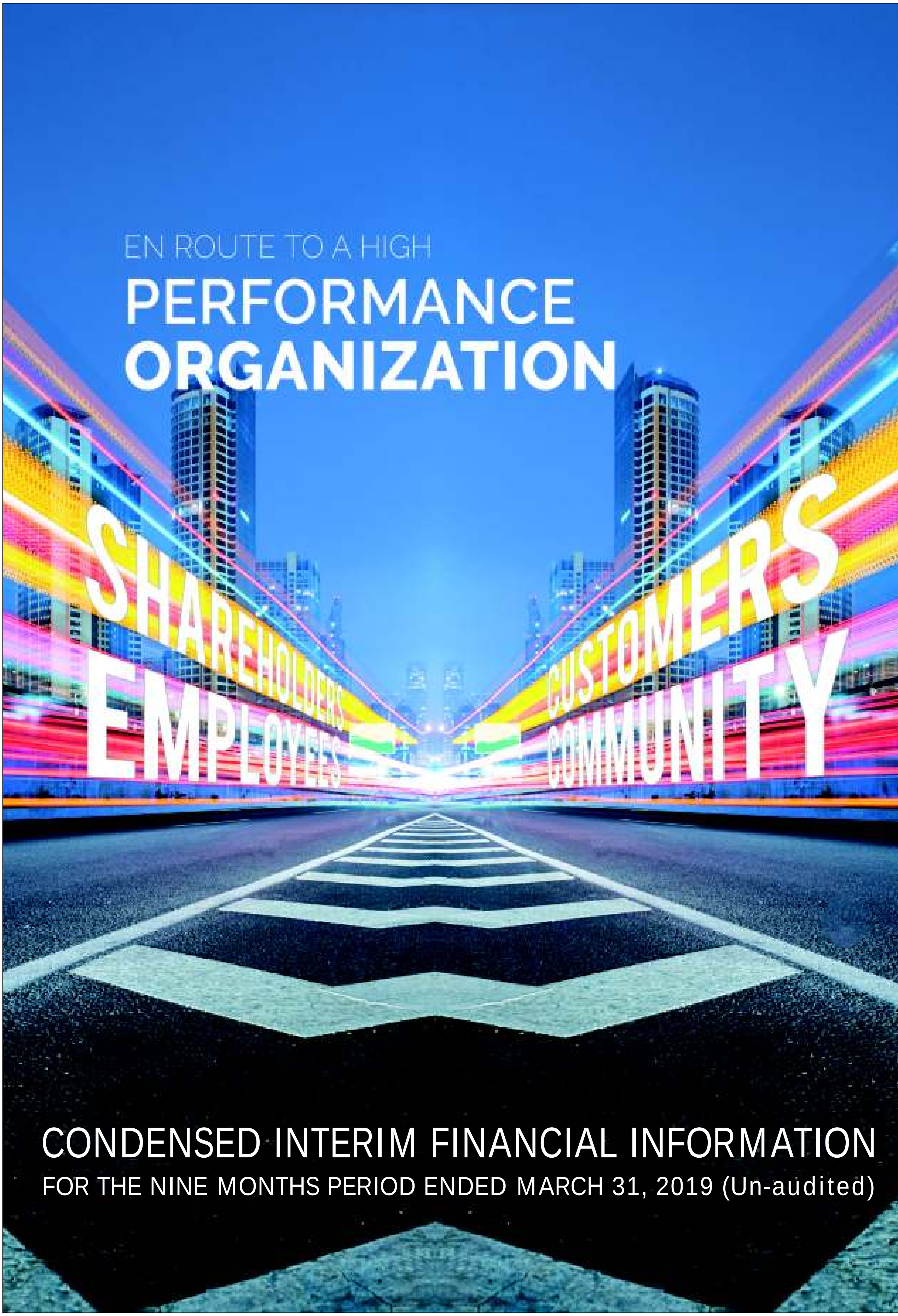

CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019 (Un-audited)

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. Moon Seek Park
Non Executive Director (a nominee of SK Lubricants Co. Ltd.)

Mr. Muhammad Tabassum Munir
Independent Director

Dr. Safdar Ali Butt
Independent Director

Syed Asad Abbas Hussain
Independent Director

CHIEF FINANCIAL OFFICER

Mr. Muhammad Imran
Phone: +92-42-111-645-645
Fax: +92- 42-3631-18-14

COMPANY SECRETARY & CHIEF COMPLIANCE OFFICER

Mr. Fraz Amjad Khawaja
Phone: +92-42-111-645-645
Fax: +92- 42-3631-18-14

EXTERNAL AUDITORS

M/S Riaz Ahmed & Company, Chartered Accountants
10-B, Saint Marry Park, Main Boulevard Gulberg, Lahore
Phone: +92-42-35718137
Fax: +92-42-35714340

SHARE REGISTRAR

Share Registrar Services,
Central Depository Company of Pakistan Limited,
CDC House, 99-B, Block 'B', S.M.C.H.S. Main
Shahra-e-Faisal, Karachi-74400
Phone: +92-21-111-111-500

REGISTERED / HEAD OFFICE

1-A , Danepur Road, GOR - 1, Lahore
Phone: +92-42-111-645-645
Fax: +92- 42-3631-18-14
Email Address: info@masgroup.org

WEBSITE:

www.hitechlubricants.com
www.zicoil.pk

LEGAL ADVISOR

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

INTERNAL AUDITORS

EY Ford Rhodes, Chartered Accountants
96-B/ 1, Pace Mall Building 4th Floor,
M.M. Alam Road,Gulberg II Lahore
Phone: +92-42-35778402
Fax: +92-42-35778412

BANKERS

ISLAMIC BANKS

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

CONVENTIONAL BANKS

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

Directors' Review

Dear Shareholders,

On behalf of the Board of Directors, we are sharing financial statements for the third quarter and nine months ended March 31, 2019. The Company returned to profitability, albeit marginally, generating earnings of Rs. 0.02 per share on a consolidated basis for the quarter. The results for the nine months ended March 31, 2019 show a loss of Rs. 2.32 per share due to the results of the first two quarters which were impacted by exchange losses and a slowing economy.

Uncertainty in the economy persists, while a rapidly depreciating rupee and increases in interest rates continue to impact the market. However, we believe that the Passenger Car Motor Oil (PCMO) segment which represents the bulk of the Company's revenues has largely recovered. The diesel segment remains very weak due to reduced trucking of goods and trucking of fuel caused by the virtual elimination of furnace oil from the country's fuel mix. The customer remains price-sensitive, and the economy is still in a weak state but we are cautiously optimistic for the next quarter which is traditionally one of our stronger quarters.

While the Company is pleased to have eliminated its loss-making position, we remain keen to return to our previous levels of profitability. In addition to marketing initiatives to improve offtake we have embarked upon a program to control costs, increase sales revenues through innovative marketing initiatives and revitalize our business model.

Position of IPO Funds

Bank balances of Rupees 9.49 million (31 March 2018: Rupees 34.2 million) and short term investments of Rupees901 million (31March 2018: Rupees 938 million) at 31 March 2019 represent un-utilized proceeds of the initial public offer and can only be utilized for the purposes of expansions through OMC.

Going forward

Our aim is to expand in the following areas where we have the potential of growth.

HTL Express

Completion of 2 new express service centers during the first quarter in Karachi has taken the total count of HTL Express Centers to 7 whereas 2 additional centers are in the pipeline. HTL Express Franchise Model is also under development coupled with the upcoming HTL Fuel stations inductions. Both will play a vital role in effective market penetration and improvement in revenues.

Oil Marketing Company (OMC)

Renewable license to operate first oil storage depot of the Company located at Sahiwal has been granted by Department of Explosives, Ministry of Industries and Production. Grant of final Marketing License by OGRA is expected in near future which will enable the Company to commence business of HTL Stations.

Hi-Tech Blending (Private) Limited (HTBL)

Locally blended products under the brand name ZIC by HTBL Plant of the Company has been successful in attracting favorable public response. Planning for addition of more variants in the local blending line is under way.

The Company thanks its shareholders, employees and customers for their continued support.

Mr. Hassan Tahir (Chief Executive)	Mr. Shaukat Hassan (Chairman)

Lahore, April 20, 2019

ڈائریکٹرز کا جائزہ

عزیز حصص داران!

بورڈ آف ڈائریکٹرز کی جانب سے ہم تیسری سہ ماہی اور نو ماہی مختتمہ 31 مارچ 2019 کی مالیاتی معلومات پیش کر رہے ہیں۔ کمپنی منافع کی طرف واپس آ گئی ہے، اگرچہ معمولی، مجموعی طور پر اس سہ ماہی میں 0.02 روپے فی شئیر کے حساب سے کمائی ہوئی۔ 31 مارچ 2019 کو ختم ہونے والی نو ماہی کے نتائج نے 2.32 روپے فی شئیر کا نقصان دکھایا ہے جس کی وجہ پچھلی دو سہ ماہیوں کے نتائج ہیں جو کہ ڈالر کے مقابلے میں روپے کی قدر میں کمی اور معیشت کی سست روی کی وجہ سے اثر انداز ہوئی تھیں۔

مارکیٹ پر معیشت کی غیر یقینی صورتحال جاری رہی، جبکہ تیزی سے گرتی ہوئی روپے کی قدر اور شرح سود میں اضافہ مارکیٹ پر اثر انداز ہوتے رہے البتہ ہمارا ماننا ہے کہ پیسنجر کار موٹر آئل کا حصہ، جو کہ کمپنی کی آمدنی کے بڑے حصے کو ظاہر کرتا ہے، کافی بحال ہوا ہے۔ ملک میں سامان اور پیٹرول کی نقل و حمل میں کمی رہی ہے جس کی وجہ ملک کے فیول مکس میں سے فرنس آئل کا نکل جانا ہے، اس کی وجہ سے ڈیزل انجن آئل کا حصہ بہت کمزور رہا۔ گاہک حساس قیمت رہا اور معیشت کمزور حالت میں ہی ہے لیکن ہم اگلی سہ ماہی کے لئے پر امید ہیں جو کہ راویتی طور پر ہماری مضبوط سہ ماہی ہوتی ہے۔

