے شکر گزار ہیں۔

## بورڈ کی جانب سے

جناب شوکت حسن

(چیئرمین)

جناب حسن طاہر

(چیف ایگزیکٹو)

لاہور، 18 فروری، 2022

# **HI-TECH LUBRICANTS LIMITED**

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

# Independent Auditor's Review Report

To the members of Hi-Tech Lubricants Limited

Report on review of Unconsolidated Condensed Interim Financial Statements

## Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of HI-TECH LUBRICANTS LIMITED as at 31 December 2021 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the half year then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review. The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the quarters ended 31 December 2021 and 31 December 2020 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2021.

## Scope of Review

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

## Conclusion

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

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

  
**RIAZ ANMAD & COMPANY**  
Chartered Accountants

Lahore 19 February 2022

Date: RR202110132vUWT7Ya8i



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

As At 31 December 2021

	Un-Audited 31 December 2021 Rupees	Audited 30 June 2021 Rupees
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Authorized share capital 150,000,000 (30 June 2021: 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 139,204,800 (30 June 2021: 116,004,000) ordinary shares of Rupees 10 each	1,392,048,000	1,160,040,000
Reserves	<u>2,145,734,976</u>	<u>1,990,443,156</u>
<b>Total equity</b>	<b>3,537,782,976</b>	<b>3,150,483,156</b>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Long term financing	4	47,490,196
Lease liabilities	5	334,670,123
Long term deposits	22,000,000	17,000,000
Deferred income - Government grant	-	361,618
Deferred income tax liability - net	<u>62,834,598</u>	<u>-</u>
	497,644,004	399,521,937
<b>CURRENT LIABILITIES</b>		
Trade and other payables	1,142,562,699	1,385,266,386
Accrued mark-up / profit	24,893,498	9,756,777
Short term borrowings	1,147,294,670	461,180,637
Current portion of non-current liabilities	184,426,751	162,697,568
Unclaimed dividend	5,199,346	6,326,546
Provision for taxation - net	-	10,919,484
	<u>2,504,376,964</u>	<u>2,036,147,398</u>
<b>Total liabilities</b>	<b>3,002,020,968</b>	<b>2,435,669,335</b>
<b>CONTINGENCIES AND COMMITMENTS</b>		
	6	
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>6,539,803,944</b></u>	<u><b>5,586,152,491</b></u>

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



Chief Executive



Director



Chief Financial Officer

		Un-Audited 31 December 2021 Rupees	Audited 30 June 2021 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets	7	1,846,475,054	1,833,545,894
Right-of-use assets	8	464,693,808	359,293,341
Intangible assets	9	8,923,313	10,645,943
Investment property		61,658,100	61,658,100
Investment in subsidiary company	10	1,300,000,600	1,300,000,600
Long term security deposits		36,363,116	29,401,655
Deferred income tax asset - net		-	48,245,631
		<u>3,718,113,991</u>	<u>3,642,791,164</u>
<b>CURRENT ASSETS</b>			
Stock-in-trade	11	1,107,353,802	878,741,709
Trade debts		91,433,111	103,225,348
Loans and advances		470,842,839	89,718,454
Short term deposits and prepayments		28,360,066	19,316,915
Advance income tax - net of provision for taxation		275,619,425	-
Other receivables		228,890,494	141,381,054
Accrued interest		22,137	390,462
Short term investments		451,466,641	446,043,245
Cash and bank balances		167,701,438	264,544,140
		<u>2,821,689,953</u>	<u>1,943,361,327</u>
<b>TOTAL ASSETS</b>		<u><u>6,539,803,944</u></u>	<u><u>5,586,152,491</u></u>

  
Chief Executive

  
Director

  
Chief Financial Officer

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

For The Half Year Ended 31 December 2021

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	Rupees	Rupees	Rupees	Rupees
GROSS REVENUE FROM CONTRACTS WITH CUSTOMERS	8,691,488,396	6,037,170,443	5,016,153,045	3,695,612,581
Discounts	(381,187,458)	(342,010,199)	(263,428,303)	(263,145,629)
Sales tax	(1,244,607,533)	(1,077,213,754)	(767,523,815)	(653,416,012)
NET REVENUE FROM CONTRACTS WITH CUSTOMERS	7,065,693,405	4,617,946,490	3,985,200,927	2,779,050,940
COST OF SALES	(5,774,766,945)	(3,727,152,452)	(3,248,840,728)	(2,284,029,473)
GROSS PROFIT	1,290,926,460	890,794,038	736,360,199	495,021,467
DISTRIBUTION COST	(450,913,298)	(409,043,335)	(196,214,932)	(218,717,657)
ADMINISTRATIVE EXPENSES	(250,431,888)	(215,440,850)	(110,141,100)	(110,633,771)
OTHER EXPENSES	(70,861,827)	(15,588,372)	(43,467,142)	(10,583,179)
	(772,207,013)	(640,072,557)	(349,823,174)	(339,934,607)
OTHER INCOME	288,411,763	44,812,404	14,691,868	30,978,392
PROFIT FROM OPERATIONS	807,131,210	295,533,885	401,228,893	186,065,252
FINANCE COST	(69,356,998)	(38,534,678)	(43,286,926)	(18,145,917)
PROFIT BEFORE TAXATION	737,774,212	256,999,207	357,941,967	167,919,335
TAXATION	(118,466,392)	(82,136,663)	(80,724,208)	(68,344,946)
PROFIT AFTER TAXATION	619,307,820	174,862,544	277,217,759	99,574,389
		(Restated)		(Restated)
EARNINGS PER SHARE - BASIC AND DILUTED	4.45	1.26	1.99	0.72

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



Chief Executive



Director



Chief Financial Officer

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

For The Half Year Ended 31 December 2021

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2021 Rupees	31 December 2020 Rupees	31 December 2021 Rupees	31 December 2020 Rupees
PROFIT AFTER TAXATION	619,307,820	174,862,544	277,217,759	99,574,389
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 INCOME FOR THE PERIOD</b>	<b>619,307,820</b>	<b>174,862,544</b>	<b>277,217,759</b>	<b>99,574,389</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 Half Year Ended 31 December 2021

	RESERVES				TOTAL EQUITY
	CAPITAL RESERVE	REVENUE RESERVE	TOTAL RESERVES		
	SHARE PREMIUM	UN-APPROPRIATED PROFIT			
SHARE CAPITAL					
( ..... RUPEES ..... )					
<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 @ Rupee 0.90 per share	-	-	(104,403,600)	(104,403,600)	(104,403,600)
Profit for the half year ended 31 December 2020	-	-	174,862,544	174,862,544	174,862,544
Other comprehensive income for the half year ended 31 December 2020	-	-	-	-	-
Total comprehensive income for the half year ended 31 December 2020	-	-	174,862,544	174,862,544	174,862,544
<b>Balance as at 31 December 2020 - un-audited</b>	1,160,040,000	1,441,697,946	626,386,501	2,068,084,447	3,228,124,447
Transaction with owners:					
Interim dividend for the year ended 30 June 2021 @ Rupees 2.00 per share	-	-	(232,008,000)	(232,008,000)	(232,008,000)
Profit for the half year ended 30 June 2021	-	-	154,366,709	154,366,709	154,366,709
Other comprehensive income for the half year ended 30 June 2021	-	-	-	-	-
Total comprehensive income for the half year ended 30 June 2021	-	-	154,366,709	154,366,709	154,366,709
<b>Balance as at 30 June 2021 - audited</b>	1,160,040,000	1,441,697,946	548,745,210	1,990,443,156	3,150,483,156
Transactions with owners:					
Issue of bonus shares @ 20%	232,008,000	-	(232,008,000)	(232,008,000)	-
Final dividend for the year ended 30 June 2021 @ Rupees 2.00 per share	-	-	(232,008,000)	(232,008,000)	(232,008,000)
Profit for the half year ended 31 December 2021	-	-	619,307,820	619,307,820	619,307,820
Other comprehensive income for the half year ended 31 December 2021	-	-	-	-	-
Total comprehensive income for the half year ended 31 December 2021	-	-	619,307,820	619,307,820	619,307,820
<b>Balance as at 31 December 2021 - un-audited</b>	1,392,048,000	1,441,697,946	704,037,030	2,145,734,976	3,537,782,976

