

WINNING TOGETHER

HI-TECH LUBRICANTS LIMITED
Condensed Interim Financial Information
Half year ended December 31, 2015 (Un-audited)



Hi-Tech Lubricants Ltd.

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Company Information

BOARD OF DIRECTORS

Shaukat Hassan
Chairman
(Non Executive Director)

Hassan Tahir
(Chief Executive Officer)

Mohammad Basit Hassan
(Executive Director)

Mohammad Ali Hassan
(Executive Director)

Muhammad Tabassum Munir
(Independent Director)

Syed Asad Abbas Hussain
(Independent Director)

Dr. Safdar Ali Butt
(Independent Director)

Tahir Azam
(Non Executive Director)

Zalmai Azam
(Non Executive Director)

Syed Mujahid Jameel Ghaznavi
(Non Executive Director)

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Muhammad Imran

AUDITORS

Riaz Ahmad & Co.
Chartered Accountants

AUDIT COMMITTEE

Muhammad Tabassum Munir
Chairman
(Independent Director)

Dr. Safdar Ali Butt
(Independent Director)

Shaukat Hassan
(Non Executive Director)

Tahir Azam
(Non Executive Director)

HR & REMUNERATION COMMITTEE

Shaukat Hassan
(Non Executive Director)

Tahir Azam
(Non Executive Director)

Muhammad Tabassum Munir
(Independent Director)

Zalmai Azam
(Non Executive Director)

LEGAL ADVISOR

Lashari Law Associates

BANKERS AND LENDERS

Bank Al-Habib Limited
MCB Bank Limited
Bank Alfalah Limited
Habib Metropolitan Bank Ltd
Standard Chartered Bank
JS Bank Limited
Askari Bank Limited
National Bank Limited
Habib Bank Limited
The Bank of Punjab

Directors' Report

The Directors of Hi-Tech Lubricants Limited take pleasure in presenting to its shareholders, the second quarter and half year report along with the reviewed condensed interim financial information separate and consolidated of the Company for the half year ended December 31, 2015.

Financial and Operational Performance

The comparison of the un-audited financial results for the second quarter and half year ended December 31, 2015 as against December 31, 2014 are as follows:

	Unconsolidated						CONSOLIDATED					
	For the second quarter			Cumulative			For the second quarter			Cumulative		
	Oct-Dec 2015	Oct-Dec 2014	% Change	Jul-Dec 2015	Jul-Dec 2014	% Change	Oct-Dec 2015	Oct-Dec 2014	% Change	Jul-Dec 2015	Jul-Dec 2014	% Change
Net Sales	2,025	1,179	71.8%	3,432	2,396	43.2%	2,025	1,179	71.8%	3,432	2,396	43.2%
Gross Profit	594	290	104.8%	994	573	73.5%	594	290	104.8%	994	573	73.5%
% of sales	29.3%	24.6%		29.0%	23.9%		29.3%	24.6%		29%	23.9%	
Profit from Operations	273	182	50.0%	451	252	79.0%	272	180	51.1%	446	249	79.1%
% of sales	13.5%	15.4%		13.1%	10.5%		13.4%	15.2%		13.0%	10.4%	
Profit before Tax	267	174	53.4%	441	239	84.5%	264	173	52.6%	434	236	83.9%
% of sales	13.2%	14.8%		12.8%	10.0%		13.0%	14.7%		12.6%	9.9%	
Profit after Tax	173	136	27.2%	293	179	63.7%	169	134	26.1%	284	176	61.4%
% of sales	8.5%	11.5%		8.54%	7.5%		8.3%	11.3%		8.3%	7.4%	
EPS – Basic (PRs)	1.99	1.81	9.9%	3.36	2.38	41.5%	1.94	1.79	8.4%	3.27	2.35	39.1%

During the 1st half of 2015, the Company has achieved net sales of PKR 3,432 million against net sales of PKR 2,396 million of corresponding period of last year, representing sales growth of 43.20%. The operations have generated earnings of PKR 451 million during the half year under review against PKR 252 million of corresponding period of year 2014, resulting in an increase of PKR 199 million mainly due to revenue growth, price stability, increase margins due to decrease in international product prices, prudent management of inventory costs, cost rationalization in operations and efficiencies. Our net profit after tax reached to PKR 293 million registering a growth of 63.7% vs same period last year.

The Company continued to improve working capital performance by taking initiatives to rationalize inventory levels through effective budgeting and managing receivables.

Contribution in revenues

The volumes improved positively by 40% as compared to the corresponding half year of last year. Further break down in categories are:

Category	Symbol	% contribution in volume increase
Passenger car motor oil segment	PCMO	37%
Heavy Duty Diesel Engine oils segment	HDDEO	43%
Motorcycle oil segment	MCO	51%
Gear, Hydraulics, Industrial and others	UHD	15%

Review of Business Divisions

A brief review of the operations of the Company's business divisions is as follows:

- **Zic Top-Tier marketing division**

ZIC Top Tier products division has registered sales of PKR 2,699 million during the first half of 2015 as compared to PKR 1,927 million of corresponding period of 2014, representing sales growth of 40%.

- **Zic Mid-Tier marketing division**

The results of ZIC Mid-Tier division have also improved by 52.6% during first half of 2015 over corresponding values of 2014 resulting from revenue growth contributed mainly by increased volumes.

Future Outlook

The future of Hi Tech Lubricants Limited is promising. Our expansion plans are aligned with the company vision to leverage the brand equity to assist in sustainable growth. In backward integration, plant production will ensure right product to be delivered in time with enough storage to facilitate our growth.