جبکہ کمپنی نقصان کی حالت کے خاتمے پر مسرور ہے، ہم اپنے پرانے نفع کے مقام پر پہنچنے کے لئے پر امید ہیں۔ مارکیٹنگ کے اقدامات کے علاوہ، ہم نے لاگت پر قابو رکھنے، جدید مارکیٹنگ کے اقدامات سے آمدنی بڑھانے اور اپنے کاروباری نمونے کو تقویت دینے کے پروگراموں سے آغاز کیا ہے۔

آئی پی او فنڈز کی پوزیشن

31 مارچ 2019 کو 9.49 ملین روپے کا بینک بیلنس (31 مارچ 2018 کو 34.2 ملین روپے) اور مختصر میعاد کی 901 ملین روپے کی سرمایہ کاری (31 مارچ 2018 کو 938 ملین روپے) ابتدائی پبلک آفر سے حاصل غیر استعمال شدہ آمدنی کو ظاہر کرتی ہے اور صرف کمپنی کے OMC کے لئے استعمال ہو سکتی ہے۔

آئندہ کا لائحہ عمل

ہمارا مقصد درج ذیل حلقہ جات کو وسیع کرنا ہے جہاں بڑھوتی کے مواقع موجود ہیں:

آئل مارکیٹنگ کمپنی (OMC)

منسٹری آف انڈسٹریز اینڈ پراڈکشن کے ایکسپلوسِو ڈیپارٹمنٹ نے کمپنی کو ساہیوال میں پہلا تیل کا ذخیرہ چلانے کا قابل تجدید لائسنس جاری کر دیا ہے۔ اوگرا کی جانب سے مستقبل قریب میں تیل کی مارکیٹنگ کا لائسنس جاری ہونے کی امید ہے، جس کے بعد کمپنی HTL سٹیشنز کا کاروبار شروع کر سکے گی۔

HTL ایکسپریس

پہلی سہ ماہی کے دوران کراچی میں 2 مزید ایکسپریس سروس سینٹرز مکمل ہونے کے بعد اب HTL ایکسپریس سینٹرز کی کل تعداد 7 ہو گئی ہے جبکہ 2 مزید سینٹرز منصوبہ بندی میں شامل ہیں۔ HTL ایکسپریس فرنچائز ماڈل بھی تیاری کے عمل میں ہے جو کہ آنے والے HTL فیول اسٹیشنز کے پراجیکٹ کے ساتھ منسلک ہے۔ دونوں موثر طریقے سے مارکیٹ میں داخل ہونے اور آمدنی کو بہتر کرنے کے لیے اہم کردار ادا کریں گے۔

ہائی ٹیک بلینڈنگ (پرائیویٹ) لمیٹڈ (HTBL)

ZIC برانڈ کے نام پر کمپنی کے HTBL پلانٹ میں مقامی طور پر بلینڈ کی گئی مصنوعات عوام کا مثبت ردِعمل حاصل کرنے میں کامیاب رہی ہیں اور مقامی بلینڈنگ کی مصنوعات کی اقسام میں مزید اضافے کی منصوبہ بندی جاری ہے۔

کمپنی اپنے شیئر ہولڈرز، ملازمین اور صارفین کے مسلسل تعاون کی بے حد شکر گزار ہے۔

جناب حسن طاہر
چیف ایگزیکٹیو

جناب شوکت حسن
(چیئرمین)

لاہور، 20 اپریل 2019

HI-TECH LUBRICANTS LIMITED

UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2019 (Un-audited)

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

As At March 31, 2019

	Note	Un-Audited March 31, 2019 Rupees	Audited June 30, 2018 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
150,000,000 (2018: 150,000,000)			
ordinary shares of Rupees 10 each		1,500,000,000	1,500,000,000
Issued, subscribed and paid-up share capital		1,160,040,000	1,160,040,000
Reserves		2,037,213,686	2,732,681,018
Total equity		3,197,253,686	3,892,721,018
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	4	3,644,164	14,894,163
Liabilities against assets subject to finance lease	5	46,946,234	79,105,383
Long term deposits		1,000,000	1,500,000
Deferred income tax liability		-	12,068,590
		51,590,398	107,568,136
CURRENT LIABILITIES			
Trade and other payables	6	942,406,278	613,957,734
Accrued mark-up		71,337,522	18,217,096
Short term borrowings	7	2,364,729,132	707,635,668
Current portion of non-current liabilities		63,733,951	61,093,852
Unclaimed dividend		3,370,146	4,297,369
Taxation - net		69,412,496	116,775,146
		3,514,989,525	1,521,976,865
Total liabilities		3,566,579,923	1,629,545,001
CONTINGENCIES AND COMMITMENTS	8		
TOTAL EQUITY AND LIABILITIES		6,763,833,609	5,522,266,019

The annexed notes form an integral part of this unconsolidated condensed interim financial information.

Chief Executive | Director | Chief Financial Officer

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

As At March 31, 2019

	Note	Un-Audited March 31, 2019 Rupees	Audited June 30, 2018 Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	9	1,556,946,500	1,386,311,847
Intangible assets	10	4,068,296	2,894,585
Investment in subsidiary company	11	1,300,000,600	1,300,000,600
Long term loans to employees		-	280,132
Long term security deposits		24,148,523	38,612,406
Deferred income tax asset - net		26,027,492	-
		2,911,191,411	2,728,099,570
CURRENT ASSETS			
Stock-in-trade	12	1,899,723,373	961,206,375
Trade debts		207,305,961	236,936,937
Loans and advances		625,480,816	146,456,105
Short term deposits and prepayments		48,588,687	27,933,788
Other receivables		103,801,626	17,340,333
Accrued interest		16,847,312	15,334,604
Short term investments		920,725,936	917,353,557
Cash and bank balances		30,168,487	471,604,750
		3,852,642,198	2,794,166,449
TOTAL ASSETS		6,763,833,609	5,522,266,019

The annexed notes form an integral part of this unconsolidated condensed interim financial information.

Chief Executive | Director | Chief Financial Officer

Unconsolidated Condensed Interim Statement Of Profit Or Loss (Un-audited)

For The Quarter and Nine Months Period Ended March 31, 2019

	NINE MONTHS ENDED		QUARTER ENDED	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	Rupees	Rupees	Rupees	Rupees
SALES-net	6,980,541,250	7,491,366,026	1,836,343,866	1,517,556,846
Sales tax	(1,158,609,000)	(764,611,564)	(249,241,149)	(189,708,459)
NET SALES	5,821,932,250	6,726,754,462	1,587,102,717	1,327,848,387
COST OF SALES	(5,128,808,229)	(5,226,869,749)	(1,305,087,683)	(1,011,585,685)
GROSS PROFIT	693,124,021	1,499,884,713	282,015,034	316,262,702
DISTRIBUTION COST	(518,595,446)	(547,218,783)	(149,532,007)	(124,504,918)
ADMINISTRATIVE EXPENSES	(343,302,435)	(266,274,121)	(87,605,865)	(98,061,643)
OTHER EXPENSES	(75,854,641)	(54,279,368)	(9,082,279)	(4,752,918)
	(937,752,522)	(867,772,271)	(246,220,151)	(227,319,478)
OTHER INCOME	82,302,442	77,613,279	37,131,417	24,736,830
(LOSS)/PROFIT FROM OPERATIONS	(162,326,059)	709,725,721	72,926,300	113,680,054
FINANCE COST	(165,878,428)	(60,928,920)	(83,018,145)	(22,108,913)
(LOSS)/PROFIT BEFORE TAXATION	(328,204,487)	648,796,801	(10,091,845)	91,571,141
TAXATION	(144,465,554)	(206,696,800)	(38,267,829)	(31,068,334)
(LOSS)/PROFIT AFTER TAXATION	(472,670,041)	442,100,001	(48,359,674)	60,502,807
(LOSS)/EARNINGS PER SHARE - BASIC AND DILUTED	(4.07)	3.81	(0.41)	0.52

The annexed notes form an integral part of this unconsolidated condensed interim financial information.

Chief Executive

Director

Chief Financial Officer

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

For The Quarter and Nine Months Period Ended March 31, 2019

	NINE MONTHS ENDED		QUARTER ENDED	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	Rupees	Rupees	Rupees	Rupees
(LOSS)/PROFIT AFTER TAXATION	(472,670,041)	442,100,001	(48,359,674)	60,502,807
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	(472,670,041)	442,100,001	(48,359,674)	60,502,807

The annexed notes form an integral part of this unconsolidated condensed interim financial information.

Chief Executive | Director | Chief Financial Officer

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

For The Quarter and Nine Months Period Ended March 31, 2019

	SHARE CAPITAL	RESERVES			TOTAL EQUITY
		CAPITAL RESERVE	REVENUE RESERVE	TOTAL RESERVES	
		SHARE PREMIUM	UN-APPROPRIATED PROFIT		
	(------------	------------	Rupees	------------	------------)
Balance as at 30 June 2017 - audited	1,160,040,000	1,441,697,946	1,142,567,891	2,584,265,837	3,744,305,837
Transaction with owners:					
Final dividend for the year ended 30 June 2017 @ Rupee 1.75 per share of Rupees 10 each	-	-	(203,007,000)	(203,007,000)	(203,007,000)
Interim dividend for the half year ended 31 December 2017 @ Rupee 1.75 per share of Rupees 10 each	-	-	(203,007,000)	(203,007,000)	(203,007,000)
	-	-	(406,014,000.00)	(406,014,000.00)	(406,014,000.00)
Profit for the nine months period ended 31 March 2018	-	-	442,100,001	442,100,001	442,100,001
Other comprehensive income for the nine months period ended 31 March 2018	-	-	-	-	-
Total comprehensive income for the nine months period ended 31 March 2018	-	-	442,100,001	442,100,001	442,100,001
Balance as at 31 March 2018 - un-audited	1,160,040,000	1,441,697,946	1,178,653,892	2,620,351,838	3,780,391,838
Balance as at 30 June 2018 - audited	1,160,040,000	1,441,697,946	1,290,983,072	2,732,681,018	3,892,721,018
Adjustment on adoption of IFRS -9 (Note 3.2)	-	-	(19,790,291)	(19,790,291)	(19,790,291)
Adjusted total equity as at 01 July 2018	1,160,040,000	1,441,697,946	1,271,192,781	2,712,890,727	3,872,930,727
Transaction with owners:					
Final dividend for the year ended 30 June 2018 @ Rupee 1.75 per share of Rupees 10 each	-	-	(203,007,000)	(203,007,000)	(203,007,000)
Loss for the nine months period ended 31 March 2019	-	-	(472,670,041)	(472,670,041)	(472,670,041)
Other comprehensive income for the nine months period ended 31 March 2019	-	-	-	-	-
Total comprehensive loss for the nine months period ended 31 March 2019	-	-	(472,670,041)	(472,670,041)	(472,670,041)
Balance as at 31 March 2019 - un-audited	1,160,040,000	1,441,697,946	595,515,740	2,037,213,686	3,197,253,686