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 Half Year Ended 31 December 2021

	Note	HALF YEAR ENDED	
		31 December 2021	31 December 2020
		Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash (used in) / generated from operations</b>	12	(556,315,341)	819,570,545
Finance cost paid		(49,563,392)	(36,870,810)
Income tax paid		(33,856,162)	(24,575,371)
Net increase in long term security deposits		(7,334,761)	(1,703,427)
Net increase in long term deposits		5,000,000	10,500,000
<b>Net cash (used in) / generated from operating activities</b>		(642,069,656)	766,920,937
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on operating fixed assets		(80,111,656)	(172,400,440)
Capital expenditure on intangible assets		(824,607)	(3,260,000)
Initial direct cost incurred on right-of-use assets		(1,359,746)	-
Proceeds from disposal of operating fixed assets		1,950,000	8,169,649
Short term investments - net		(3,719,583)	136,831,255
Dividend received		266,974,582	9,794,975
Profit on bank deposits and term deposit receipts received		10,451,264	13,495,523
<b>Net cash from / (used in) investing activities</b>		193,360,254	(7,369,038)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of lease liabilities		(51,651,949)	(48,453,691)
Dividend paid		(233,135,200)	(103,927,633)
Proceeds from long term financing		-	126,582,220
Repayment of long term financing		(49,460,183)	-
Short term borrowings - net		686,114,033	(763,322,929)
<b>Net cash from / (used in) financing activities</b>		351,866,701	(789,122,033)
<b>Net decrease in cash and cash equivalents</b>		(96,842,702)	(29,570,134)
<b>Cash and cash equivalents at the beginning of the period</b>		264,544,140	124,177,670
<b>Cash and cash equivalents at the end of the period</b>		167,701,438	94,607,536

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

  
Chief Executive

  
Director

  
Chief Financial Officer

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

For The Half Year Ended 31 December 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 lubricants and petroleum products. During the year ended 30 June 2017, Oil and Gas Regulatory Authority (OGRA) has granted license to the Company to establish an Oil Marketing Company (OMC), subject to some conditions. On 31 May 2019, OGRA has granted permission to the Company to operate new storage facility at Sahiwal and marketing of petroleum products in province of Punjab. On 20 January 2020, the Company has started marketing and sale of petroleum products. On 21 February 2020, OGRA has granted permission to the Company to apply for No Objection Certificates (NOCs) from concerned departments to setup petrol pumps in Khyber Pakhtunkhwa Province. On 9 August 2021, OGRA has acknowledged the satisfactory completion of oil storage facility at Nowshera, Khyber Pakhtunkhwa Province. On 13 January 2022, subsequent to the reporting period, OGRA has further extended / renewed the Provisional License for setting up of an OMC upto 31 December 2023.

### 2. BASIS OF PREPARATION

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

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

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

2.2 These unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2021. 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 2021.

During the half year ended 31 December 2021, the Company has applied for Group taxation under the provisions of section 59AA of the Income Tax Ordinance, 2001. On 24 September 2021, the Securities and Exchange Commission of Pakistan (SECP) has designated the Company and its wholly-owned subsidiary company, Hi-Tech Blending (Private) Limited as a Group for Group taxation. Accounting policy for taxation is detailed in note 3.2 to these unconsolidated condensed interim financial statements.

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

For The Half Year Ended 31 December 2021

### 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 2021.

### 3.2 Taxation

Income tax comprises current and deferred tax. Securities and Exchange Commission of Pakistan (SECP) has designated the Company and its wholly-owned subsidiary, Hi-Tech Blending (Private) Limited as a "Group" for the purpose of group taxation under Section 59AA of the Income Tax Ordinance, 2001.

#### Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or the tax rates expected to apply to the profit for the year if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

#### Deferred

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

#### Group taxation adjustments

Current and deferred taxes based on the consolidated results of the Group (under Section 59AA of the Income Tax Ordinance, 2001) are allocated within the Group on the basis of separate return method, modified for determining realizability of tax credits and tax losses which are assessed at Group level. Any adjustments in the *current* and deferred taxes of the Company on account of group taxation are credited or charged to statement of profit or loss in the year in which they arise.



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

For The Half Year Ended 31 December 2021

	Un-Audited 31 December 2021 Rupees	Audited 30 June 2021 Rupees
<b>4 LONG TERM FINANCING</b>		
Opening balance	138,452,041	58,118,654
Add: Amount received during the period / year	-	126,582,220
Less: Effect of discounting during the period / year	-	7,741,179
Present value of loan obtained during the period / year	-	118,841,041
Add: Interest accrued during the period / year	4,656,884	12,461,556
Less: Payments made during the period / year	49,460,183	50,969,210
	93,648,742	138,452,041
Less: Current portion shown under current liabilities	93,648,742	90,961,845
	-	47,490,196
<b>5. LEASE LIABILITIES</b>		
Total lease liabilities	501,524,729	401,664,079
Less: Current portion shown under current liabilities	88,715,323	66,993,956
	412,809,406	334,670,123
<b>6. CONTINGENCIES AND COMMITMENTS</b>		
<b>6.1 Contingencies</b>		
<p>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 2021 except for the following:</p>		
<p><b>6.1.1</b> Guarantee of Rupees 7.5 million (30 June 2021 : Rupees 6 million) and Rupees 2.25 million (30 June 2021 : Rupees 2.25 million) are given by the banks of the Company to Total Parco Pakistan Limited and Pakistan State Oil Company Limited respectively against fuel cards obtained by the Company for its employees.</p>		
<p><b>6.1.2</b> During the year ended 30 June 2020, Deputy Commissioner Inland Revenue (DCIR) issued a notice to recover an amount of Rupees 21.124 million against super tax for the tax year 2019 under section 4B of the Income Tax Ordinance, 2001. The Company through its tax advisor submitted its reply that liability on account of super tax did not arise for subject year. On 29 September 2021, DCIR passed an order whereby demand of Rupees 21.124 million has been raised. Being aggrieved with the order of DCIR, the Company filed an appeal before the Commissioner Inland Revenue Appeals [CIR(A)] against the order of DCIR which is pending for adjudication and to grant stay against the proceedings. CIR(A) granted stay for 30 days which was further extended for another 30 days. However, on 04 February 2022, CIR(A) refused to grant any further stay. The Company preferred an appeal before Appellate Tribunal Inland Revenue (ATIR) for grant of stay which is pending for hearing. No provision against this demand has been recognized in these unconsolidated condensed interim financial statements, as the Company, based on the advice of the tax advisor, is confident of favourable outcome of the matter.</p>		