Our forward integration will enable our products to be sold directly to the end customer with loyalty programs to benefit our users. A three tier model will be introduced based on retail outlets across Pakistan. This one stop shop model will enhance our reach and provide a wide variety of products available to our valued customers.

Our growth rate of top line from the last 5 years has been at an average rate of 24% and a consistent bottom line increase every year. With consistent increase in our top line and earnings, Hi-Tech Lubricants Limited aims to retain its leading posture in the market.

Company's Staff and Customers

We wish to record our appreciation for the hard work and commitment of our employees to the Company's objectives and continued patronage of our customers.

Mr. Hassan Tahir
(Chief Executive)

Mr. Shaukat Hassan
(Chairman)

Lahore
February 17, 2016

**UNCONSOLIDATED CONDENSED
INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

Auditors' Report to the Members

On Review of Unconsolidated Condensed Interim Financial Information

Introduction

We have reviewed the accompanying unconsolidated condensed interim balance sheet of **HI-TECH LUBRICANTS LIMITED** as at 31 December 2015 and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim cash flow statement, unconsolidated condensed interim statement of changes in equity and notes to the accounts for the half year then ended (herein after referred to as "unconsolidated condensed interim financial information"). Management is responsible for the preparation and presentation of this unconsolidated condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this unconsolidated condensed interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial information as of and for the half year ended 31 December 2015 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures of the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income for the quarter ended 31 December 2015 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2015. The figures of the unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income and unconsolidated condensed interim cash flow statement for the half year and quarter ended 31 December 2014 have not been reviewed by any firm of chartered accountants.



RIAZ AHMAD & COMPANY

Chartered Accountants

Name of engagement partner:

Mubashar Mehmood

Date: 17 February 2016
LAHORE

Unconsolidated Condensed Interim Balance Sheet

As at 31 December 2015

	Note	Un-audited 31 December 2015 Rupees	Audited 30 June 2015 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 150,000,000 (30 June 2015: 150,000,000) ordinary shares of Rupees 10 each		1,500,000,000	1,500,000,000
Issued, subscribed and paid-up share capital		870,030,000	870,030,000
Un-appropriated profit		642,790,605	367,451,433
Total equity		1,512,820,605	1,237,481,433
LIABILITIES			
NON-CURRENT LIABILITIES			
Liabilities against assets subject to finance lease	5	16,597,587	25,153,936
Long term deposits		2,000,000	3,000,000
Long term financing	6	523,875	-
Deferred liabilities		119,854	9,029,392
		19,241,316	37,183,328
CURRENT LIABILITIES			
Trade and other payables	7	1,159,362,666	685,294,990
Accrued mark-up		2,597,519	-
Short term borrowings	8	141,330,850	-
Current portion of non-current liabilities		30,136,644	26,454,850
Taxation - net		-	29,269,032
		1,333,427,679	741,018,872
Total liabilities		1,352,668,995	778,202,200
CONTINGENCIES AND COMMITMENTS	9		
TOTAL EQUITY AND LIABILITIES		2,865,489,600	2,015,683,633

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



Chief Executive

	Note	Un-audited 31 December 2015 Rupees	Audited 30 June 2015 Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	10	221,463,079	221,917,657
Investment in subsidiary company	11	924,960,000	776,410,000
Long term loans to employees		1,914,959	2,597,648
Long term security deposits		11,918,500	13,628,100
		1,160,256,538	1,014,553,405
CURRENT ASSETS			
Stock-in-trade	12	1,206,347,496	508,480,910
Trade debts		187,682,869	237,843,235
Loans and advances		106,671,019	108,247,829
Short term deposits and prepayments		19,123,000	15,440,281
Other receivables		94,309,602	44,334,256
Cash and bank balances		91,099,076	86,783,717
		1,705,233,062	1,001,130,228
TOTAL ASSETS		2,865,489,600	2,015,683,633



Director

Unconsolidated Condensed Interim Profit and Loss Account (Un-audited)

For the half year ended 31 December 2015

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2015 Rupees	31 December 2014 Rupees	31 December 2015 Rupees	31 December 2014 Rupees
SALES	3,432,475,102	2,395,790,033	2,025,230,313	1,179,443,100
COST OF SALES	(2,438,798,156)	(1,822,837,229)	(1,431,431,802)	(889,071,305)
GROSS PROFIT	993,676,946	572,952,804	593,798,511	290,371,795
DISTRIBUTION COST	(408,973,558)	(246,304,230)	(245,667,592)	(94,666,631)
ADMINISTRATIVE EXPENSES	(113,263,229)	(81,860,448)	(63,382,689)	(38,530,702)
OTHER EXPENSES	(23,452,615)	(39,065,665)	(14,034,237)	(17,342,515)
	(545,689,402)	(367,230,343)	(323,084,518)	(150,539,848)
OTHER INCOME	2,644,639	46,324,207	1,868,863	42,039,692
PROFIT FROM OPERATIONS	450,632,183	252,046,668	272,582,856	181,871,639
FINANCE COST	(9,324,947)	(13,461,375)	(5,131,473)	(7,465,176)
PROFIT BEFORE TAXATION	441,307,236	238,585,293	267,451,383	174,406,463
TAXATION	(148,567,464)	(59,872,335)	(94,094,157)	(38,693,321)
PROFIT AFTER TAXATION	292,739,772	178,712,958	173,357,226	135,713,142
EARNINGS PER SHARE - BASIC AND DILUTED	3.36	2.38	1.99	1.81