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

Chief Executive

Director

Chief Financial Officer

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

For The Quarter and Nine Months Period Ended March 31, 2019

	Note	Un-audited 31 March 2019 Rupees	Un-audited 31 March 2018 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (utilized in) operations	13	(809,110,658)	1,018,125,079
Finance cost paid		(112,758,002)	(54,314,557)
Income tax paid		(229,924,286)	(190,137,598)
Net decrease in long term loans to employees		663,937	1,076,108
Net increase in long term security deposits		561,027	(4,022,880)
Net decrease in long term deposits		(500,000)	(500,000)
Net cash generated from / (used in) operating activities		(1,151,067,982)	770,226,152
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property and equipment		(227,520,005)	(242,546,265)
Capital expenditure on intangible assets		(3,372,574)	(649,834)
Proceeds from disposal of property and equipment		7,990,225	7,903,818
Loans to subsidiary company		(548,900,000)	(296,500,000)
Short term investments - net		(3,372,379)	122,667,027
Dividend income		148,500	272,250
Interest received on loans to subsidiary company		24,349,428	-
Profit on bank deposits and term deposit receipts received		47,918,333	64,030,899
Net cash from / (used in) investing activities		(702,758,472)	(344,822,105)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of liabilities against assets subject to finance lease		(29,519,051)	(45,090,126)
Dividend paid		(203,934,223)	(391,340,702)
Proceeds from long term financing		-	12,437,082
Repayment of long term financing		(11,249,999)	-
Short term borrowings - net		1,657,093,464	(3,853,720)
Net cash (used in) / from financing activities		1,412,390,191	(427,847,466)
Net increase / (decrease) in cash and cash equivalents		(441,436,263)	(2,443,419)
Cash and cash equivalents at the beginning of the period		471,604,750	75,112,775
Cash and cash equivalents at the end of the period		30,168,487	72,669,356

The annexed notes form an integral part of this unconsolidated condensed interim financial information.

Chief Executive　　Director　　Chief Financial Officer

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

For The Quarter and Nine Months Period Ended March 31, 2019

1. THE COMPANY AND ITS OPERATIONS

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

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 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 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 2018. 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, 2017 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 2018 except for the changes in accounting policies as stated in note 3.2 to these unconsolidated condensed interim financial statements.

3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these 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 2018.

3.2 CHANGES IN ACCOUNTING POLICIES DUE TO APPLICABILITY OF CERTAIN INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The following changes in accounting policies have taken place effective from 01 July 2018:

3.2.1 IFRS 9 'Financial Instruments'

The Company has adopted IFRS 9 “Financial Instruments” from 01 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the Company makes an irrevocable election on initial recognition to present gains and losses on equity instruments in other comprehensive income. Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the Company's own credit risk to be presented in other comprehensive income (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the Company. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

The Company has adopted IFRS 9 without restating the prior year results.

Key changes in accounting policies resulting from application of IFRS 9

i) Classification and measurement of financial instruments

IFRS 9 largely retains the existing requirements in IAS 39 “Financial Instruments: Recognition and Measurment” for the classification and measurement of financial liabilities. However, it replaces the previous IAS 39 categories for financial assets i.e. loans and receivables, fair value through profit or loss (FVTPL), available for sale and held to maturity with the categories such as amortised cost, fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVTOCI).

Investments and other financial assets

a) Classification

From 01 July 2018, the company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

b) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in statement of profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through statement of comprehensive income, except for the recognition of impairment losses (reversal of impairment losses), interest income and foreign exchange gains and losses which are recognised in statement of profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in statement of comprehensive income is reclassified from equity to profit or loss and recognised in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income /(other expenses) and impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in statement of profit or loss and presented net within other income /(other expenses) in the period in which it arises.

Equity instruments:

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss (FVTPL)

Changes in the fair value of equity investments at fair value through profit or loss are recognised in other income / (other expenses) in the statement of profit or loss as applicable.

Dividends from such investments continue to be recognised in statement of profit or loss as other income when the Company's right to receive payments is established.

ii) Impairment

From 01 July 2018, the Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade debts and other receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

iii) Hedge accounting

IFRS 9 requires that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness.

There is no impact of the said change on these unconsolidated condensed interim financial statements as there is no hedge activity carried on by the Company during the period ended 31 March 2019.

Impacts of adoption of IFRS 9 on these unconsolidated condensed interim financial statements as on 01 July 2018

On 01 July 2018, the Company's management has assessed which business models apply to the financial assets held by the Company at the date of initial application of IFRS 9 (01 July 2018) and has classified its financial instruments into appropriate IFRS 9 categories. The main effects resulting from this reclassification are as follows:

Financial assets – (01 July 2018)

	Loans and receivables	Amortised cost
	Rupees	Rupees
Opening balance	236,936,937	-
Adjustments due to adoption of IFRS 9:		
Reclassification of trade debts	(236,936,937)	236,936,937
Recognition of expected life time credit losses on trade debts	-	(19,790,291)
	-	217,146,646

The impact of these changes on the Company's un-appropriated profit and equity is as follows:

Un-appropriated profit and equity (01 July 2018)

	Effect-on un appropriated profit	Effect on total equity
	Rupees	Rupees
Opening balance	1,290,983,072	3,892,721,018
Adjustment on adoption of IFRS 9 due to recognition of expected life time credit losses on trade debts	(19,790,291)	(19,790,291)
	1,271,192,781	3,872,930,727

Reclassifications of financial instruments on adoption of IFRS 9

On the date of initial application, 01 July 2018, the classification and measurement of financial instruments of the Company were as follows:

	Measurement category		Carrying amounts		
	Original	New	Original	New	Difference
	(IAS 39)	(IFRS 9)	Rupees		
Non-current financial assets					
Loans and advances	Loans and receivables	Amortised cost	4,388,899	4,388,899	-
Deposits	Loans and receivables	Amortised cost	15,733,300	15,733,300	-
Trade debts	Loans and receivables	Amortised cost	236,936,937	217,146,646	19,790,291
Other receivables	Loans and receivables	Amortised cost	17,340,604	17,340,604	-
Accrued interest	Loans and receivables	Amortised cost	15,334,604	15,334,604	-
Current financial assets					
Short term investments:					
Term deposit receipts	Held to maturity	Amortised cost	851,833,801	851,833,801	-
Other short term investments	At fair value through profit or loss	At fair value through profit or loss	65,519,756	65,519,756	-
Cash and bank balances	Loans and receivables	Amortised cost	471,604,750	471,604,750	-
Non-current financial liabilities					
Long term financing	Amortised cost	Amortised cost	29,894,166	29,894,166	-
Liabilities against subject to finance lease	Amortised cost	Amortised cost	125,199,232	125,199,232	-
Long term deposits	Amortised cost	Amortised cost	1,500,000	1,500,000	-
Current financial liabilities					
Trade and other payables	Amortised cost	Amortised cost	330,463,137	330,463,137	-
Unclaimed dividend	Amortised cost	Amortised cost	4,297,369	4,297,369	-
Accrued mark-up	Amortised cost	Amortised cost	18,217,096	18,217,096	-
Short term borrowings	Amortised cost	Amortised cost	707,635,668	707,635,668	-

3.2.2 IFRS 15 'Revenue from Contracts with Customers'

The Company has adopted IFRS 15 from 01 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below.Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in Company's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the Company's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.
The Company has adopted IFRS 15 by applying the modified retrospective approach according to which the Company is not required to restate the prior year results.

i) Key changes in accounting policies resulting from application of IFRS 15

The Company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

a) Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

b) Interest

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

c) Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

3.2.3 Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

	Un-audited 31 March 2019 Rupees	Audited 30 June 2018 Rupees
4. LONG TERM FINANCING		
From conventional bank - secured		
Bank Al-Habib Limited-1 (Note 4.1)	2,616,331	13,495,415
Bank Al-Habib Limited-2 (Note 4.1)	16,398,751	16,398,751
	19,015,082	29,894,166
Less : Current portion shown under current liabilities	15,370,918	15,000,003
	3,644,164	14,894,163

4.1 These facilities have been obtained to build warehouse at the property of Hi-Tech Blending (Private) Limited - subsidiary company at Sundar Raiwind Road. These facilities are secured against hypothecation charge over current assets of the Company of Rupees 1,067 million and personal guarantee of directors of the Company. These carry mark-up at the rate of 3 months KIBOR plus 1.75% per annum. These are repayable in 12 equal quarterly installments. Effective rate of mark-up charged during the period / year ranged from 9.94% to 12.67% (30 June 2018: 7.89% to 8.18%) per annum.

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

For The Quarter and Nine Months Period Ended March 31, 2019

		Un-audited 31 March 2019 Rupees	Audited 30 June 2018 Rupees
5.	LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE		
	Future minimum lease payments	102,833,366	134,911,579
	Less: Un-amortized finance charge	7,524,099	9,712,347
	Present value of future minimum lease payments	95,309,267	125,199,232
	Less: Current portion shown under current liabilities	48,363,033	46,093,849
		46,946,234	79,105,383
6.	TRADE AND OTHER PAYABLES		
	Creditors	312,883,563	166,910,839
	Accrued liabilities	367,396,399	163,552,298
	Advances from customers	102,946,246	152,873,281
	Customs duty and other charges payable	153,370,602	88,711,322
	Income tax deducted at source	3,158,900	51,118
	Sales tax payable	-	39,244,625
	Payable to employees' provident fund trust	2,650,568	2,614,251
		942,406,278	613,957,734
7.	SHORT TERM BORROWINGS		
	Short term borrowing - secured		
	From Conventional Banks		
	Runing Finance(Note 7.1 and 7.2)	1,418,758,287	331,835,243
	Finance against trust receipts (Note 7.1 and 7.3)	250,647,440	296,916,620
	From Islamic Banks		
	Running musharakah (Note 7.1 and 7.4)	695,323,405	-
	Musawamah finance (Note 7.1 and 7.5)	-	78,883,805
		2,364,729,132	707,635,668

7.1 These finances are obtained from banking companies under mark up arrangements and are secured against first joint pari passu hypothecation charge over current assets, lien over term deposit receipts and personal guarantee of sponsor directors.