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

For The Half Year Ended 31 December 2021

	Un-Audited 31 December 2021 Rupees	Audited 30 June 2021 Rupees
<b>6.2 Commitments</b>		
6.2.1 For capital expenditures	10,806,574	35,310,701
6.2.2 Letters of credit other than for capital expenditures	-	38,219,444
<b>7. FIXED ASSETS</b>		
Operating fixed assets (Note 7.1)	1,748,696,759	1,744,846,431
Capital work-in-progress (Note 7.2)	97,778,295	88,699,463
	<u>1,846,475,054</u>	<u>1,833,545,894</u>
<b>7.1 Operating fixed assets – owned</b>		
Opening book value	1,744,846,431	1,394,602,141
Add: Cost of additions during the period / year (Note 7.1.1)	71,032,824	477,930,759
Add: Book value of assets transferred from right-of-use of assets during the period / year (Note 8.2)	1,834,131	43,449,689
	<u>1,817,713,386</u>	<u>1,915,982,589</u>
Less: Book value of deletions during the period / year (Note 7.1.2)	1,167,270	6,038,919
Less: Book value of assets transferred to investment property during the period / year	-	61,658,100
	<u>1,816,546,116</u>	<u>1,848,285,570</u>
Less: Depreciation charged during the period / year	67,849,357	103,439,139
Closing book value	<u>1,748,696,759</u>	<u>1,744,846,431</u>
<b>7.1.1 Cost of additions during the period / year</b>		
Freehold land	-	18,382,000
Buildings on freehold land	37,129,559	269,659,293
Buildings on leasehold land	2,176,375	64,955,449
Machinery	-	926,527
Tanks and pipelines	17,823,024	61,569,350
Dispensing pumps	-	7,638,404
Furniture and fittings	394,998	619,500
Vehicles	332,710	4,581,752
Leasehold improvements	-	4,463,125
Office equipment	7,007,741	32,040,434
Computers	6,168,417	13,094,925
	<u>71,032,824</u>	<u>477,930,759</u>

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

For The Half Year Ended 31 December 2021

	Un-Audited 31 December 2021 Rupees	Audited 30 June 2021 Rupees
<b>7.1.2 Book value of deletions during the period / year</b>		
Cost:		
Vehicles	3,466,955	12,989,313
Computers	1,484,552	4,164,202
Office equipment	-	67,397
	4,951,507	17,220,912
Less: Accumulated depreciation	3,784,237	11,181,993
	<u>1,167,270</u>	<u>6,038,919</u>
<b>7.2 Capital work-in-progress</b>		
Civil works	28,920,445	26,860,047
Dispensing pumps	29,396,100	29,396,100
Advance against purchase of apartment (Note 7.2.1)	25,976,750	25,226,750
Mobilization and other advances	-	5,069,766
Advances for capital expenditures	1,333,733	-
Unallocated expenditures	12,151,267	2,146,800
	<u>97,778,295</u>	<u>88,699,463</u>

**7.2.1** This represent advance given to BNP (Private) Limited against purchase of apartment in Grand Hayatt (the "Project") at 1-Constitution Avenue, Islamabad. On 29 July 2016, Capital Development Authority (CDA) cancelled the lease deed of BNP (Private) Limited on the grounds of violating the terms and conditions of the said lease and sealed the Project. Against the alleged order, BNP (Private) Limited filed a writ petition before the Honorable Islamabad High Court ("IHC") challenging the cancellation of said lease. IHC dismissed the writ petition of BNP (Private) Limited. However, the honorable judge of IHC ruled that it is a duty of the Federal Government to ensure that the purchasers do not suffer due to Government's own wrongful actions and omissions, particularly when the regulatory failure of the CDA stands admitted. The Company and others filed appeals against the aforesaid judgment of IHC before Honorable Supreme Court of Pakistan. On 09 January 2019, Honorable Supreme Court of Pakistan has passed order whereby the Court has ordered BNP (Private) Limited to pay Rupees 17.5 billion in eight years to CDA to revive the original lease together with all approvals and permissions already granted. The Court has further ordered that BNP (Private) Limited shall complete the entire project within a reasonable time. CDA and BNP (Private) Limited have filed review petitions against the order of the Supreme Court of Pakistan which are still pending for review. Supreme Court of Pakistan referred the matter to the Public Accounts Committee (PAC) and asked them to submit its recommendation on the subject matter. During the year ended 30 June 2021, PAC endorsed the amount of Rupees 17.5 billion to be paid to CDA in six years for the revival of lease and de-sealing of the Project in accordance with the settlement held between CDA and BNP (Private) Limited. On 06 January 2021, on the directives of PAC and payment of first installment of settlement amount by BNP (Private) Limited, CDA has de-sealed the Project. Pursuant to the settlement of the matter as stated above and de-sealing of the Project, BNP (Private) Limited and the Company started negotiations to finalize the terms and conditions of "Undertaking and Indemnity Agreement" to take the possession of the apartment. Further, some purchasers have filed appeal before Honorable Supreme Court of Pakistan to order BNP (Private) Limited to alter / amend certain clauses of "Undertaking and Indemnity Agreement". The Company is confident of favorable outcome of the matter.

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

For The Half Year Ended 31 December 2021

	Un-Audited 31 December 2021 Rupees	Audited 30 June 2021 Rupees
<b>8. RIGHT-OF-USE ASSETS</b>		
Opening book value	359,293,341	270,942,898
Add: Additions during the period / year (Note 8.1)	109,135,664	264,844,347
Add / (Less): Impact of lease modification	44,314,081	(56,040,297)
Less: Book value of assets transferred to fixed assets - owned during the period / year (Note 8.2)	1,834,131	43,449,689
Less: Depreciation expense for the period / year	46,215,147	77,003,918
Closing book value	<u>464,693,808</u>	<u>359,293,341</u>
<b>8.1 Cost of additions during the period / year</b>		
Land	75,295,260	112,866,866
Buildings	1,365,659	94,245,027
Vehicles	32,474,745	57,732,454
	<u>109,135,664</u>	<u>264,844,347</u>
<b>8.2 Book value of assets transferred to fixed assets - owned during the period / year</b>		
Vehicles	<u>1,834,131</u>	<u>43,449,689</u>
<b>9. INTANGIBLE ASSETS - computer software</b>		
Opening book value	10,645,943	7,596,802
Add: Cost of additions during the period / year	824,607	7,069,069
Less: Amortization charged during the period / year	2,547,237	4,019,928
Closing book value	<u>8,923,313</u>	<u>10,645,943</u>
<b>10. INVESTMENT IN SUBSIDIARY COMPANY - at cost</b>		
Hi-Tech Blending (Private) Limited - unquoted 130,000,060 (30 June 2021: 130,000,060) fully paid ordinary shares of Rupees 10 each Equity held 100% (30 June 2021: 100%)	<u>1,300,000,600</u>	<u>1,300,000,600</u>
<b>10.1</b> Investment in Hi-Tech Blending (Private) Limited includes 60 (30 June 2021: 60) shares in the name of nominees of the Company.		