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



Chief Executive



Director

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

For the half year ended 31 December 2015

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2015 Rupees	31 December 2014 Rupees	31 December 2015 Rupees	31 December 2014 Rupees
PROFIT AFTER TAXATION	292,739,772	178,712,958	173,357,226	135,713,142
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that will subsequently be reclassified to profit or loss	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	292,739,772	178,712,958	173,357,226	135,713,142

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


Chief Executive


Director

Unconsolidated Condensed Interim Cash Flow Statement (Un-audited)

For the half year ended 31 December 2015

	Note	HALF YEAR ENDED	
		31 December 2015 Rupees	31 December 2014 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	13	243,807,506	(206,384,461)
Finance cost paid		(6,727,428)	(13,777,650)
Income tax paid		(187,132,190)	(46,353,351)
Net decrease / (increase) in long term loans to employees		951,804	(2,745,636)
Long term security deposits - net		(2,472,300)	(7,746,500)
(Decrease) / increase in long term deposits		(1,000,000)	500,000
Net cash generated from / (used in) operating activities		47,427,392	(276,507,598)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property and equipment		(6,729,278)	(3,115,454)
Capital expenditure on intangible assets		(4,727,320)	(155,000)
Proceeds from disposal of property and equipment		1,409,998	53,950,166
Investment in subsidiary company		(148,550,000)	(107,900,000)
Profit on bank deposits received		980,177	4,813,773
Net cash used in investing activities		(157,616,423)	(52,406,515)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of liabilities against assets subject to finance lease		(10,568,860)	(8,589,582)
Loan from directors - net		-	(3,800,000)
Long term financing obtained		1,143,000	-
Dividend paid		(17,400,600)	(42,501,700)
Short term borrowings - net		141,330,850	170,617,416
Net cash from financing activities		114,504,390	115,726,134
Net increase / (decrease) in cash and cash equivalents		4,315,359	(213,187,979)
Cash and cash equivalents at beginning of the period		86,783,717	321,926,022
Cash and cash equivalents at end of the period		91,099,076	108,738,043

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



Chief Executive



Director

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

For the half year ended 31 December 2015

	SHARE CAPITAL Rupees	UN-APPROPRIATED PROFIT Rupees	TOTAL EQUITY Rupees
Balance as at 30 June 2014 - audited	750,030,000	158,587,965	908,617,965
Transactions with owners:			
Final dividend for the year ended 30 June 2014 @ Rupee 1 per share of Rupees 100 each	-	(7,500,300)	(7,500,300)
1st interim dividend for the year ended 30 June 2015 @ Rupees 4.67 per share of Rupees 100 each	-	(35,001,400)	(35,001,400)
	-	(42,501,700)	(42,501,700)
Profit for the half year ended 31 December 2014	-	178,712,958	178,712,958
Other comprehensive income for the half year ended 31 December 2014	-	-	-
Total comprehensive income for the half year ended 31 December 2014	-	178,712,958	178,712,958
Balance as at 31 December 2014 - un-audited	750,030,000	294,799,223	1,044,829,223
2nd interim dividend for the year ended 30 June 2015 @ Rupees 5.5 per share of Rupees 100 each	-	(41,251,650)	(41,251,650)
3rd interim dividend for the year ended 30 June 2015 @ Rupees 2.5 per share of Rupees 100 each	-	(18,750,750)	(18,750,750)
4th interim dividend for the year ended 30 June 2015 @ Rupees 0.35 per share of Rupees 10 each	-	(26,251,050)	(26,251,050)
Shares issued during the half year ended 30 June 2015	120,000,000	-	120,000,000
	120,000,000	(86,253,450)	33,746,550
Profit for the half year ended 30 June 2015	-	158,905,660	158,905,660
Other comprehensive income for the half year ended 30 June 2015	-	-	-
Total comprehensive income for the half year ended 30 June 2015	-	158,905,660	158,905,660
Balance as at 30 June 2015 - audited	870,030,000	367,451,433	1,237,481,433
Final dividend for the year ended 30 June 2015 @ Rupee 0.20 per share of Rupees 10 each	-	(17,400,600)	(17,400,600)
Profit for the half year ended 31 December 2015	-	292,739,772	292,739,772
Other comprehensive income for the half year ended 31 December 2015	-	-	-
Total comprehensive income for the half year ended 31 December 2015	-	292,739,772	292,739,772
Balance as at 31 December 2015 - un-audited	870,030,000	642,790,605	1,512,820,605

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



Chief Executive



Director

Selected Notes to the Unconsolidated Condensed Interim Financial Information (Un-audited)

For the half year ended 31 December 2015

1. THE COMPANY AND ITS OPERATIONS

Hi-Tech Lubricants Limited ("the 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 registered office of the Company is situated at 1-A, Danepur Road, GOR-1, Lahore. The principal activity of the Company is to import and distribute petroleum products.

The Company is in the process of listing and has issued prospectus on 28 December 2015 for issue of 29,001,000 ordinary shares of the face value of Rupees 10 each. Book building portion and general public portion of the issue comprises of 21,750,500 and 7,250,500 ordinary shares respectively.

2. BASIS OF PREPARATION

This unconsolidated condensed interim financial information is un-audited but subject to limited scope review by the statutory auditors and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984. This unconsolidated condensed interim financial information of the Company for the half year ended 31 December 2015 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This unconsolidated condensed interim financial information should be read in conjunction with the audited annual financial statements of the Company for the year ended 30 June 2015.

3. ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of this unconsolidated condensed interim financial information are the same as applied in the preparation of the preceding audited annual financial statements of the Company for the year ended 30 June 2015.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this unconsolidated condensed interim financial information 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 this unconsolidated condensed interim financial information, 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 financial statements of the Company for the year ended 30 June 2015.

	Un-audited 31 December 2015 Rupees	Audited 30 June 2015 Rupees
5. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE		
Future minimum lease payments	48,577,080	55,432,019
Less: Un-amortized finance charge	2,461,974	3,823,233
Present value of future minimum lease payments	46,115,106	51,608,786
Less: Current portion shown under current liabilities	29,517,519	26,454,850
	16,597,587	25,153,936
6. LONG TERM FINANCING		
Opening balance	-	-
Add: Obtained during the period / year	1,143,000	-
Less: Current portion shown under current liabilities	1,143,000	-
	619,125	-
	523,875	-

6.1 This finance is obtained from a commercial bank under mark-up arrangement and is secured against charge of Rupees 1.270 million over specific machinery of the Company and personal guarantees of directors. This carries mark-up at the rate of 3 months KIBOR plus 2% per annum.

	Un-audited 31 December 2015 Rupees	Audited 30 June 2015 Rupees
7. TRADE AND OTHER PAYABLES		
Creditors	40,086,158	26,321,641
Accrued liabilities	316,349,767	142,843,482
Advances from customers	116,038,526	147,391,831
Payable against letters of credit	447,399,173	248,295,408
Customs duty and other charges payable	173,220,186	78,913,861
Income tax deducted at source	1,541,848	2,924,735
Sales tax payable	63,271,724	37,203,282
Payable to employees' provident fund trust	1,455,284	1,400,750
	1,159,362,666	685,294,990

Selected Notes to the Unconsolidated Condensed Interim Financial Information (Un-audited)

For the half year ended 31 December 2015

	Un-audited 31 December 2015 Rupees	Audited 30 June 2015 Rupees
8. SHORT TERM BORROWINGS		
From banking companies - secured		
Short term running finances (Notes 8.1 and 8.2)	89,077,090	-
Other short term finances (Notes 8.1 and 8.3)	52,253,760	-
	141,330,850	-

8.1 These facilities amounting to Rupees 528.400 million are obtained from commercial banks under mark-up arrangements and are secured against first pari passu hypothecation charge over current assets of the Company, lien over shipping documents and personal guarantees of directors.

8.2 The rates of mark-up range from 3 months KIBOR plus 2% to 3% (30 June 2015: 3 months KIBOR plus 2% to 3%) per annum on balance outstanding.

8.3 The rates of mark-up range from 3 months KIBOR plus 1.75% to 3% (30 June 2015: 3 months KIBOR plus 2% to 3%) per annum on balance outstanding.

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

Corporate guarantees of Rupees 583.534 million (30 June 2015: Rupees 583.534 million) have been given by the Company to the banks in respect of financing to Hi-Tech Blending (Private) Limited - subsidiary company.

	Un-audited 31 December 2015 Rupees	Audited 30 June 2015 Rupees
9.2 Commitments		
For revenue expenditure	136,591,953	678,183,494

	Un-audited 31 December 2015 Rupees	Audited 30 June 2015 Rupees
10. FIXED ASSETS		
Property and equipment:		
Operating fixed assets		
- Owned (Note 10.1)	120,906,009	120,651,623
- Leased (Note 10.2)	60,887,686	62,993,807
Capital work-in-progress (Note 10.3)	181,793,695	183,645,430
	25,226,750	25,226,750
	207,020,445	208,872,180
Intangible assets:		
Computer software (Note 10.4)	14,442,634	13,045,477
	221,463,079	221,917,657
10.1 Operating fixed assets – owned		
Opening book value	120,651,623	140,082,176
Add: Cost of additions during the period / year (Note 10.1.1)	6,729,278	7,173,630
Add: Book value of assets transferred from assets subject to finance lease during the period / year (Note 10.2.1)	783,073	9,517,732
	128,163,974	156,773,538
Less: Book value of deletions during the period / year (Note 10.1.2)	315,000	20,646,926
	127,848,974	136,126,612
Less: Depreciation charged during the period / year	6,942,965	15,474,989
Closing book value	120,906,009	120,651,623
10.1.1 Cost of additions during the period / year		
Furniture and fittings	236,457	1,348,893
Vehicles	173,270	266,525
Office equipment	1,893,668	1,773,411
Computers	4,425,883	3,784,801
	6,729,278	7,173,630
10.1.2 Book value of deletions during the period / year		
Cost:		
Freehold land	-	9,960,787
Buildings on freehold land	-	2,919,588
Vehicles	1,555,457	26,881,193
	1,555,457	39,761,568
Less: Accumulated depreciation	1,240,457	19,114,642
	315,000	20,646,926

Selected Notes to the Unconsolidated Condensed Interim Financial Information (Un-audited)