7.2 The rates of markup range from 11.30 % to 12.16% (30 June 2018: 7.15% to 9.66%) per annum.

7.3 The rates of markup range from 9.05% to 11.61% (30 June 2018: 7.16% to 8.14%) per annum.

7.4 The rates of markup range from 11.51% to 11.66% (30 June 2018: 7.14% to 7.50%) per annum.

7.5 Mark up was paid at respective KIBOR plus 1% per annum. Effective rate of markup charged during the period / year ranged from 7.42% to 7.83% (30 June 2018: 7.42% to 7.83%) per annum.

8. CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

8.1.1 Corporate guarantees of Rupees 2,302.500 million (30 June 2018: Rupees 1,425.520 million) have been given by the Company to the banks in respect of financing to Hi-Tech Blending (Private) Limited - subsidiary company.

8.1.2 Guarantees of Rupees 48 million (30 June 2018: Rupees 28 million) are given by the bank of the Company to Director Excise and Taxation, Karachi against disputed amount of infrastructure cess.

8.1.3 Guarantees of Rupees 22.00 million (30 June 2018: Rupees 12.314 million) are given by the bank of the Company to Chairman, Punjab Revenue Authority, Lahore against disputed amount of infrastructure cess.

8.1.4 Assessment under section 161 / 205 of the Income Tax Ordinance, 2001 for the tax year 2014 was finalized by the Deputy Commissioner Inland Revenue creating a demand of Rupees 18.207 million against the Company. The Company, being aggrieved filed an appeal before the Commissioner Inland Revenue (Appeals) {CIR(A)}, who decided the case in favour of the Company reducing the total demand to Rupees 0.191 million. However, Income Tax Department has filed an appeal against the order of the CIR(A) before the Appellate Tribunal Inland Revenue and the same is pending adjudication. No provision against the original tax demand has been recognized in these unconsolidated condensed interim financial statements, as the Company, based on advice of the tax advisor, is confident of favorable outcome of litigation.

8.1.5 The Competition Commission of Pakistan ("CCP") had initiated a formal enquiry under the provisions of the Competition Act, 2010 ("the Act") on complaint against the Company and its wholly-owned subsidiary company, Hi-Tech Blending (Private) Limited by Chevron Pakistan Lubricants (Private) Limited ("Chevron") for adopting deceptive marketing practices in contravention of section 10 of the Act. It has also been prayed by Chevron to CCP to impose a penalty of 10% of the annual turnover of the Company and its wholly-owned subsidiary and / or Rupees 75.000 million, as CCP may deem appropriate. The Company and its wholly-owned subsidiary company have submitted a detailed reply before the CCP through their advocates, rejecting the contents of filed complaint, and expects a favorable outcome of the matter. Hence, no provision for penalty has been recognized in these unconsolidated condensed interim financial statements.

8.1.6 The Company has filed an appeal before Commissioner Inland Revenue Appeals [CIR(A)] against the order of Deputy Commissioner Inland Revenue (DCIR) passed under section 122 (1) and 122(5A) of the Income Tax Ordinance, 2001 for tax year 2013 whereby a demand of Rupees 83.494 million has been raised. CIR(A) vide order dated 18 December 2018 has upheld some of the additions made by DCIR and also directed the DCIR to give opportunity of hearing to the Company in one of the said matters. Being aggrieved by the order of CIR(A), the Company filed appeal before the Appellate Tribunal Inland Revenue [ATIR] which is pending adjudication. No provision against this demand has been recognized in these unconsolidated condensed interim financial statements, as the Company, based on advice of the tax advisor, is confident of favorable outcome of litigation.

		Un-audited 31 March 2019 Rupees	Audited 30 June 2018 Rupees
8.2	Commitments		
8.2.1	Capital expenditures:		
	Contracts	8,034,409	25,168,567
	Letters of credit	-	4,862,700
		8,034,409	30,031,267
8.2.2	Letters of credit other than for capital expenditures	132,558,555	245,018,196

8.2.3 The amount of future ijara rentals for ijara financing and the period in which these payments will become due are as follow:

Not later than one year	3,787,061	5,004,436
Later than one year but not later than five years	2,987,807	7,943,488
	6,774,868	12,947,924

9. FIXED ASSETS

Property and equipment:		
Operating fixed assets		
- Owned (Note 9.1)	891,619,921	836,309,262
- Leased (Note 9.2)	121,154,022	94,226,431
	1,012,773,943	930,535,693
Capital work-in-progress	544,172,557	455,776,154
	1,556,946,500	1,386,311,847

9.1 Operating fixed assets – owned

Opening book value	836,309,262	622,505,331
Add: Cost of additions during the period / year (Note 9.1.1)	88,465,555	236,778,604
Add: Book value of assets transferred from assets subject to finance lease during the period / year (Note 9.2.2)	1,083,774	13,841,808
	925,858,591	873,125,743
Less: Book value of deletions during the period / year (Note 9.1.2)	2,895,887	5,893,657
	922,962,704	867,232,086
Less: Depreciation charged during the period / year	31,342,783	30,922,824
Closing book value	891,619,921	836,309,262

	Un-audited 31 March 2019 Rupees	Audited 30 June 2018 Rupees
9.1.1 Cost of additions during the period / year		
Freehold land	12,276,632	59,678,232
Building on freehold land	406,830	-
Building on leasehold land	24,570,216	136,386,775
Machinery	10,960,061	10,399,525
Furniture and fittings	3,615,994	2,213,590
Vehicles	6,282,637	11,056,501
Office equipment	27,895,044	8,588,502
Computers	2,458,141	8,455,479
	88,465,555	236,778,604
9.1.2 Book value of deletions during the period / year		
Cost:		
Vehicles	9,209,005	12,970,414
Computers	77,249	4,083,208
	9,286,254	17,053,622
Less: Accumulated depreciation	6,390,367	11,159,965
	2,895,887	5,893,657
9.2 Operating fixed assets – leased		
Opening book value	94,226,431	92,080,840
Add: Cost of additions during the period / year (Note 9.2.1)	50,658,047	39,013,031
	144,884,478	131,093,871
Less: Book value of assets transferred to owned assets during the period / year (Note 9.2.2)	1,083,774	13,841,808
	143,800,704	117,252,063
Less: Book value of deletions during the period / year - vehicles (Note 9.2.3)	2,311,592	1,740,409
	141,489,112	115,511,654
Less: Depreciation charged during the period / year	20,335,090	21,285,223
Closing book value	121,154,022	94,226,431
9.2.1 Cost of additions during the period / year		
Generator	-	-
Vehicles	50,658,047	39,013,031
	50,658,047	39,013,031
9.2.2 Book value of assets transferred to owned assets during the period / year		
Cost:		
Vehicles	2,457,500	28,076,186
Less: Accumulated depreciation	1,373,726	14,234,378
	1,083,774	13,841,808

	Un-audited 31 March 2019 Rupees	Audited 30 June 2018 Rupees
9.2.3 Book value of deletions during the period / year		
Cost:		
Vehicles	3,901,100	2,088,490
Less: Accumulated depreciation	1,589,508	348,081
	2,311,592	1,740,409

9.3 Capital work-in-progress

Advance against purchase of apartment(Note 9.3.1)	25,226,750	25,226,750
Advances for purchase of vehicles	-	44,915,301
Civil works	256,735,208	234,196,220
Mobilization and other advances	84,175,865	44,202,573
Unallocated expenditures	178,034,734	107,235,310
	544,172,557	455,776,154

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

10. INTANGIBLE ASSETS

Opening book value	2,894,585	7,553,843
Add: Cost of addition during the period / year	3,372,574	676,234
	6,267,159	8,230,077
Less: Book value of deletions during the period / year	-	110,051
	6,267,159	8,120,026
Less: Amortization charged during the period / year	2,198,863	5,225,441
Closing book value	4,068,296	2,894,585

11. INVESTMENT IN SUBSIDIARY COMPANY - AT COST

Hi-Tech Blending (Private) Limited - unquoted		
130,000,060 (30 June 2018: 130,000,060) fully paid		
ordinary shares of Rupees 10 each		
Equity held: 100% (30 June 2018: 100%)		
Advance against issuance of shares	1,300,000,600	1,300,000,600

	Un-audited 31 March 2019 Rupees	Audited 30 June 2018 Rupees
12. STOCK-IN-TRADE		
Lubricants (Note 12.1)	1,901,809,012	963,383,983
Less: Provision for slow moving and damaged inventory items	2,326,241	2,450,521
	1,899,482,771	960,933,462
Stock of promotional items	240,602	272,913
	1,899,723,373	961,206,375

12.1 This includes stock-in-transit of Rupees 95.615 million (30 June 2018: Rupees 224.707 million) and stock amounting to Rupees 831.293 million (30 June 2018: Rupees178.839 million) lying at customs bonded warehouses.