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

For The Half Year Ended 31 December 2021

	(Un-Audited)	
	HALF YEAR ENDED	
	31 December 2021	31 December 2020
	Rupees	Rupees
<b>12. CASH (USED IN) / GENERATED FROM OPERATIONS</b>		
Profit before taxation	737,774,212	256,999,207
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation on operating fixed assets	67,849,357	46,817,685
Depreciation on right-of-use assets	46,215,147	31,157,588
Amortization on intangible assets	2,547,237	1,720,296
Amortization of deferred income - Government grant	(3,040,699)	(3,715,508)
Debit balance written off	-	87,815
Credit balances written back	-	(374,735)
Provision for workers' welfare fund	15,056,617	-
Allowance for expected credit losses	5,997,765	2,793,574
Gain on disposal of operating fixed assets	(782,730)	(4,367,543)
Dividend income	(266,974,582)	(9,794,975)
Profit on bank deposits and term deposit receipts	(10,082,939)	(13,493,698)
Unrealized gain on remeasurement of investments	(1,652,817)	(512,151)
Gain on disposal of short term investments	(50,996)	-
Exchange loss / (gain) - net	40,676,945	(2,502,202)
Finance cost	69,356,998	38,534,678
Working capital changes (Note 12.1)	(1,259,204,856)	476,220,514
	<u>(556,315,341)</u>	<u>819,570,545</u>

	(Un-Audited)	
	HALF YEAR ENDED	
	31 December 2021	31 December 2020
	Rupees	Rupees
<b>12.1 Working capital changes</b>		
(Increase) / decrease in current assets:		
Stock-in-trade	(228,612,093)	(53,936,489)
Trade debts	5,794,472	5,158,167
Loans and advances	(381,124,385)	(133,509,871)
Short term deposits and prepayments	(9,247,251)	(2,607,697)
Other receivables	(87,509,440)	12,477,086
	(700,698,697)	(172,418,804)
(Decrease) / increase in trade and other payables	(558,506,159)	648,639,318
	<u>(1,259,204,856)</u>	<u>476,220,514</u>

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

For The Half Year Ended 31 December 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 else where in these unconsolidated condensed interim financial statements, are as follows:

NATURE OF TRANSACTIONS	UN-AUDITED			
	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020

-----Rupees-----

#### i. Transactions

##### Subsidiary company

Hi-Tech Blending (Private) Limited	Sale of lubricants	-	694,784	-	694,784
	Purchase of lubricants	2,882,858,920	2,600,128,137	1,676,214,535	1,647,782,886
	Dividend received	260,000,120	-	260,000,120	-
	Lease rentals paid	1,500,000	1,500,000	750,000	750,000

##### Associated company

MAS Associates (Private) Limited	Share of common expenses	493,317	333,932	254,542	22,679
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NATURE OF TRANSACTIONS	UN-AUDITED			
	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020

-----Rupees-----

##### Other related parties

SK Lubricants Co., Ltd.	Purchase of lubricants	325,264,935	172,618,634	152,438,605	132,048,495
SK Lubricants Co., Ltd.	Dividend paid	1,407,217	633,247	1,407,217	633,247
Provident fund trust	Contribution	10,404,377	16,059,325	5,305,802	12,044,727
Key management personnel and Executive Sabra Hamida Trust	Remuneration Donations	178,603,275 9,000,000	124,522,012 9,000,000	82,179,361 4,500,000	62,114,973 4,500,000

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

For The Half Year Ended 31 December 2021

NATURE OF TRANSACTIONS	UN-AUDITED			
	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020

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

SK Lubricants Co., Ltd. Bonus issued	shares	165,555	-	165,555	-
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	<b>Un-Audited</b>	<b>Audited</b>
	<b>December 31</b>	<b>June 30</b>
	<b>2021</b>	<b>2021</b>
	<b>Rupees</b>	<b>Rupees</b>

### ii. Period / year end balances

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

Investment	1,300,000,600	1,300,000,600
Receivable against sales	-	106,402
Payable against purchases	-	697,545,217
Advances against purchases	323,356,046	-

#### Associated company

Receivable from MAS Associates (Private) Limited	254,542	218,274
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#### Other related parties:

Receivable from SK Lubricants Co., Ltd.	112,190,906	31,560,000
Payable to SK Lubricants Co., Ltd.	128,214,963	107,520,220
Payable to employees' provident fund trust	3,537,051	3,138,376

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

For The Half Year Ended 31 December 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 December 2021	Level 1	Level 2	Level 3	Total
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----- Rupees -----

#### Financial assets

Financial assets at fair value through profit or loss	223,359,792	-	-	223,359,792
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Recurring fair value measurements at 30 June 2021	Level 1	Level 2	Level 3	Total
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----- Rupees -----

#### Financial assets

Financial assets at fair value through profit or loss	446,043,245	-	-	446,043,245
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The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the period ended 31 December 2021. 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 Half Year Ended 31 December 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	Purchase and sale of lubricants, parts and rendering of services.
Petroleum products	Marketing and sale of petroleum products.

	(Un-Audited)							
	LUBRICANTS		PETROLEUM PRODUCTS		UNALLOCATED		TOTAL - COMPANY	
	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December
	2021	2020	2021	2020	2021	2020	2021	2020
(----- RUPEES -----)								
Revenue from contracts with customers - net	4,322,058,989	3,761,888,555	2,743,634,416	856,057,935	-	-	7,065,693,405	4,617,946,490
Cost of sales	(3,153,972,012)	(2,909,643,188)	(2,620,794,933)	(817,509,264)	-	-	(5,774,766,945)	(3,727,152,452)
Gross profit	1,168,086,977	852,245,367	122,839,483	38,548,671	-	-	1,290,926,460	890,794,038
Distribution cost	(336,103,520)	(333,870,939)	(114,809,778)	(75,172,396)	-	-	(450,913,298)	(409,043,335)
Administrative expenses	(240,642,647)	(197,788,067)	(9,789,241)	(17,652,783)	-	-	(250,431,888)	(215,440,850)
Other expenses	(65,032,698)	(11,352,169)	(5,829,129)	(4,236,203)	-	-	(70,861,827)	(15,588,372)
	(641,778,865)	(543,011,175)	(130,428,148)	(97,061,382)	-	-	(772,207,013)	(640,072,557)
Other income	272,586,909	22,699,921	15,824,854	22,112,483	-	-	288,411,763	44,812,404
Profit / (loss) from operations	798,895,021	331,934,113	8,236,189	(36,400,228)	-	-	807,131,210	295,533,885
Finance cost	-	-	-	-	(69,356,998)	(38,534,678)	(69,356,998)	(38,534,678)
Profit / (loss) before taxation	798,895,021	331,934,113	8,236,189	(36,400,228)	(69,356,998)	(38,534,678)	737,774,212	256,999,207
Taxation	-	-	-	-	(118,466,392)	(82,136,663)	(118,466,392)	(82,136,663)
Profit / (loss) after taxation	798,895,021	331,934,113	8,236,189	(36,400,228)	(187,823,390)	(120,671,341)	619,307,820	174,862,544

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

	LUBRICANTS		PETROLEUM PRODUCTS		TOTAL - COMPANY	
	-----Rupees-----				-----Rupees-----	
	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited
	31 December	30 June	31 December	30 June	31 December	30 June
	2021	2021	2021	2021	2021	2021
Total assets for reportable segments	1,960,940,674	1,456,080,373	1,881,303,747	2,093,952,623	3,842,244,421	3,550,032,996
Unallocated assets					2,697,559,523	2,036,119,495
Total assets as per unconsolidated condensed interim statement of financial position					6,539,803,944	5,586,152,491
Total liabilities for reportable segments	1,960,940,674	1,610,776,310	424,872,158	327,773,414	2,385,812,832	1,938,549,724
Unallocated liabilities					616,208,136	497,119,611
Total liabilities as per unconsolidated condensed interim statement of financial position					3,002,020,968	2,435,669,335

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

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

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

For The Half Year Ended 31 December 2021

	Un-Audited December 31 2021 Rupees	Audited June 30 2021 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	-	-
Advances	69,391,747	39,100,051
<b>ii) Shariah complaint bank deposits / bank balances</b>		
Bank balances	6,041,776	17,870,659
		(Un-Audited)
	HALF YEAR ENDED	
	31 December 2021	31 December 2020
	Rupees	Rupees
<b>iii) Profit earned from shariah complaint bank deposits / bank balances</b>		
Profit on bank deposits and term deposit receipts	-	-
<b>iv) Mark up paid on Islamic mode of financing</b>	-	2,238,976
<b>v) Revenue earned from a shariah complaint business</b>	7,065,693,405	4,617,946,490
<b>vi) Gain / (loss) or dividend earned from shariah complaint investments</b>		
Dividend income	888,972	3,913,354
Gain on sale of investments	-	440,993
Gain / (loss) on remeasurement of investments at fair value through profit or loss	1,652,817	(5,661)
<b>vii) Exchange (loss) / gain earned</b>	(40,676,945)	2,502,202
<b>viii) Profits earned or interest paid on any conventional loan or advance</b>		
Interest paid on loans	28,410,749	33,033,560
<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 December 2021, the Company has made payments of Rupees 65.943 million out of IPO proceeds relating to OMC project. The un-utilized proceeds of Rupees 478.842 million of the public offer have been kept by the Company in the shape of bank balances, term deposit receipts and mutual funds.