For the half year ended 31 December 2015

	Un-audited 31 December 2015 Rupees	Audited 30 June 2015 Rupees
10.2 Operating fixed assets – leased		
Opening book value	62,993,807	58,304,886
Add: Cost of additions during the period / year - vehicles	5,372,780	30,756,516
	68,366,587	89,061,402
Less: Book value of assets transferred to owned assets during the period / year (Note 10.2.1)	783,073	9,517,732
	67,583,514	79,543,670
Less: Book value of deletions during the period / year - vehicles	-	1,891,870
	67,583,514	77,651,800
Less: Depreciation charged during the period / year	6,695,828	14,657,993
Closing book value	60,887,686	62,993,807
10.2.1 Book value of assets transferred to owned assets during the period / year		
Cost:		
Generator	-	992,000
Vehicles	1,540,135	16,131,317
	1,540,135	17,123,317
Less: Accumulated depreciation	757,062	7,605,585
	783,073	9,517,732
10.3 Capital work-in-progress		
Advance against purchase of apartment at Islamabad	25,226,750	25,226,750
	25,226,750	25,226,750
10.4 Computer software		
Opening book value	13,045,477	1,388,156
Add: Cost of addition during the period / year	4,727,320	16,200,970
Less: Amortization charged during the period / year	3,330,163	4,543,649
Closing book value	14,442,634	13,045,477
11. INVESTMENT IN SUBSIDIARY COMPANY - AT COST		
Hi-Tech Blending (Private) Limited - unquoted		
10,000,050 (30 June 2015: 10,000,050) fully paid ordinary shares of Rupees 10 each		
Equity held: 100% (30 June 2015: 100%)	100,000,500	100,000,500
Advance against issuance of shares	824,959,500	676,409,500
	924,960,000	776,410,000

	Un-audited 31 December 2015 Rupees	Audited 30 June 2015 Rupees
12. STOCK-IN-TRADE		
Non-synthetic items	877,657,571	418,147,439
Synthetic items	327,484,486	87,119,262
Stock of promotional items	1,205,439	3,214,209
	1,206,347,496	508,480,910

12.1 Stock-in-trade includes stock-in-transit of Rupees 981.046 million (30 June 2015: Rupees 282.671 million) lying at custom bonded warehouses.

	Un-audited Half Year Ended 31 December 2015 Rupees	31 December 2014 Rupees
13. CASH GENERATED FROM / (USED IN) OPERATIONS		
Profit before taxation	441,307,236	238,585,293
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	13,638,793	14,424,020
Amortization on intangible assets	3,330,163	1,665,101
Amortization of deferred income	(136,103)	-
Provision for doubtful trade debts	-	1,565,861
Gain on disposal of property and equipment	(1,094,998)	(41,264,269)
Profit on bank deposits	(980,177)	(4,813,773)
Finance cost	9,324,947	13,461,375
Working capital changes (Note 13.1)	(221,582,355)	(430,008,069)
	243,807,506	(206,384,461)
13.1 Working capital changes		
(Increase) / decrease in current assets:		
Stock-in-trade	(697,866,586)	(185,770,780)
Trade debts	50,160,366	51,969,547
Loans and advances	1,307,695	(87,941,937)
Short term deposits and prepayments	201,581	(3,340,097)
Other receivables	(49,453,087)	(3,147,590)
	(695,650,031)	(228,230,857)
Increase / (decrease) in trade and other payables	474,067,676	(201,777,212)
	(221,582,355)	(430,008,069)

Selected Notes to the Unconsolidated Condensed Interim Financial Information (Un-audited)

For the half year ended 31 December 2015

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 significant transactions with related parties are as follows:

	UN-AUDITED			
	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	Rupees	Rupees	Rupees	Rupees
i. Transactions				
Subsidiary company				
Share deposit money	148,550,000	107,900,000	89,100,000	81,900,000
Associated company				
Share of common expenses	168,318	169,456	76,464	84,728
Other related parties				
Loans repaid to directors	-	4,100,000	-	4,100,000
Loans received from directors	-	300,000	-	300,000
Mark-up on loans from directors	-	8,687,286	-	4,291,092
Rent paid to directors / sponsors	8,259,348	8,259,348	4,129,677	4,129,677
Contribution to employees' provident fund trust	5,110,901	5,428,068	2,557,316	2,740,135
Remuneration of key management personnel	75,877,060	50,084,408	39,745,457	26,370,463
			Un-audited 31 December 2015 Rupees	Audited 30 June 2015 Rupees
ii. Period end balances				
Investment in subsidiary company		924,960,000		776,410,000
Payable to employees' provident fund trust		1,455,284		1,400,750
Other receivable from associated company		76,464		392,047

15. 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 2015.

16. EVENT AFTER THE REPORTING PERIOD AND CORRESPONDING FIGURES

The Board of Directors of the Company have declared an interim dividend of Rs. 1.30 per share at their meeting held on 17 February 2016. This unconsolidated condensed interim financial information 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 unconsolidated condensed interim balance sheet 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 profit and loss account, unconsolidated condensed interim statement of comprehensive income and unconsolidated condensed interim cash flow statement 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.

17. DATE OF AUTHORIZATION FOR ISSUE

This unconsolidated condensed interim financial information was approved by the Board of Directors and authorized for issue on 17 February 2016.

18. GENERAL

Figures have been rounded off to nearest of Rupee.