	UN-AUDITED	
	NINE MONTHS PERIOD ENDED	
	31 March 2019	31 March 2018
13. CASH GENERATED FROM / (UTILIZED IN) OPERATIONS	Rupees	Rupees
(Loss)/Profit before taxation	(328,204,487)	648,796,801
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	51,677,874	38,876,035
Amortization on intangible assets	2,198,863	4,601,865
Provision for doubtful trade debts	4,419,901	-
Provision for slow moving and damaged inventory items	193,841	-
Reversal of provision of slow moving and damaged inventory items	(318,121)	-
Gain on disposal of operating fixed assets	(2,782,746)	(2,884,018)
Dividend income	(148,500)	(272,250)
Profit on bank deposits and term deposit receipts	(53,163,635)	(74,404,681)
Interest income on loans to subsidiary company	(25,889,440)	-
Unrealized loss on remeasurement of investments at fair value	5,272,606	5,048,799
Exchange loss - net	53,047,542	38,522,103
Finance cost	165,878,428	60,928,920
Working capital changes (Note 13.1)	(681,292,784)	298,911,505
	(809,110,658)	1,018,125,079

13.1 Working capital changes

Decrease / (increase) in current assets:		
Stock-in-trade	(938,392,718)	168,145,153
Trade debts	5,420,784	(75,105,169)
Loans and advances	69,491,484	250,764,518
Short term deposits and prepayments	(6,752,043)	(15,933,995)
Other receivables	(86,461,293)	56,468,634
	(956,693,786)	384,339,141
(Decrease) / increase in trade and other payables	275,401,002	(85,427,636)
	(681,292,784)	298,911,505

14. 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 financial statements, are as follows:

i Transactions	NATURE OF TRANSACTION	UN-AUDITED			
		NINE MONTHS ENDED		QUARTER ENDED	
		31 March 2019	31 March 2018	31 March 2019	31 March 2018
		---- Rupees ----			
Subsidiary company					
Hi-Tech Blending (Private) Limited	Sale of lubricants	137,600	-	-	-
	Purchase of lubricants	2,809,894,311	3,118,543,074	628,979,255	955,298,714
	Loans disbursed	656,950,000	296,500,000	69,600,000	-
	Repayment of loans	108,050,000	-	70,500,000	-
	Interest charged on short term loans	25,939,725	29,479,050	15,841,780	9,842,547
	Interest received on short term loans	24,349,428	-	8,992,609	-
	Lease rentals paid	2,250,000	-	750,000	-
Associated companies					
MAS Associates (Private) Limited	Share of common expenses	492,210	473,848	139,704	116,917
				-	
Other related parties					
SK Lubricants Co., Ltd.	Purchase of lubricants	2,504,066,520	1,633,444,293	168,211,447	117,824,456
Directors	Rent expense	-	2,314,266	-	-
Provident fund trust	Contribution	13,160,314	22,310,284	5,100,878	17,581,064
Remuneration of key management personnel	Remuneration	151,038,018	129,218,844	40,178,160	49,913,318
Sabra Hamida Trust	Donations	12,000,000	9,000,000	4,000,000	3,000,000

	Un-audited 31 March 2019 Rupees	Audited 30 June 2018 Rupees
ii. Period end balances		
Subsidiary company:		
Investment in Hi-Tech Blending (Private) Limited	1,300,000,600	1,300,000,600
Advances to Hi-Tech Blending (Private) Limited	-	85,138,382
Payable to Hi-Tech Blending (Private) Limited	165,800,454	
Short term loan	548,900,000	-
Accrued interest on short term loan	16,846,546	15,306,534
Associated company		
Receivable from MAS Associates (Private) Limited	269,482	79,042
Other related party:		
Receivable from SK Lubricants Co.,	17,525,000	17,024,000
Payable to SK Lubricants Co.,	92,597,471	432,907,455
Payable to employees' provident fund trust	3,039,734	2,614,250

15. 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 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.

	31 March 2019			
Recurring fair value measurements	Level 1	Level 2	Level 3	Total
	---------- Rupees ----------			
Financial assets				
Financial assets at fair value through profit or loss	3,541,725	-	-	3,541,725
Total financial assets	3,541,725	-	-	3,541,725

	30 June 2018			
Recurring fair value measurements	Level 1	Level 2	Level 3	Total
	---------- Rupees ----------			
Financial assets				
Financial assets at fair value through profit or loss	65,519,756	-	-	65,519,756
Total financial assets	65,519,756	-	-	65,519,756

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 nine months period ended 31 March 2019. 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 trading and available-for-sale 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 techniques used to value financial instruments include the use of quoted market prices.

16. 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 2018.

17. EVENT AFTER THE REPORTING PERIOD

The Board of Directors of the Company have declared an interim dividend of Rupees Nil per ordinary share at their meeting held on April 20, 2019. These condensed interim financial statements do not include the effect of the above interim dividend which will be accounted for in the period in which it is declared.

18. 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.

Corresponding figures have been rearranged, wherever necessary, for the purpose of comparison, however, no significant re-arrangements have been made.

19. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were approved by the Board of Directors and authorized for issue on April 20, 2019.

20. GENERAL

Figures have been rounded off to nearest of Rupee.

Chief Executive | Director | Chief Financial Officer

HI-TECH LUBRICANTS LIMITED

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2019 (Un-audited)

Consolidated Condensed Interim Statement Of Financial Position

As At March 31, 2019

	Note	Un-Audited 31 March, 2019 Rupees	Audited June 30, 2018 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 150,000,000 (2018: 150,000,000) ordinary shares of Rupees 10 each		1,500,000,000	1,500,000,000
Issued, subscribed and paid-up share capital		1,160,040,000	1,160,040,000
Reserves		2,434,491,416	2,926,660,970
Total equity		3,594,531,416	4,086,700,970
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	4	6,465,413	19,156,221
Liabilities against assets subject to finance lease	5	53,589,401	80,309,810
Long term deposits		1,000,000	1,500,000
Deferred liabilities		183,625,733	112,227,115
		244,680,547	213,193,146
CURRENT LIABILITIES			
Trade and other payables		911,391,046	770,080,893
Accrued mark-up		96,230,438	29,696,233
Short term borrowings	6	3,066,383,867	1,325,250,528
Current portion of non-current liabilities		71,902,820	179,059,861
Unclaimed dividend		3,370,146	4,297,369
		4,149,278,317	2,308,384,884
Total liabilities		4,393,958,864	2,521,578,030
CONTINGENCIES AND COMMITMENTS	7		
TOTAL EQUITY AND LIABILITIES		7,988,490,280	6,608,279,000

The annexed notes form an integral part of this consolidated condensed interim financial information.

Chief Executive | Director | Chief Financial Officer

Consolidated Condensed Interim Statement Of Financial Position

As At March 31, 2019

	Note	Un-Audited 31 March, 2019 Rupees	Audited 30 June, 2018 Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	8	3,093,265,418	2,952,235,148
Intangible assets	9	4,601,494	2,917,354
Long term loans to employees		-	280,132
Long term security deposits		37,494,088	41,092,506
Deferred income tax asset - net		26,027,492	-
		3,161,388,492	2,996,525,140
CURRENT ASSETS			
Stores		37,930,505	26,759,589
Stock-in-trade	10	3,040,274,956	1,544,074,179
Trade debts		207,305,961	236,936,937
Loans and advances		142,423,690	80,222,041
Short term deposits and prepayments		63,037,858	60,831,795
Other receivables		197,295,750	109,129,419
Short term investments		920,725,936	917,353,557
Taxation - net		137,176,481	69,499,665
Cash and bank balances		80,930,651	566,946,678
		4,827,101,788	3,611,753,860
TOTAL ASSETS		7,988,490,280	6,608,279,000

The annexed notes form an integral part of this consolidated condensed interim financial information.

Chief Executive

Director

Chief Financial Officer

Consolidated Condensed Interim
Statement Of Profit or Loss (Un-audited)
For The Quarter and Nine Months Period Ended March 31, 2019

	NINE MONTHS ENDED		QUARTER ENDED	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	Rupees	Rupees	Rupees	Rupees
SALES - net	7,345,350,863	7,959,133,261	1,830,397,919	1,639,779,632
Sales tax	(1,523,418,613)	(1,232,378,799)	(243,295,202)	(311,931,245)
NET SALES	5,821,932,250	6,726,754,462	1,587,102,717	1,327,848,387
COST OF SALES	(4,649,965,412)	(4,858,126,336)	(1,181,102,269)	(887,801,185)
GROSS PROFIT	1,171,966,838	1,868,628,126	406,000,448	440,047,202
DISTRIBUTION COST	(516,345,446)	(544,968,782)	(148,782,007)	(122,254,918)
ADMINISTRATIVE EXPENSES	(394,448,005)	(327,972,853)	(106,214,262)	(121,785,647)
OTHER EXPENSES	(133,518,704)	(79,123,222)	(13,302,667)	(18,406,662)
	(1,044,312,155)	(952,064,857)	(268,298,936)	(262,447,227)
OTHER INCOME	57,689,618	48,610,411	22,396,745	14,111,870
PROFIT / (LOSS) FROM OPERATIONS	185,344,301	965,173,680	160,098,257	191,711,845
FINANCE COST	(230,561,263)	(99,049,990)	(97,204,736)	(36,343,734)
(LOSS) / PROFIT BEFORE TAXATION	(45,216,962)	866,123,690	62,893,521	155,368,111
TAXATION	(224,155,301)	(233,910,085)	(60,367,436)	(35,351,434)
(LOSS) / PROFIT AFTER TAXATION	(269,372,263)	632,213,605	2,526,085	120,016,677
(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED	(2.32)	5.45	0.02	1.03

The annexed notes form an integral part of this consolidated condensed interim financial information.

Chief Executive

Director

Chief Financial Officer

Consolidated Condensed Interim
Statement of Comprehensive Income (Un-audited)
For The Quarter and Nine Months Period Ended March 31, 2019

	NINE MONTHS ENDED		QUARTER ENDED	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	Rupees	Rupees	Rupees	Rupees
(LOSS) / PROFIT AFTER TAXATION	(269,372,263)	632,213,605	2,526,085	120,016,677
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD	(269,372,263)	632,213,605	2,526,085	120,016,677

The annexed notes form an integral part of this consolidated condensed interim financial information.