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

For The Half Year Ended 31 December 2021

### 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 2021.

### 19. EVENT AFTER THE REPORTING PERIOD

The Board of Directors has approved an interim cash dividend for the period ended 31 December 2021 of Rupees 1.8 per share at their meeting held on 18 February 2022. These unconsolidated condensed interim financial statements do not include the effect of the above dividend which will be accounted for in the period in which it is approved.

### 20. CORRESPONDING FIGURES

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

### 21. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on February 18, 2022 by the Board of Directors of the Company.

### 22. GENERAL

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



Chief Executive



Director



Chief Financial Officer

# **HI-TECH LUBRICANTS LIMITED**

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

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

As At 31 December 2021

		Un-Audited 31 December 2021 Rupees	Audited 30 June 2021 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
150,000,000 (30 June 2021: 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 139,204,800 (30 June 2021: 116,004,000) ordinary shares of Rupees 10 each		1,392,048,000	1,160,040,000
Reserves		<u>3,076,682,973</u>	<u>3,144,304,616</u>
<b>Total equity</b>		<u>4,468,730,973</u>	<u>4,304,344,616</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	4	528,377,411	147,357,607
Lease liabilities	5	409,670,757	315,089,191
Long term deposits		22,000,000	17,000,000
Deferred liabilities		146,225,093	34,180,663
		<u>1,106,273,261</u>	<u>513,627,461</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		3,365,104,366	1,728,466,552
Accrued mark-up / profit		37,898,052	14,963,365
Short term borrowings		1,441,624,088	607,994,104
Current portion of non-current liabilities		197,116,082	182,391,032
Unclaimed dividend		5,199,346	6,326,546
		<u>5,046,941,934</u>	<u>2,540,141,599</u>
<b>Total liabilities</b>		<u>6,153,215,195</u>	<u>3,053,769,060</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	6		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>10,621,946,168</u>	<u>7,358,113,676</u>

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

  
Chief Executive

  
Director

  
Chief Financial Officer

		<b>Un-Audited 31 December 2021 Rupees</b>	<b>Audited 30 June 2021 Rupees</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets	7	3,925,561,609	3,434,750,846
Right-of-use assets	8	467,737,301	340,945,782
Intangible assets	9	23,789,389	17,378,375
Investment property		61,658,100	61,658,100
Long term security deposits		54,463,316	37,226,855
Deferred income tax asset		-	-
		<u>4,533,209,715</u>	<u>3,891,959,958</u>
<b>CURRENT ASSETS</b>			
Stores		82,720,435	63,346,582
Stock-in-trade	10	4,144,814,508	1,957,046,564
Trade debts		91,433,111	103,118,348
Loans and advances		318,857,547	143,019,434
Short term deposits and prepayments		31,905,142	35,624,780
Other receivables		228,890,494	141,381,054
Advance Income tax-net of provision for taxation		283,079,669	188,435,988
Accrued Interest		22,137	390,462
Short term investments		451,466,641	446,043,245
Cash and bank balances		455,546,769	387,747,261
		<u>6,088,736,453</u>	<u>3,466,153,718</u>
<b>TOTAL ASSETS</b>		<u><u>10,621,946,168</u></u>	<u><u>7,358,113,676</u></u>

  
Chief Executive

  
Director

  
Chief Financial Officer

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

For The Half Year Ended 31 December 2021

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	Rupees	Rupees	Rupees	Rupees
GROSS REVENUE FROM CONTRACTS WITH CUSTOMERS	9,405,418,639	6,861,897,848	5,572,708,936	4,219,362,416
Discounts	(381,187,458)	(342,010,199)	(263,428,303)	(263,145,629)
Sales tax	(1,958,537,776)	(1,901,941,159)	(1,324,079,706)	(1,177,165,847)
NET REVENUE FROM CONTRACTS WITH CUSTOMERS	7,065,693,405	4,617,946,490	3,985,200,927	2,779,050,940
COST OF SALES	(5,545,828,630)	(3,556,903,615)	(3,145,714,430)	(2,177,867,938)
GROSS PROFIT	1,519,864,775	1,061,042,875	839,486,497	601,183,002
			-	
DISTRIBUTION COST	(472,151,778)	(430,383,071)	(211,043,815)	(226,583,904)
ADMINISTRATIVE EXPENSES	(302,912,874)	(245,878,757)	(138,998,267)	(126,329,100)
OTHER EXPENSES	(168,082,757)	(22,366,357)	(83,797,620)	(8,336,416)
	(943,147,409)	(698,628,185)	(433,839,702)	(361,249,420)
OTHER INCOME	34,899,577	54,928,931	17,229,309	41,025,448
PROFIT FROM OPERATIONS	611,616,943	417,343,621	422,876,104	280,959,030
FINANCE COST	(96,756,194)	(51,763,030)	(59,930,574)	(22,114,809)
PROFIT BEFORE TAXATION	514,860,749	365,580,591	362,945,530	258,844,221
TAXATION	(118,466,392)	(60,734,293)	(70,933,046)	(43,256,967)
PROFIT AFTER TAXATION	396,394,357	304,846,298	292,012,484	215,587,254
		(Restated)		(Restated)
EARNINGS PER SHARE - BASIC AND DILUTED	2.85	2.19	2.10	1.55

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



Chief Executive



Director



Chief Financial Officer

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

For The Half Year Ended 31 December 2021

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2021 Rupees	31 December 2020 Rupees	31 December 2021 Rupees	31 December 2020 Rupees
PROFIT AFTER TAXATION	396,394,357	304,846,298	292,012,484	215,587,254
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income for the period	-	-	-	-
<b>TOTAL COMPREHENSIVE PROFIT FOR THE PERIOD</b>	<b><u>396,394,357</u></b>	<b><u>304,846,298</u></b>	<b><u>292,012,484</u></b>	<b><u>215,587,254</u></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 Changes in Equity (Un-audited)