Chief Executive


Director

**CONSOLIDATED CONDENSED
INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

Condensed Interim Consolidated Balance Sheet

As at 31 December 2015

	Note	Un-audited 31 December 2015 Rupees	Audited 30 June 2015 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 150,000,000 (30 June 2015: 150,000,000) ordinary shares of Rupees 10 (30 June 2015: Rupees 10) each		1,500,000,000	1,500,000,000
Issued, subscribed and paid-up share capital		870,030,000	870,030,000
Un-appropriated profit		617,450,684	350,757,450
Total equity		1,487,480,684	1,220,787,450
LIABILITIES			
NON-CURRENT LIABILITIES			
Liabilities against assets subject to finance lease	5	174,793,936	190,044,550
Long term deposits		2,000,000	3,000,000
Long term financing	6	175,389,861	158,442,399
Deferred liabilities		14,174,916	21,442,561
		366,358,713	372,929,510
CURRENT LIABILITIES			
Trade and other payables	7	1,139,570,355	695,293,525
Loan from directors		85,000,000	20,000,000
Accrued mark-up		10,104,019	4,755,676
Short term borrowings	8	141,330,850	-
Current portion of non current liabilities		157,119,327	123,577,120
Taxation - net		-	21,761,337
		1,533,124,551	865,387,658
Total liabilities		1,899,483,264	1,238,317,168
CONTINGENCIES AND COMMITMENTS	9		
TOTAL EQUITY AND LIABILITIES		3,386,963,948	2,459,104,618

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



Chief Executive

	Note	Un-audited 31 December 2015 Rupees	Audited 30 June 2015 Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	10	1,546,824,634	1,313,648,718
Long term loans to employees		1,914,959	2,597,648
Long term security deposits		96,797,950	94,807,550
		1,645,537,543	1,411,053,916
CURRENT ASSETS			
Stock-in-trade	11	1,206,347,496	508,480,910
Trade debts		187,682,869	237,843,235
Loans and advances		106,671,019	109,932,775
Short term deposits and prepayments		20,859,874	16,894,121
Other receivables		106,020,976	44,334,256
Sales Tax recoverable		21,727,280	28,132,462
Cash and bank balances		92,116,891	102,432,943
		1,741,426,405	1,048,050,702
TOTAL ASSETS		3,386,963,948	2,459,104,618



Director

Condensed Interim Consolidated Profit and Loss Account (Un-audited)

For the half year ended 31 December 2015

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2015 Rupees	31 December 2014 Rupees	31 December 2015 Rupees	31 December 2014 Rupees
SALES	3,432,475,102	2,395,790,033	2,025,230,313	1,179,443,100
COST OF SALES	(2,438,798,156)	(1,822,837,229)	(1,431,431,802)	(889,071,305)
GROSS PROFIT	993,676,946	572,952,804	593,798,511	290,371,795
DISTRIBUTION COST	(408,973,558)	(246,304,230)	(245,667,592)	(94,227,608)
ADMINISTRATIVE EXPENSES	(117,767,861)	(84,027,239)	(64,348,269)	(40,697,493)
OTHER EXPENSES	(23,452,615)	(39,065,665)	(14,034,237)	(17,342,515)
	(550,194,034)	(369,397,134)	(324,050,098)	(152,267,616)
OTHER INCOME	2,846,347	46,324,207	2,036,953	42,039,692
PROFIT FROM OPERATIONS	446,329,259	249,879,877	271,785,366	180,143,871
FINANCE COST	(12,273,946)	(13,521,076)	(7,310,525)	(7,516,874)
PROFIT BEFORE TAXATION	434,055,313	236,358,801	264,474,841	172,626,997
TAXATION	(149,961,479)	(59,872,335)	(95,401,942)	(38,693,321)
PROFIT AFTER TAXATION	284,093,834	176,486,466	169,072,899	133,933,676
EARNINGS PER SHARE - BASIC AND DILUTED	3.27	2.35	1.94	1.79

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



Chief Executive



Director

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

For the half year ended 31 December 2015

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2015 Rupees	31 December 2014 Rupees	31 December 2015 Rupees	31 December 2014 Rupees
PROFIT AFTER TAXATION	284,093,834	176,486,466	169,072,899	133,933,676
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that will subsequently be reclassified to profit or loss	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	284,093,834	176,486,466	169,072,899	133,933,676

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


Chief Executive


Director

Condensed Interim Consolidated Cash Flow Statement (Un-audited)

For the half year ended 31 December 2015

	Note	HALF YEAR ENDED	
		31 December 2015 Rupees	31 December 2014 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	12	214,409,259	(282,317,231)
Finance cost paid		(9,676,427)	(13,777,650)
Income tax paid		(190,883,493)	(46,359,616)
Net increase / (decrease) in long term loans to employees		951,804	(2,745,636)
Long term security deposits - net		(6,172,300)	(7,746,500)
Decrease in long term deposits		(1,000,000)	500,000
Net cash generated from operating activities		7,628,843	(352,446,633)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property and equipment		(222,274,071)	(68,779,397)
Capital expenditure on intangible assets		(4,727,320)	(155,000)
Proceeds from disposal of property and equipment		1,409,998	53,950,166
Profit on bank deposits received		980,177	4,813,773
Net cash used in investing activities		(224,611,216)	(10,170,458)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of liabilities against assets subject to finance lease		(16,782,762)	(8,589,582)
Loan from directors - net		65,000,000	(3,800,000)
Long term loan obtained		34,518,833	-
Dividend paid		(17,400,600)	(42,501,700)
Short term borrowing - net		141,330,850	170,617,416
Net cash used in financing activities		206,666,321	115,726,134
Net decrease in cash and cash equivalents		(10,316,052)	(246,890,957)
Cash and cash equivalents at beginning of the period		102,432,943	358,749,483
Cash and cash equivalents at end of the period		92,116,891	111,858,526