Chief Executive | Director | Chief Financial Officer

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

For The Quarter and Nine Months Period Ended March 31, 2019

	SHARE CAPITAL	RESERVES		TOTAL RESERVES	TOTAL EQUITY
		CAPITAL RESERVE	REVENUE RESERVE		
		SHARE PREMIUM	UN-APPROPRIATED PROFIT		
	(-------------------------	------------------------- Rupees	-------------------------	-------------------------	-------------------------)
Balance as at 30 June 2017 - audited	1,160,040,000	1,441,697,946	1,131,442,653	2,573,140,599	3,733,180,599
Transaction with owners:					
Final dividend for the year ended 30 June 2017 @ Rupee 1.75 per share of Rupees 10 each	-	-	(203,007,000)	(203,007,000)	(203,007,000)
Interim dividend for the half year ended 31 December 2017 @ Rupee 1.75 per share of Rupees 10 each	-	-	(203,007,000)	(203,007,000)	(203,007,000)
	-	-	(406,014,000.00)	(406,014,000.00)	(406,014,000.00)
Profit for the nine months period ended 31 March 2018	-	-	632,213,605	632,213,605	632,213,605
Other comprehensive income for the nine months period ended 31 March 2018	-	-	-	-	-
Total comprehensive income for the nine months period ended 31 March 2018	-	-	632,213,605	632,213,605	632,213,605
Balance as at 31 March 2018 - un-audited	1,160,040,000	1,441,697,946	1,357,642,258	2,799,340,204	3,959,380,204
Balance as at 30 June 2018 - audited	1,160,040,000	1,441,697,946	1,484,963,024	2,926,660,970	4,086,700,970
Adjustment on adoption of IFRS -9 (Note 3.2)	-	-	(19,790,291)	(19,790,291)	(19,790,291)
Adjusted total equity as at 01 July 2018	1,160,040,000	1,441,697,946	1,465,172,733	2,906,870,679	4,066,910,679
Transaction with owners:					
Final dividend for the year ended 30 June 2018 @ Rupee 1.75 per share of Rupees 10 each	-	-	(203,007,000)	(203,007,000)	(203,007,000)
Loss for the nine months period ended 31 March 2019	-	-	(269,372,263)	(269,372,263)	(269,372,263)
Other comprehensive income for the nine months period ended 31 March 2019	-	-	-	-	-
Total comprehensive loss for the nine months period ended 31 March 2019	-	-	(269,372,263)	(269,372,263)	(269,372,263)
Balance as at 31 March 2019 - un-audited	1,160,040,000	1,441,697,946	992,793,470	2,434,491,416	3,594,531,416

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

Chief Executive　　Director　　Chief Financial Officer

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

For The Quarter and Nine Months Period Ended March 31, 2019

	Note	Un-audited 31 March 2019 Rupees	Un-audited 31 March 2018 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	11	(1,770,419,396)	710,229,670
Finance cost paid		(188,376,486)	(78,479,096)
Income tax paid		(254,760,086)	(206,448,504)
Net decrease in long term loans to employees		663,937	1,076,108
Net decrease in long term security deposits		(10,304,438)	(16,930,720)
Net decrease in long term deposits		(500,000)	(500,000)
Net cash generated from / (used in) operating activities		(2,223,696,469)	408,947,458
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(250,634,509)	(259,917,570)
Capital expenditure on intangible assets		(2,360,574)	(649,834)
Proceeds from disposal of property, plant and equipment		7,990,225	8,131,122
Loans to subsidiary company		-	
Short term investments - net		(3,372,379)	122,667,027
Dividend income		148,500	272,250
Interest received on loans to subsidiary company		(1,540,010)	-
Profit on bank deposits and term deposit receipts received		47,918,333	45,521,214
Net cash used in investing activities		(201,850,414)	(83,975,791)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of liabilities against assets subject to finance lease		(60,791,913)	(66,806,225)
Short term borrowings - net		2,290,033,339	(391,340,702)
Dividend paid		(203,934,223)	12,437,083
Repayment of long term financing		-	(109,107,388)
Long term financing - net		(85,776,347)	117,532,473
Net cash (used in) / from financing activities		1,939,530,856	(437,284,759)
Net increase in cash and cash equivalents		(486,016,027)	(112,313,092)
Cash and cash equivalents at beginning of the period		566,946,678	220,903,845
Cash and cash equivalents at end of the period		80,930,651	108,590,753

The annexed notes form an integral part of this consolidated condensed interim financial information.

Chief Executive | Director | Chief Financial Officer

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

For The Quarter and Nine Months Period Ended March 31, 2019

1. THE GROUP AND ITS OPERATIONS

The Group consists of:

Holding Company

- Hi-Tech Lubricants Limited

Subsidiary Company

- Hi-Tech Blending (Private) Limited

Hi-Tech Lubricants Limited

Hi-Tech Lubricants Limited ("the Holding Company") was incorporated as a private limited company in Pakistan on 01 September 2008 under the Companies Ordinance, 1984 and subsequently converted into public limited company with effect from 31 October 2011. The shares of the Holding Company are 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 import and distribute petroleum products. Oil and Gas Regulatory Authority (OGRA) has granted license to the Holding Company to establish an Oil Marketing Company (OMC), subject to some conditions.

Hi-Tech Blending (Private) Limited

Hi-Tech Blending (Private) Limited ("the Subsidiary Company") was incorporated in Pakistan as a private limited company by shares under the Companies Ordinance, 1984 on 13 March 2014. 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 2018. These consolidated 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, 2017 and Section 237 of the Companies Act, 2017.

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 2018 except for the changes in accounting policies as stated in note 3.2 to these consolidated condensed interim financial statements.

3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these 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 2018.

3.2 CHANGES IN ACCOUNTING POLICIES DUE TO APPLICABILITY OF CERTAIN INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The following changes in accounting policies have taken place effective from 01 July 2018:

3.2.1 IFRS 9 'Financial Instruments'

The Group has adopted IFRS 9 “Financial Instruments” from 01 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the Group makes an irrevocable election on initial recognition to present gains and losses on equity instruments in other comprehensive income. Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the Group's own credit risk to be presented in other comprehensive income (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the Group. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

Key changes in accounting policies resulting from application of IFRS 9

i) Classification and measurement of financial instruments

IFRS 9 largely retains the existing requirements in IAS 39 “Financial Instruments: Recognition and Measurment” for the classification and measurement of financial liabilities. However, it replaces the previous IAS 39 categories for financial assets i.e. loans and receivables, fair value through profit or loss (FVTPL), available for sale and held to maturity with the categories such as amortised cost, fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVTOCI).

Investments and other financial assets

a) Classification

From 01 July 2018, the group classifies its financial assets in the following measurement categories:

. those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
. those to be measured at amortised cost

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

b) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortised cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in statement of profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through statement of comprehensive income, except for the recognition of impairment losses (reversal of impairment losses), interest income and foreign exchange gains and losses which are recognised in statement of profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in statement of comprehensive income is reclassified from equity to profit or loss and recognised in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income /(other expenses) and impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in statement of profit or loss and presented net within other income /(other expenses) in the period in which it arises.

Equity instruments:

The Group subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss (FVTPL)

Changes in the fair value of equity investments at fair value through profit or loss are recognised in other income / (other expenses) in the statement of profit or loss as applicable.

Dividends from such investments continue to be recognised in statement of profit or loss as other income when the Group's right to receive payments is established.

ii) Impairment

From 01 July 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade debts and other receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

iii) Hedge accounting

IFRS 9 requires that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness.

There is no impact of the said change on these consolidated condensed interim financial statements as there is no hedge activity carried on by the Group during the period ended 31 March 2019.

Impacts of adoption of IFRS 9 on these consolidated condensed interim financial statements as on 01 July 2018

On 01 July 2018, the group's management has assessed which business models apply to the financial assets held by the Group at the date of initial application of IFRS 9 (01 July 2018) and has classified its financial instruments into appropriate IFRS 9 categories. The main effects resulting from this reclassification are as follows:

Financial assets –(01 July 2018)

	Loans and receivables	Amortised cost
	Rupees	Rupees
Opening balance	236,936,937	-
Adjustments due to adoption of IFRS 9:		
Reclassification of trade debts	(236,936,937)	236,936,937
Recognition of expected life time credit losses on trade debts	-	(19,790,291)
	-	217,146,646

The impact of these changes on the Group's un-appropriated profit and equity is as follows:

Un-appropriated profit and equity (01 July 2018)

	Effect on un-appropriated profit	Effect on total equity
	Rupees	Rupees
Opening balance	1,290,983,072	3,892,721,018
Adjustment on adoption of IFRS 9 due to recognition of expected life time credit losses on trade debts	(19,790,291)	(19,790,291)
	1,271,192,781	3,872,930,727

Reclassifications of financial instruments on adoption of IFRS 9

On the date of initial application, 01 July 2018, the classification and measurement of financial instruments of the Group were as follows:

	Measurement category		Carrying amounts		
	Original	New	Original	New	Difference
	(IAS 39)	(IFRS 9)	Rupees		
Non-current financial assets					
Loans and advances	Loans and receivables	Amortised cost	8,576,318	8,576,318	-
Deposits	Loans and receivables	Amortised cost	19,990,650	19,990,650	-
Trade debts	Loans and receivables	Amortised cost	236,936,937	217,146,646	19,790,291
Other receivables	Loans and receivables	Amortised cost	17,340,604	17,340,604	-
Accrued interest	Loans and receivables	Amortised cost	15,334,604	15,334,604	-
Current financial assets					
Short term investments:					
Term deposit receipts	Held to maturity	Amortised cost	851,833,801	851,833,801	-
Other short term investments	At fair value through profit or loss	At fair value through profit or loss	65,519,756	65,519,756	-
Cash and bank balances	Loans and receivables	Amortised cost	566,946,678	566,946,678	-
Non-current financial liabilities					
Long term financing	Amortised cost	Amortised cost	114,901,493	114,901,493	-
Liabilities against subject to finance lease	Amortised cost	Amortised cost	163,624,399	163,624,399	-
Long term deposits	Amortised cost	Amortised cost	1,500,000	1,500,000	-
Current financial liabilities					
Trade and other payables	Amortised cost	Amortised cost	462,209,970	462,209,970	-
Unclaimed dividend	Amortised cost	Amortised cost	4,297,369	4,297,369	-
Accrued mark-up	Amortised cost	Amortised cost	45,002,767	45,002,767	-
Short term borrowings	Amortised cost	Amortised cost	1,325,250,528	1,325,250,528	-

3.2.2 IFRS 15 'Revenue from Contracts with Customers'

The Group has adopted IFRS 15 from 01 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below.Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in Group's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the Group's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

The Group has adopted IFRS 15 by applying the modified retrospective approach according to which the Group is not required to restate the prior year results.

i) Key changes in accounting policies resulting from application of IFRS 15

The Group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

a) Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

b) Interest

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

c) Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

3.2.3 Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

	Un-audited 31 March 2019 Rupees	Audited 30 June 2018 Rupees
4. LONG TERM FINANCING		
From banking company - secured		
Holding Company		
Bank Al-Habib Limited (Note 4.1)	2,616,331	13,495,415
Bank Al-Habib Limited (Note4.1)	16,398,751	16,398,751
	19,015,082	29,894,166
Subsidiary Company		
Bank Al-Habib Limited (Note 4.2)	10,480,980	85,007,327
	29,496,062	114,901,493
Less: Current portion shown under current liabilities	23,030,649	95,745,272
	6,465,413	19,156,221

4.1 These facilities have been obtained to build warehouse at the property of Hi-Tech Blending (Private) Limited - subsidiary company at Sundar Raiwind Road. These facilities are secured against hypothecation charge over current assets of the Company of Rupees 1,067 million and personal guarantee of directors of the Company. These carry mark-up at the rate of 3 months KIBOR plus 1.75% per annum. These are repayable in 12 equal quarterly installments. Effective rate of mark-up charged during the period / year ranged from 9.94% to 12.67% (30 June 2018: 7.89% to 8.18%) per annum.