For The Half Year Ended 31 December 2021

	RESERVES				TOTAL EQUITY
	CAPITAL RESERVE	REVENUE RESERVE	TOTAL RESERVES		
	SHARE PREMIUM	UN-APPROPRIATED PROFIT			
	(----- Rupees -----)				
<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	-	-	(104,403,600)	(104,403,600)	(104,403,600)
Profit for the half year ended 31 December 2020	-	-	304,846,298	304,846,298	304,846,298
Other comprehensive income for the half year ended 31 December 2020	-	-	-	-	-
Total comprehensive income for the half year ended 31 December 2020	-	-	304,846,298	304,846,298	304,846,298
<b>Balance as at 31 December 2020 - un-audited</b>	<b>1,160,040,000</b>	<b>1,441,697,946</b>	<b>1,587,971,473</b>	<b>3,029,669,419</b>	<b>4,189,709,419</b>
Transaction with owners:					
Interim dividend for the year ended 30 June 2021 @ Rupees 2.00 per share	-	-	(232,008,000)	(232,008,000)	(232,008,000)
Profit for the half year ended 30 June 2021	-	-	346,643,197	346,643,197	346,643,197
Other comprehensive income for the half year ended 30 June 2021	-	-	-	-	-
Total comprehensive income for the half year ended 30 June 2021	-	-	346,643,197	346,643,197	346,643,197
<b>Balance as at 30 June 2021 - audited</b>	<b>1,160,040,000</b>	<b>1,441,697,946</b>	<b>1,702,606,670</b>	<b>3,144,304,616</b>	<b>4,304,344,616</b>
Transaction with owners:					
Issue of bonus shares for the year ended 30 June 2021 @ 20%	232,008,000.00	-	(232,008,000)	(232,008,000)	-
Final dividend for the year ended 30 June 2021 @ Rupees 2.00 per share	-	-	(232,008,000)	(232,008,000)	(232,008,000)
Profit for the half year ended 31 December 2021	-	-	396,394,357	396,394,357	396,394,357
Other comprehensive income for the half year ended 31 December 2021	-	-	-	-	-
Total comprehensive income for the half year ended 31 December 2021	-	-	396,394,357	396,394,357	396,394,357
<b>Balance as at 31 December 2021 - un-audited</b>	<b>1,392,048,000</b>	<b>1,441,697,946</b>	<b>1,634,985,027</b>	<b>3,076,682,973</b>	<b>4,468,730,973</b>

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



Chief Executive



Director



Chief Financial Officer

## Consolidated Condensed Interim Statement Of Cash Flows (Un-audited)

For The Half Year Ended 31 December 2021

	Note	HALF YEAR ENDED	
		31 December 2021	31 December 2020
		Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash generated from operations</b>	11	(83,887,134)	845,487,091
Finance cost paid		(65,740,700)	(55,917,566)
Income tax paid		(102,029,845)	(4,361,271)
Net decrease / (increase) in long term security deposits		(17,609,761)	(1,703,427)
Net increase / (decrease) in long term deposits		5,000,000	10,500,000
<b>Net cash (used in) / generated from operating activities</b>		<u>(264,267,440)</u>	<u>794,004,827</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on operating fixed assets		(587,172,083)	(183,477,982)
Capital expenditure on intangible assets		(9,808,106)	(3,260,000)
Initial direct cost incurred on right-of-use-assets		(1,359,746)	-
Proceeds from disposal of operating fixed assets		1,950,000	8,169,649
Short term investments - net		(3,719,583)	136,831,255
Dividend received		266,974,582	9,794,975
Profit on bank deposits and term deposit receipts received		10,451,264	13,495,523
<b>Net cash from / (used in) investing activities</b>		<u>(322,683,672)</u>	<u>(18,446,580)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Short term borrowings - net		95,864,004	(856,883,867)
Dividend paid		(493,135,320)	(103,927,633)
Proceeds from long term financing		428,510,000	151,440,970
Repayment of long term financing		(57,511,433)	(2,448,750)
Repayment of lease liabilities		681,023,369	(47,238,417)
<b>Net cash from / (used in) financing activities</b>		<u>654,750,620</u>	<u>(859,057,697)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<u>67,799,508</u>	<u>(83,499,450)</u>
<b>Cash and cash equivalents at beginning of the period</b>		<u>387,747,261</u>	<u>186,741,495</u>
<b>Cash and cash equivalents at end of the period</b>		<u><u>455,546,769</u></u>	<u><u>103,242,045</u></u>

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

  
Chief Executive

  
Director

  
Chief Financial Officer

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

For The Half Year Ended 31 December 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 2021.

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

For The Half Year Ended 31 December 2021

## 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 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 2021.

### 3.2 Taxation

Income tax comprises current and deferred tax. Securities and Exchange Commission of Pakistan (SECP) has designated the Company and its wholly-owned subsidiary, Hi-Tech Blending (Private) Limited as a "Group" for the purpose of group taxation under Section 59AA of the Income Tax Ordinance, 2001.

#### Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or the tax rates expected to apply to the profit for the year if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

#### Deferred

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

#### Group taxation adjustments

Current and deferred taxes based on the consolidated results of the Group (under Section 59AA of the Income Tax Ordinance, 2001) are allocated within the Group on the basis of separate return method, modified for determining realizability of tax credits and tax losses which are assessed at Group level. Any adjustments in the *current* and deferred taxes of the Group on account of group taxation are credited or charged to statement of profit or loss in the year in which they arise.

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

For The Half Year Ended 31 December 2021

	Un-Audited 31 December 2021 Rupees	Audited 30 June 2021 Rupees
<b>4. LONG TERM FINANCING</b>		
Opening balance	253,611,941	67,091,672
Add: Amount received during the period / year	428,510,000	238,391,547
Less: Effect of discounting during the period / year	-	7,741,179
Present value of loan obtained during the period / year	428,510,000	230,650,368
Add: Interest accrued during the period / year	7,939,139	16,747,267
Less: Payments made during the period / year	60,793,688	60,877,366
	629,267,392	253,611,941
Less: Current portion shown under current liabilities	100,889,981	106,254,334
	528,377,411	147,357,607
<b>5. LEASE LIABILITIES</b>		
Total lease liabilities	501,404,588	381,624,955
Less: Current portion shown under current liabilities	91,733,831	66,535,764
	409,670,757	315,089,191
<b>6. CONTINGENCIES AND COMMITMENTS</b>		
<b>6.1 Contingencies</b>		
<p>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 2021 except for the following:</p>		
<b>6.1.1</b>	<p>Guarantee of Rupees 7.5 million (30 June 2021: Rupees 6 million) and Rupees 2.25 million (30 June 2021: Rupees 2.25 million) are given by the banks of the Holding Company to Total Parco Pakistan Limited and Pakistan State Oil Company Limited respectively against fuel cards obtained by the Holding Company for its employees.</p>	
<b>6.1.2</b>	<p>During the year ended 30 June 2020, Deputy Commissioner Inland Revenue (DCIR) issued a notice to recover an amount of Rupees 21.124 million against super tax for the tax year 2019 under section 4B of the Income Tax Ordinance, 2001. The Holding Company through its tax advisor submitted its reply that liability on account of super tax did not arise for subject year. On 29 September 2021, DCIR passed an order whereby demand of Rupees 21.124 million has been raised. Being aggrieved with the order of DCIR, the Holding Company filed an appeal before the Commissioner Inland Revenue Appeals [CIR(A)] against the order of DCIR which is pending for adjudication and to grant stay against the proceedings. CIR(A) granted stay for 30 days which was further extended for another 30 days. However, on 24 December 2021, CIR(A) refused to grant any further stay order. The Holding Company preferred an appeal before Appellate Tribunal Inland Revenue (ATIR) for grant of stay which is pending for hearing. No provision against this demand has been recognized in these unconsolidated condensed interim financial statements, as the Holding Company, based on the advice of the tax advisor, is confident of favourable outcome of the matter.</p>	