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



Chief Executive



Director

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

For the half year ended 31 December 2015

	SHARE CAPITAL Rupees	UN-APPROPRIATED PROFIT Rupees	TOTAL EQUITY Rupees
Balance as at 30 June 2014 - restated	750,030,000	157,599,382	907,629,382
Transactions with owners:			
Final dividend for the year ended 30 June 2014 @ Rupee 1 per share of Rupees 100 each	-	(7,500,300)	(7,500,300)
1st interim dividend for the year ended 30 June 2015 @ Rupees 4.67 per share of Rupees 100 each	-	(35,001,400)	(35,001,400)
2nd interim dividend for the year ended 30 June 2015 @ Rupees 5.5 per share of Rupees 100 each	-	(41,251,650)	(41,251,650)
	-	(83,753,350)	(83,753,350)
Profit for the half year ended 31 December 2014	-	176,486,466	176,486,466
Other comprehensive income for the half year ended 31 December 2014	-	-	-
Total comprehensive income for the half year ended 31 December 2014	-	176,486,466	176,486,466
Balance as at 31 December 2014 (Un-audited)	750,030,000	250,332,498	1,000,362,498
3rd interim dividend for the year ended 30 June 2015 @ Rupees 2.5 per share of Rupees 100 each	-	(18,750,750)	(18,750,750)
4th interim dividend for the year ended 30 June 2015 @ Rupees 0.35 per share of Rupees 10 each	-	(26,251,050)	(26,251,050)
Shares issued during the year	120,000,000	-	120,000,000
	120,000,000	(45,001,800)	74,998,200
Profit for the half year ended 30 June 2015	-	145,426,752	145,426,752
Other comprehensive income for the half year ended 30 June 2015	-	-	-
Total comprehensive income for the half year ended 30 June 2015	-	145,426,752	145,426,752
Balance as at 30 June 2015 - (Audited)	870,030,000	350,757,450	1,220,787,450
Final dividend for the year ended 30 June 2015 @ Rupee 0.20 per share of Rupees 10 each	-	(17,400,600)	(17,400,600)
Profit for the half year ended 31 December 2015	-	284,093,834	284,093,834
Other comprehensive income for the half year ended 31 December 2015	-	-	-
Total comprehensive income for the half year ended 31 December 2015	-	284,093,834	284,093,834
Balance as at 31 December 2015 (Un-audited)	870,030,000	617,450,684	1,487,480,684

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


Chief Executive


Director

Selected Notes to the Consolidated Condensed Interim Financial Information (Un-audited)

For the half year ended 31 December 2015

1. THE GROUP AND ITS OPERATIONS

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 registered office of the Company is situated at 1-A, Danepur Road, GOR-1, Lahore. The principal activity of the Company is to import and distribute petroleum products.

Hi-Tech Blending (Private) Limited ("the Subsidiary Company") was incorporated in Pakistan as a private company limited by shares under the Companies Ordinance, 1984 on 13 March 2014. The principal activity of the Company is to construct, own and operate lubricating oil blending plant. The registered office of the Company is situated at 1-A, Danepur Road, GOR-1, Lahore. The Company is a wholly owned subsidiary of Hi-Tech Lubricants Limited.

2. BASIS OF PREPARATION

This consolidated condensed interim financial information is un-audited and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984. Consolidated condensed interim financial information of the Group for the half year ended 31 December 2015 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This consolidated condensed interim financial information should be read in conjunction with the audited annual financial statements of the Group for the year ended 30 June 2015.

3. ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of this consolidated condensed interim financial information are the same as applied in the preparation of the preceding audited annual financial statements of the Group for the year ended 30 June 2015.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this consolidated condensed interim financial information 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 this consolidated condensed interim financial information, 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 financial statements of the Group for the year ended 30 June 2015.

	Un-audited 31 December 2015 Rupees	Audited 30 June 2015 Rupees
5. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE		
Future minimum lease payments	276,360,217	277,227,835
Less: Un-amortized finance charge	23,528,682	25,116,522
Present value of future minimum lease payments	252,831,535	252,111,313
Less: Current portion shown under current liabilities	78,037,599	62,066,763
	174,793,936	190,044,550
6. LONG TERM FINANCING		
From banking companies - secured		
Bank Al Habib Limited (Note 6.1)	242,226,589	209,607,796
Habib Metropolitan Bank Limited (Note 6.2)	12,245,000	10,344,960
	254,471,589	219,952,756
Less: Current portion shown under current liabilities	79,081,728	61,510,357
	175,389,861	158,442,399

- 6.1** These term finance facilities, aggregating to Rupees 291.270 million, are secured by first hypothecation charge over all present and future plant and machinery of the Company, corporate guarantee of the Holding Company and personal guarantees of directors of the Company. The finance facilities are repayable in 16 equal quarterly instalments commenced on 31 March 2015 and ending on 03 July 2019. Mark-up is payable quarterly at the rate of 3 months KIBOR plus 2.00% per annum.
- 6.2** This term finance facility of Rupees 13.470 million is secured by specific charge over specific machinery of the Company to the extent of Rupees 22.450 million, corporate guarantee of the Holding Company and personal guarantees of directors of the Company. The finance is repayable in 11 equal quarterly instalments commencing on 08 November 2015 and ending on 08 May 2018. Mark-up is payable quarterly at the rate of 3 months KIBOR plus 2.00% per annum. Effective rate of mark-up charged during the year was 9.26% per annum.