4.2 These term finance facilities, aggregating to Rupees 250.939 million (2018: Rupees 250.939 million), are secured by first pari passu hypothecation charge over current assets of the Subsidiary Company to the extent of Rupees 667 million, ranking hypothecation charge over current assets of the Subsidiary Company to the extent of Rupees 400 million, corporate guarantee of the Holding Company of Rupees 1.3 billion and personal guarantees of directors of the Subsidiary Company. The finance facilities are repayable in 6, 12 and 16 equal quarterly installments commenced on 31 March 2015 and ending on 25 November 2019. Mark-up is payable quarterly at the rate of 3 month KIBOR plus 2.00% per annum. Effective rate of mark-up charged during the year ranged from 8.04% to 12.54% (2018: 8.10% to 8.47%) per annum.

		Un-audited 31 March 2019 Rupees	Audited 30 June 2018 Rupees
5.	LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE		
	Future minimum lease payments	110,207,723	174,275,897
	Less: Un-amortized finance charge	7,746,151	10,651,498
	Present value of future minimum lease payments	102,461,572	163,624,399
	Less: Current portion	48,872,171	83,314,589
		53,589,401	80,309,810
6.	SHORT TERM BORROWINGS		
	From banking companies - secured		
	- Holding Company		
	From Conventional Banks		
	Running finances (Note 6.1 and Note 6.2)	1,418,758,287	331,835,243
	Finance against trust receipts (Note 6.1and Note 6.3)	250,647,440	296,916,620
	Running musharakah (Note 6.1 and Note 6.4)	695,323,405	-
	Musawamah (Note 6.1 and Note 6.5)	-	78,883,805
		2,364,729,132	707,635,668
	- Subsidiary Company		
	Short term finance (Note 6.6)	596,966,081	506,133,540
	Murabaha / Musawamah (Note 6.7)	34,688,654	41,481,320
		631,654,735	547,614,860
	From related parties - unsecured		
	Loan from directors (Note 6.8)	70,000,000	70,000,000
		3,066,383,867	1,325,250,528

6.1 These finances are obtained from banking companies under markup arrangements and are secured against first joint pari passu hypothecation charge over current assets, lien over term deposit receipts, and personal guarantee of sponsor directors of Holding Company.

6.2 The rates of markup range from 11.30 % to 12.16% (30 June 2018: 7.15% to 9.66%) per annum.

6.3 The rates of markup range from 9.05% to 11.61% (30 June 2018: 7.16% to 8.14%) per annum.

6.4 The rates of markup range from 11.51% to 11.66% (30 June 2018: 7.14% to 7.50%) per annum.

6.5 Mark up was paid at respective KIBOR plus 1% per annum. Effective rate of markup charged during the period / year ranged from 7.42% to 7.83% (30 June 2018: 7.42% to 7.83%) per annum.

6.6 These represent finance against trust receipts and running finance from Bank Al-Habib Limited. Mark-up is payable quarterly at the rate of 3 month KIBOR plus 1 per annum. Effective rate of mark-up charged during the period / year ranged from 7.35% to 11.78% (2018: 7.35% to 8.16%) per annum. These are secured against trust receipts, first pari passu hypothecation charge over current assets of the Subsidiary Company to the extent of Rupees 667 million, ranking hypothecation charge over current assets of the Subsidiary Company to the extent of Rupees 400 million, personal guarantees of directors of the Subsidiary Company and corporate guarantee of the Holding Company of Rupees 1.3 billion.

6.7 This represents murabaha / musawamah finance facility of Rupees 250 million. Mark-up is payable at respective KIBOR plus 1% per annum. Effective rate of mark up charged during the period / year is 9.04% (2018: 7.92%). This is secured against hypothecation charge over present and future current assets to the extent of Rupees 400 million and hypothecation charge over present and future fixed assets to the extent of Rupees 400 million and corporate guarantee of the Holding Company.

6.8 These unsecured loans are from directors of the Subsidiary Company. Mark-up is payable yearly at the rate of 3 month KIBOR plus 2% per annum. Effective rate of mark-up charged during the period / year 8.93% TO 12.55% (2018: 8.14% to 8.50%) per annum. These are repayable on demand. These loans were utilized for capital expenditure requirements of the Subsidiary Company.

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

7.1.1 Corporate guarantees of Rupees 2,302.500 million (30 June 2018: Rupees 1,425.520 million) have been given by the Company to the banks in respect of financing to Hi-Tech Blending (Private) Limited - subsidiary company.

7.1.2 Guarantees of Rupees 63 million (30 June 2018: Rupees 28 million) are given by the bank of the Company to Director Excise and Taxation, Karachi against disputed amount of infrastructure cess.

7.1.3 Guarantees of Rupees 37.484 million (30 June 2018: Rupees 12.314 million) are given by the bank of the Company to Chairman, Punjab Revenue Authority, Lahore against disputed amount of infrastructure cess.

7.1.4 Assessment under section 161 / 205 of the Income Tax Ordinance, 2001 for the tax year 2014 was finalized by the Deputy Commissioner Inland Revenue creating a demand of Rupees 18.207 million against the Company. The Company, being aggrieved filed an appeal before the Commissioner Inland Revenue (Appeals) {CIR(A)}, who decided the case in favour of the Company reducing the total demand to Rupees 0.191 million. However, Income Tax Department has filed an appeal against the order of the CIR(A) before the Appellate Tribunal Inland Revenue and the same is pending adjudication. No provision against the original tax demand has been recognized in these consolidated condensed interim financial statements, as the Company, based on advice of the tax advisor, is confident of favorable outcome of litigation.

7.1.5 The Competition Commission of Pakistan ("CCP") had initiated a formal enquiry under the provisions of the Competition Act, 2010 ("the Act") on complaint against the Company and its wholly-owned subsidiary company, Hi-Tech Blending (Private) Limited by Chevron Pakistan Lubricants (Private) Limited ("Chevron") for adopting deceptive marketing practices in contravention of section 10 of the Act. It has also been prayed by Chevron to CCP to impose a penalty of 10% of the annual turnover of the Company and its wholly-owned subsidiary and / or Rupees 75.000 million, as CCP may deem appropriate. The Company and its wholly-owned subsidiary company have submitted a detailed reply before the CCP through their advocates, rejecting the contents of filed complaint, and expects a favorable outcome of the matter. Hence, no provision for penalty has been recognized in these consolidated condensed interim financial statements.

7.1.6 The Company filed appeal before Commissioner Inland Revenue Appeals [CIR(A)] against the order of Deputy Commissioner Inland Revenue (DCIR). DCIR passed an order under section 122 (1) / 122(5A) of the Income Tax Ordinance, 2001 for tax year 2013 whereby a demand of Rupees 83.494 million has been raised. CIR(A) vide order dated 18 December 2018 has upheld some of the additions made by DCIR and also directed the DCIR to give opportunity of hearing to the Company in one of the said matters. Being aggrieved by the order of CIR(A), the Company filed appeal before the Appellate Tribunal Inland Revenue [Tribunal] which is pending adjudication. No provision against this demand has been made in these consolidated condensed interim financial statements as the Company is hopeful for a favorable outcome of appeal based on the opinion of the tax advisor.

		Un-audited 31 March 2019 Rupees	Audited 30 June 2018 Rupees
7.2	Commitments		
7.2.1	Capital expenditures:		
	Contracts	8,047,429	33,313,371
	Letters of credit	-	4,862,700
		8,047,429	38,176,071
7.2.2	Letters of credit other than capital expenditures	165,566,985	253,445,076
7.2.3	The amount of future ijara rentals for ijara financiing and the period in which these payments will become due are as follow:		
	Not later than one year	5,128,646	5,004,436
	Later than one year but not later than five years	5,611,824	7,943,488
		10,740,470	12,947,924

		Un-audited 31 March 2019 Rupees	Audited 30 June 2018 Rupees
8.	FIXED ASSETS		
	Property, plant and equipment:		
	Operating fixed assets:		
	- Owned (Note 8.1)	2,293,958,270	2,274,075,216
	- Leased (Note 8.2)	207,039,029	183,496,576
		2,500,997,299	2,457,571,792
	Capital work-in-progress (Note 8.3)	592,268,119	494,663,356
		3,093,265,418	2,952,235,148
8.1	Operating fixed assets – owned		
	Opening book value	2,274,075,216	2,072,956,059
	Add: Cost of additions during the period / year (Note 8.1.1)	104,307,915	293,001,321
	Add: Book value of assets transferred from assets subject to finance lease during the period / year (Note 8.2.2)	1,083,774	14,234,440
		2,379,466,905	2,380,191,820
	Less: Book value of deletions during the period / year (Note 8.1.2)	3,170,588	4,349,638
		2,376,296,317	2,375,842,182
	Less: Book value of written off during the period / year	-	1,544,019
		2,376,296,317	2,374,298,163
	Less: Depreciation charged during the period / year	82,338,047	100,222,947
	Closing book value	2,293,958,270	2,274,075,216
8.1.1	Cost of additions during the period / year		
	Freehold land	12,276,632	59,678,232
	Building on freehold land	406,830	15,192,471
	Building on leasehold land	24,570,216	131,886,775
	Machinery	24,852,564	44,973,571
	Electric Installation	-	8,973,620
	Furniture and fittings	3,747,744	3,183,591
	Vehicles	6,282,637	11,056,501
	Office equipment	29,283,351	8,970,059
	Computers	2,887,941	9,086,501
		104,307,915	293,001,321