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

For The Half Year Ended 31 December 2021

	Un-Audited 31 December 2021 Rupees	Audited 30 June 2021 Rupees
<b>6.2 Commitments</b>		
6.2.1 Contracts for capital expenditures	10,806,574	588,801,401
6.2.2 Letters of credit other than for capital expenditures	-	38,219,444
<b>7. FIXED ASSETS</b>		
Operating fixed assets:		
Owned (Note 7.1)	3,316,683,083	3,180,557,592
Capital work-in-progress (Note 7.2)	608,878,526	254,193,254
	<u>3,925,561,609</u>	<u>3,434,750,846</u>
<b>7.1 Operating fixed assets – owned</b>		
Opening book value	3,180,557,592	2,852,230,682
Add: Cost of additions during the period / year (Note 7.1.1)	235,968,454	525,927,755
Add: Book value of assets transferred from right-of-use of assets	1,834,131	44,714,653
	<u>3,418,360,177</u>	<u>3,422,873,090</u>
Less: Book value of assets transferred to investment property during the period / year	-	61,658,100
Less: Book value of deletions during the period / year (Note 7.1.2)	2,048,375	6,038,919
	<u>3,416,311,802</u>	<u>3,355,176,071</u>
Less: Depreciation charged during the period / year	99,628,719	174,618,479
Closing book value	<u>3,316,683,083</u>	<u>3,180,557,592</u>
<b>7.1.1 Cost of additions during the period / year</b>		
Freehold land	-	18,382,000
Buildings on freehold land	37,129,559	296,287,707
Buildings on leasehold land	2,176,375	64,955,449
Machinery	156,766,535	12,174,231
Tanks and Pipeline	17,823,024	61,569,350
Dispensing Pumps	-	7,638,404
Electric Installation	1,382,198	7,465,360
Furniture and fittings	1,203,703	670,500
Vehicles	5,166,195	4,581,752
Leasehold improvements	-	4,463,125
Office equipment	7,301,548	32,730,802
Computers	7,019,317	15,009,075
	<u>235,968,454</u>	<u>525,927,755</u>
<b>7.1.2 Book value of deletions during the period / year</b>		
Cost:		
Vehicles	6,698,622	12,989,313
Computers	1,484,552	4,164,202
Office Equipments	-	67,397
Less: Accumulated depreciation	6,134,799	11,181,993
	<u>2,048,375</u>	<u>6,038,919</u>

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

For The Half Year Ended 31 December 2021

	Un-Audited 31 December 2021 Rupees	Audited 30 June 2021 Rupees
<b>7.2. Capital work-in-progress</b>		
Advance for purchase of apartment (Note 7.2.1)	25,976,750	25,226,750
Advances for capital expenditure	24,161,307	101,550,777
Civil works	31,547,668	26,860,047
Dispensing pumps	29,396,100	29,396,100
Mobilization advances	-	5,069,766
Plant and machinery	479,868,701	63,943,014
Vehicles	4,443,000	-
Advances to suppliers	1,333,733	-
Unallocated expenditures	12,151,267	2,146,800
	<u>608,878,526</u>	<u>254,193,254</u>

**7.2.1** This represent advance given to BNP (Private) Limited against purchase of apartment in Grand Hayatt (the "Project") at 1-Constitution Avenue, Islamabad. On 29 July 2016, Capital Development Authority (CDA) cancelled the leased deed of BNP (Private) Limited on the grounds of violating the terms and conditions of the said lease and sealed the Project. Against the alleged order, BNP (Private) Limited filed a writ petition before the Honorable Islamabad High Court ("IHC") challenging the cancellation of said lease. IHC dismissed the writ petition of BNP (Private) Limited. However, the honorable judge of IHC ruled that it is a duty of the Federal Government to ensure that the purchasers do not suffer due to Government's own wrongful actions and omissions, particularly when the regulatory failure of the CDA stands admitted. The Holding Company and others filed appeals against the aforesaid judgment of IHC before Honorable Supreme Court of Pakistan. On 09 January 2019, Honorable Supreme Court of Pakistan has passed order whereby the Court has ordered BNP (Private) Limited to pay Rupees 17.5 billion in eight years to CDA to revive the original lease together with all approvals and permissions already granted. The Court has further ordered that BNP (Private) Limited shall complete the entire project within a reasonable time. CDA and BNP (Private) Limited have filed review petitions against the order of the Supreme Court of Pakistan which are still pending for review. Supreme Court of Pakistan referred the matter to the Public Accounts Committee (PAC) and asked them to submit its recommendation on the subject matter. During the year ended 30 June 2021, PAC endorsed the amount of Rupees 17.5 billion to be paid to CDA in six years for the revival of lease and de-sealing of the Project in accordance with the settlement held between CDA and BNP (Private) Limited. On 06 January 2021, on the directives of PAC and payment of first installment of settlement amount by BNP (Private) Limited, CDA has de-sealed the Project. Pursuant to the settlement of the matter as stated above and de-sealing of the Project, BNP (Private) Limited and the Holding Company have started negotiations to finalize the terms and conditions of "Undertaking and Indemnity Agreement" to take the possession of the apartment. The Holding Company is confident of favorable outcome of the negotiations and possession of the apartment.

	Un-Audited 31 December 2021 Rupees	Audited 30 June 2021 Rupees
<b>8. RIGHT-OF-USE ASSETS</b>		
Opening book value	340,945,782	253,085,332
Add: Additions during the period / year (Note 8.1)	109,135,664	264,844,347
Add / (Less): impact of lease modification	66,001,333	(56,040,297)
Less: Book value of assets transferred to fixed assets - owned during the period / year (Note 8.2)	1,834,131	44,714,653
Less: Depreciation expense for the period / year	46,511,347	76,228,947
Closing book value	<u>467,737,301</u>	<u>340,945,782</u>

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

For The Half Year Ended 31 December 2021

	Un-Audited 31 December 2021 Rupees	Audited 30 June 2021 Rupees
<b>8.1 Cost of additions during the period / year</b>		
Land	75,295,260	112,866,866
Building	1,365,659	94,245,027
Vehicles	32,474,745	57,732,454
	<u>109,135,664</u>	<u>264,844,347</u>
<b>8.2 Book value of assets transferred to fixed assets - owned during the period / year</b>		
Vehicles	<u>1,834,131</u>	<u>44,714,653</u>
<b>9. INTANGIBLE ASSETS - computer software</b>		
Opening book value	10,713,375	7,866,531
Add: Cost of additions during the period / year	16,473,106	7,069,069
Less: Amortization charged during the period / year	3,397,093	4,222,225
Closing book value	<u>23,789,388</u>	<u>10,713,375</u>
<b>10. STOCK-IN-TRADE</b>		
Raw materials (Note 10.1)	2,267,247,450	562,888,981
Work-in-process	<u>55,117,946</u>	<u>24,280,043</u>
	2,322,365,396	587,169,024
Lubricants and parts (Note 10.2)	<u>1,242,914,560</u>	<u>797,192,460</u>
Less: Provision for slow moving and damaged inventory items	8,562,589	8,833,309
	1,234,351,971	788,359,151
Petroleum products		
- Stock in hand	<u>374,885,187</u>	<u>375,546,876</u>
- Stock in pipeline system (Note 10.3)	<u>148,743,632</u>	<u>159,422,468</u>
	523,628,819	534,969,344
Dispensing pumps and other installations	64,276,168	46,356,890
Stock of promotional items	192,154	192,155
	<u>4,144,814,508</u>	<u>1,957,046,564</u>
<b>10.1</b> These include raw materials in transit amounting to Rupees 1,193.01 million (2021: Rupees 179.017 million) and raw materials amounting to Rupees. 267.18 million (2021: Rupees Nil million) lying at customs bonded warehouse.		
<b>10.2</b> This includes stock-in-transit of Rupees 93.085 million (30 June 2021: Rupees 52.885 million).		
<b>10.3</b> This represents the Holding Company's share of pipeline stock of High Speed Diesel amounting to Rupees 148.744 million (30 June 2021: Rupees 159.422 million) held by Pak-Arab Pipeline Company Limited.		