		Un-audited 31 March 2019 Rupees	Audited 30 June 2018 Rupees
8.1.2	Book value of deletions during the period / year		
	Cost:		
	Vehicles	9,623,299	12,970,414
	Computers	77,249	-
		9,700,548	12,970,414
	Less: Accumulated depreciation	6,529,960	8,620,776
		3,170,588	4,349,638
8.2	Operating fixed assets – leased		
	Opening book value	183,496,576	189,346,068
	Add: Cost of additions during the period / year (Note 8.2.1)	53,142,357	40,240,074
		236,638,933	229,586,142
	Less: Book value of assets transferred to owned assets during the period / year (Note 8.2.2)	1,083,774	14,234,440
		235,555,159	215,351,702
	Less: Book value of deletions during the period / year - vehicles (Note 8.2.3)	2,311,592	1,740,409
		233,243,567	213,611,293
	Less: Depreciation charged during the period / year	26,204,538	30,114,717
	Closing book value	207,039,029	183,496,576
8.2.1	Cost of additions during the period / year		
	Generator	-	-
	Vehicles	53,142,357	40,240,074
		53,142,357	40,240,074
8.2.2	Book value of assets transferred to owned assets during the period / year		
	Cost:		
	Vehicles	2,457,500	28,895,686
	Less: Accumulated depreciation	1,373,726	14,661,246
		1,083,774	14,234,440
8.2.3	Book value of deletions during the period / year		
	Cost:		
	Vehicles	3,901,100	2,088,490
	Less: Accumulated depreciation	1,589,508	348,081
		2,311,592	1,740,409
8.3	Capital work-in-progress		
	Advance against purchase of apartment (Note 8.3.1)	25,226,750	25,226,750
	Plant & machinery	35,231,172	35,231,172
	Advances for purchase of vehicles	-	44,915,301
	Civil works	268,419,517	236,672,167
	Mobilization and other advances	85,355,946	45,382,656
	Unallocated expenditures	178,034,734	107,235,310
		592,268,119	494,663,356

8.3.1 This represent advance given to BNP (Private) Limited against purchase of apartment in Grand Hyatt at 1-Constitution Avenue, Islamabad. On July 29, 2016 Capital Development Authority (CDA) cancelled the leased deed of BNP (Private) Limited on the grounds of violating the terms and conditions of the said lease. Against the alleged order, BNP (Private) Limited filed a writ petition before the Honorable Islamabad High Court ("the Court") challenging the cancellation of said lease. The Court dismissed the writ petition of BNP (Private) Limited. BNP (Private) Limited and other parties including Company filed intra court appeals in Supreme Court of Pakistan against the decision of CDA and the Court. Subsequent to reporting date i.e. on 09 January 2019, the Supreme Court of Pakistan has restored the original lease and ordered BNP (Private) Limited to pay certain amount to CDA in eight year equal installments and also furnished an unconditional bank guarantee of same amount in favour of CDA and give the CDA right to encash the guarantee if BNP defaults in payment of any installment.

In view of the aforesaid decision and the fact that the Company's apartment is one of the duly built apartments on 6th Floor of the Tower, no provision against advance for purchase of apartment has been recognized in these consolidated condensed interim financial statements.

		Un-audited 31 March 2019 Rupees	Audited 30 June 2018 Rupees
9.	INTANGIBLE ASSETS		
	Computer software		
	Opening book value	2,917,354	7,804,303
	Add: Cost of addition during the period / year	4,060,572	676,234
	Less: Amortization charged during the period / year	2,376,432	5,453,132
	Less: written off	-	110,051
	Closing book value	4,601,494	2,917,354
10.	STOCK-IN-TRADE		
	Raw materials (Note 10.1)	1,175,875,739	408,436,666
	Work-in-process	-	10,732,181
		1,175,875,739	419,168,847
	Finished goods (Note 10.2)	1,901,809,012	1,127,082,940
	Provision for slow moving and damaged stock items	(2,326,241)	(2,450,521)
	Un-realised gain on subsidiary stocks	(35,324,156)	-
		1,864,158,615	1,124,632,419
	Stock of promotional items	240,602	272,913
		3,040,274,956	1,544,074,179

10.1 Raw and packing material include stock in transit of Rupees 546.203 million (30 June 2018 Rupees 240.081 million) and Raw material amounting to Rupees 542.320 million (30 June 2018 Rupees 51.418 million) lying at customs bonded warehouses.

10.2 This includes stock-in-transit of Rupees 95.615 million (30 June 2018: Rupees 224.707 million) and stock amounting to Rupees 831.293 million (30 June 2018: Rupees178.839 million) lying at customs bonded warehouses.

		UN-AUDITED	
		NINE MONTHS PERIOD ENDED	
		31 March 2019	31 March 2018
11.	CASH GENERATED FROM OPERATIONS	Rupees	Rupees
	(Loss) /Profit before taxation	(45,216,962)	866,123,690
	Adjustments for non-cash charges and other items:		
	Depreciation on operating fixed assets	108,634,259	96,706,135
	Amortization on intangible assets	2,376,432	4,772,633
	Amortization of deferred income	(220,641)	(216,308)
	Provision for doubtful trade debts	4,419,901	-
	Provision for slow moving and damaged stock items	193,841	-
	Provision for slow moving and obsolete store items	(318,121)	-
	Gain on disposal of property and equipment	(2,782,746)	(3,030,197)
	Dividend income	(148,500)	(272,250)
	Profit on bank deposits and short term investments	(53,163,635)	(45,039,326)
	Loss on disposal of investment	5,106,286	-
	Unrealised loss on remeasurement of investments at fair value	166,320	5,048,799
	Gain on disposal of short term investment	(1,055,975)	-
	Finance cost	256,450,703	99,049,990
	Exchange loss - net	95,316,620	53,155,330
	Provision for workers' profit participation fund	15,359,985	10,210,627
	Provision for workers' welfare fund	35,000	-
	Working capital changes (Note 11.1)	(2,155,572,163)	(376,279,453)
		(1,770,419,396)	710,229,670

	UN-AUDITED	
	NINE MONTHS PERIOD ENDED	
	31 March 2019	31 March 2018
11.1 Working capital changes	Rupees	Rupees
Decrease / (increase) in current assets:		
Stores	(11,170,916)	19,612,764
Stock-in-trade	(1,500,313,994)	118,244,021
Trade debts	5,420,784	(94,500,937)
Loans and advances	22,552,450	(68,117,098)
Short term deposits and prepayments	11,696,793	(32,042,171)
Other receivables	(88,193,635)	116,267,708
	(1,560,008,518)	59,464,287
(Decrease) / increase in trade and other payables	(595,563,645)	(435,743,740)
	(2,155,572,163)	(376,279,453)

12. 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 significant transactions with related parties are as follows:

	NATURE OF TRANSACTIONS	UN-AUDITED			
		NINE MONTHS ENDED		QUARTER ENDED	
		31 March 2019	31 March 2018	31 March 2019	31 March 2018
		Rupees			
i Transactions					
Associated company					
MAS Associates (Private) Limited		492,210	473,848	139,705	116,917
Other related parties					
SK Lubricants Co.,	Purchase of lubricants	4,455,461,304	1,633,444,293	818,625,875	117,824,456
Directors	Rent expense	-	2,314,266	-	-
Directors	Markup on loan	5,661,408	4,282,621	2,166,165	-
Employees' provident fund trust	Contribution	14,772,018	23,581,437	5,639,237	18,088,187
Key management personnel	Remuneration	158,551,518	138,330,530	38,641,769	56,025,003
Sabra Hamida Trust	Donations	12,000,000	9,000,000	4,000,000	3,000,000

	Un-audited 31 March 2019	Audited 30 June 2018
ii Period end balances	Rupees	Rupees
Subsidiary company:		
Investment in Hi-Tech Blending (Private) Limited	1,300,000,600	1,300,000,600
Advances to Hi-Tech Blending (Private) Limited	-	85,138,382
Short term loan	548,900,000	-
Accrued interest on short term loan	16,846,546	15,306,534
Associated company		
Receivable from MAS Associates (Private) Limited	269,482	79,042
Other related party:		
Receivable from SK Lubricants Co.,	17,525,000	17,024,000
Payable to SK Lubricants Co.,	92,597,471	432,907,455
Payable to employees` provident fund trust	2,650,568	2,614,250

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 recognised and measured at fair value in these condensed interim consolidated 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.

	31 December 2018			
Recurring fair value measurements	Level 1	Level 2	Level 3	Total
	---------------------------- Rupees	---------------------------		
Financial assets				
Financial assets at fair value through profit and loss account	3,417,975		-	3,417,975
Total financial assets	3,417,975	-	-	3,417,975

	30 June 2018			
Recurring fair value measurements	Level 1	Level 2	Level 3	Total
	---------------------------- Rupees	---------------------------		
Financial assets				
Financial assets at fair value through profit and loss account	65,519,756		-	65,519,756
Total financial assets	65,519,756	-	-	65,519,756

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 nine months period ended 31 March 2019. 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 trading and available-for-sale 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 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 techniques used to value financial instruments include the use of quoted market prices.

14. 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 2018.

15. EVENT AFTER THE REPORTING PERIOD AND CORRESPONDING FIGURES

The Board of Directors of the Company have declared an interim dividend of Rupees Nil per ordinary share at their meeting held on April 20, 2019. This condensed interim financial statement does not include the effect of the above interim dividend which will be accounted for in the period in which it is declared.

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.

Corresponding figures have been rearranged, wherever necessary, for the purpose of comparison, however, no significant re-arrangements have been made.

16. DATE OF AUTHORIZATION FOR ISSUE

This consolidated condensed interim financial statement was approved by the Board of Directors and authorized for issue on April 20, 2019.

17. GENERAL

Figures have been rounded off to nearest of Rupee.

Chief Executive | Director | Chief Financial Officer

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