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

For The Half Year Ended 31 December 2021

	(Un-Audited)	
	HALF YEAR ENDED	
	31 December 2021	31 December 2020
	Rupees	Rupees
<b>11. CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation	514,860,749	365,580,591
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation on operating fixed assets	104,571,657	81,959,320
Depreciation on right-of-use assets	46,511,347	31,328,906
Amortization of intangible assets	3,397,093	1,754,011
Amortization of deferred income - Government grant	(4,144,464)	(3,808,136)
Allowance / (reversal of allowance) for expected credit losses	5,997,765	2,793,574
Provision for slow moving and obsolete store items	1,577,625	-
Credit balances written back	-	(374,735)
Gain on disposal of operating fixed assets	(2,881,625)	(4,367,543)
Dividend income	(6,974,462)	(9,794,975)
Profit on bank deposits and short term investments	(10,082,939)	(13,493,698)
Unrealised loss / (gain) on remeasurement of investments	(1,652,817)	(512,151)
Gain on disposal of short term investments	(50,996)	-
Finance cost	96,756,194	51,763,030
Exchange (gain) / loss - net	133,666,626	(12,486,101)
Provision for workers' profit participation fund	1,547,793	5,279,388
Provision for workers' welfare fund	16,162,448	498,597
Debit balance written off	-	87,815
Working capital changes (Note 11.1)	(983,149,128)	349,279,198
	<u>(83,887,134)</u>	<u>845,487,091</u>

### 11.1 Working capital changes

Decrease / (increase) in current assets:

Stores	(20,951,478)	332,430,957
Stock-in-trade	(2,189,890,137)	(67,347,347)
Trade debts	703,339,692	331,514,740
Loans and advances	(175,838,113)	(140,620,561)
Short term deposits and prepayments	3,515,538	(5,836,838)
Other receivables	(87,509,440)	12,477,086
	(1,767,333,938)	462,618,038
Increase / (decrease) in trade and other payables	784,184,810	(113,338,840)
	<u>(983,149,128)</u>	<u>349,279,198</u>

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

For The Half Year Ended 31 December 2021

### 12. TRANSACTIONS WITH RELATED PARTIES

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

Relationship	Nature of transactions	HALF YEAR ENDED		QUARTER ENDED	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
		Rupees	Rupees	Rupees	Rupees
<b>i Transactions</b>					
<b>Associated companies</b>					
MAS Associates (Private) Limited	Share of common expenses	493,317	333,932	254,542	22,679
<b>Other related parties</b>					
SK Lubricants Co., Ltd.	Purchase of lubricants	2,253,011,083	1,546,761,698	907,616,345	1,189,632,696
SK Lubricants Co., Ltd.	Dividend paid	1,407,217	633,247	1,407,217	633,427
SK Lubricants Co., Ltd.	Bonus shares issued	165,555	-	165,555	-
Provident fund trusts	Contribution	12,346,150	17,495,580	6,258,292	12,749,031
Sabra Hamida Trust	Donations	9,000,000	9,000,000	4,500,000	4,500,000
				<b>Un-Audited</b>	<b>Audited</b>
				<b>31 December</b>	<b>30 June</b>
				<b>2021</b>	<b>2021</b>
				<b>Rupees</b>	<b>Rupees</b>
<b>ii. Period end balances</b>					
<b>Associated company</b>					
Receivable from MAS Associates (Private) Limited				254,542	218,274
<b>Other related party:</b>					
Receivable from SK Lubricants Company Limited				112,190,906	31,560,000
Payable to SK Lubricants Company Limited				308,826,158	748,540,365
Payable to employees' provident fund trust				4,213,149	3,730,588

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

For The Half Year Ended 31 December 2021

### 13 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

#### (i) Fair value hierarchy

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

Recurring fair value measurements at 31 December 2021	Level 1	Level 2	Level 3	Total
----- Rupees -----				
<b>Financial assets</b>				
Financial assets at fair value through profit or loss	223,359,792	-	-	223,359,792
----- Rupees -----				
Recurring fair value measurements at 30 June 2021	Level 1	Level 2	Level 3	Total
----- Rupees -----				
<b>Financial assets</b>				
Financial assets at fair value through profit or loss	446,043,245	-	-	446,043,245

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

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

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

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

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

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

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

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

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

For The Half Year Ended 31 December 2021

### 14. SEGMENT INFORMATION

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

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

	(Un-audited)							
	LUBRICANTS		PETROLEUM PRODUCTS		UNALLOCATED		TOTAL - COMPANY	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	(-.....RUPEES.....-)							
Revenue - net	4,322,058,989	3,761,888,555	2,743,634,416	856,057,935	-	-	7,065,693,405	4,617,946,490
Cost of sales	(2,925,033,697)	(2,739,394,351)	(2,620,794,933)	(817,509,264)	-	-	(5,545,828,630)	(3,556,903,615)
Gross profit	1,397,025,292	1,022,494,204	122,839,483	38,548,671	-	-	1,519,864,775	1,061,042,875
Distribution cost	(357,342,000)	(355,210,676)	(114,809,778)	(75,172,396)	-	-	(472,151,778)	(430,383,071)
Administrative expenses	(293,123,633)	(228,225,974)	(9,789,241)	(17,652,783)	-	-	(302,912,874)	(245,878,757)
Other expenses	(162,253,628)	(18,130,154)	(5,829,129)	(4,236,203)	-	-	(168,082,757)	(22,366,357)
	(812,719,261)	(601,566,804)	(130,428,148)	(97,061,382)	-	-	(943,147,409)	(698,628,185)
Other income	19,074,723	32,816,448	15,824,854	22,112,483	-	-	34,899,577	54,928,931
Profit / (loss) from operations	603,380,754	453,743,848	8,236,189	(36,400,228)	-	-	611,616,943	417,343,621
Finance cost	-	-	-	-	(96,756,194)	(51,763,030)	(96,756,194)	(51,763,030)
Profit / (Loss) before taxation	603,380,754	453,743,848	8,236,189	(36,400,228)	(96,756,194)	(51,763,030)	514,860,749	365,580,591
Taxation	-	-	-	-	(118,466,392)	(60,734,293)	(118,466,392)	(60,734,293)
Profit / (Loss) after taxation	603,380,754	453,743,848	8,236,189	(36,400,228)	(215,222,586)	(112,497,323)	396,394,357	304,846,298

	LUBRICANTS		PETROLEUM PRODUCTS		TOTAL - COMPANY	
	-----Rupees-----				-----Rupees-----	
	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited
	31 December 2021	30 June 2021	31 December 2021	30 June 2021	31 December 2021	30 June 2021
Total assets for reportable segments	6,043,082,898	3,228,041,558	1,881,303,747	2,093,952,623	7,924,386,645	5,321,994,181
Unallocated assets					2,697,559,523	2,036,119,495
Total assets as per statement of financial position					10,621,946,168	7,358,113,676
Total liabilities for reportable segments	5,112,134,901	2,228,876,035	424,872,158	327,773,414	5,537,007,059	2,556,649,449
Unallocated liabilities					616,208,136	497,119,611
Total liabilities as per statement of financial position					6,153,215,195	3,053,769,060

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

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

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

For The Half Year Ended 31 December 2021

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

During the period ended 31 December 2021, the Group has made payments of Rupees 65.943 million out of IPO proceeds relating to OMC project. The un-utilized proceeds of Rupees 478.842 million of the public offer have been kept by the Group in the shape of bank balances, term deposit receipts and mutual funds.

### 16. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual financial statements of the Group for the year ended 30 June 2021.

### 17. EVENT AFTER THE REPORTING PERIOD

The Board of Directors has approved an interim cash dividend for the period ended 31 December 2021 of Rupees 1.8 per share at their meeting held on 18 February 2022. These consolidated condensed interim financial statements do not include the effect of the above dividend which will be accounted for in the period in which it is approved.

### 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 February 18, 2022 by the Board of Directors of the Group.

### 20. GENERAL

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



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Director



Chief Financial Officer



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