Selected Notes to the Consolidated Condensed Interim Financial Information (Un-audited)

For the half year ended 31 December 2015

	Un-audited 31 December 2015 Rupees	Audited 30 June 2015 Rupees
7. TRADE AND OTHER PAYABLES		
Creditors	53,608,091	52,391,371
Accrued liabilities	320,161,847	146,687,143
Retention money payable	21,112,130	16,929,267
Advances from customers	116,038,526	147,391,831
Payable against letters of credit	447,399,173	248,295,408
Customs duty and other charges payable	173,220,186	78,913,861
Income tax deducted at source	6,437,713	3,146,489
Payable to employees' provident fund trust	1,455,284	1,400,750
Due to directors	137,405	137,405
	1,139,570,355	695,293,525
8. SHORT TERM BORROWINGS		
From banking companies - secured		
Short term running finances (Notes 8.1 and 8.2)	52,253,760	-
Other short term running finances (Notes 8.1 and 8.3)	89,077,090	-
	141,330,850	-

8.1 These facilities amounting to Rupees 528.400 million are obtained from commercial banks under mark-up arrangements and are secured against first pari passu hypothecation charge over current assets of the Company, in addition to shipping documents and personal guarantees of directors.

8.2 The rates of mark-up range from 3 months KIBOR plus 2% to 3% (30 June 2015: 3 month KIBOR plus 2% to 3%) per annum on balance outstanding.

8.3 The rates of mark-up range from 3 months KIBOR plus 1.75% to 3% (30 June 2015: 3 month KIBOR plus 2% to 3%) per annum on balance outstanding.

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

9.1.1 Corporate guarantees of Rupees 583.534 million (30 June 2015: Rupees 583.534 million) have been given by the Company to the banks in respect of financing to Hi-Tech Blending (Private) Limited, subsidiary company.

9.1.2 There were no contingencies of the Group as on the balance sheet date other than disclosed below.

9.1.3 The Company has recorded sales tax recoverable of Rupees 1,351,179 paid on supplies and services used in construction of plant building. Whereas, under the Sales Tax Act, 1990 the same is not claimable. The management is currently in the process of filing writ petition for allowability of the sales tax paid on supplies and services used in construction of building. However, if allowability is not accepted the carrying amount of capital work-in- process would be increased by the same amount. It has not impact on loss for the year.

	Un-audited 31 December 2015 Rupees	Audited 30 June 2015 Rupees
9.2 Commitments		
For capital expenditure	77,270,175	127,270,175
For other than capital expenditure	136,591,953	678,183,494
10. FIXED ASSETS		
Property and equipment:		
Operating fixed assets		
- Owned (Note 10.1)	302,080,139	309,275,461
- Leased (Note 10.2)	86,773,910	71,211,682
Capital work-in-progress (Note 10.3)	388,854,049	380,487,143
	1,142,920,775	919,433,025
	1,531,774,824	1,299,920,168
Intangible assets:		
Computer software (Note 10.4)	15,049,810	13,728,550
	1,546,824,634	1,313,648,718
10.1 Operating Fixed Assets – Owned		
Opening book value	309,275,461	287,237,979
Add: Cost of additions during the period / year (Note 10.1.1)	8,633,793	55,478,601
Add: Book value of assets transferred from assets subject to finance lease during the period / year (Note 10.2.1)	783,073	9,517,732
	318,692,327	352,234,312
Less: Book value of deletions during the period / year (Note 10.1.2)	9,414,001	27,029,639
	309,278,326	325,204,673
Less: Depreciation charged during the period / year	7,198,187	15,929,212
Closing book value	302,080,139	309,275,461
10.1.1 Cost Of Additions During The Period / Year		
Freehold land	1,200,000	28,450,905
Furniture and fixtures	337,413	1,729,836
Vehicles	173,270	17,794,207
Office equipment	2,478,465	3,196,687
Computers	4,444,645	4,306,966
	8,633,793	55,478,601

Selected Notes to the Consolidated Condensed Interim Financial Information (Un-audited)

For the half year ended 31 December 2015

	Un-audited 31 December 2015 Rupees	Audited 30 June 2015 Rupees
10.1.2 Book Value Of Deletions During The Period / Year		
Cost		
Freehold land	-	9,960,787
Building on freehold land	-	2,919,588
Vehicles	10,853,459	30,314,410
	10,853,459	43,194,785
Less: Accumulated depreciation	1,439,458	16,165,146
	9,414,001	27,029,639
10.2 Operating Fixed Assets – Leased		
Opening book value	71,211,682	58,304,886
Add: Cost of additions during the period / year	23,809,462	39,576,016
	95,021,144	97,880,902
Less: Book value of assets transferred to owned assets during the period / year (Note 10.2.1)	783,073	9,517,732
	94,238,071	88,363,170
Less: Book value of deletions during the period / year	-	1,891,870
	94,238,071	86,471,300
Less: Depreciation charged during the period / year	7,464,161	15,259,618
Closing book value	86,773,910	71,211,682
10.2.1 Book value of assets transferred to owned assets during the period / year		
Cost		
Generator	-	992,000
Vehicles	1,540,135	16,131,317
	1,540,135	17,123,317
Less: Accumulated depreciation	757,062	7,605,585
	783,073	9,517,732
10.3 Capital Work-In-Progress		
Construction of Blending Plant and others	1,142,920,775	919,433,025
	1,142,920,775	919,433,025
10.4 Computer Software		
Opening book value	13,728,550	1,388,156
Add: Cost of addition during the period / year	4,727,320	16,959,940
Less: Amortization charged during the period / year	3,406,060	4,619,546
Closing book value	15,049,810	13,728,550

	Un-audited 31 December 2015 Rupees	Audited 30 June 2015 Rupees
11. STOCK-IN-TRADE		
Non-synthetic items	877,657,571	418,147,439
Synthetic items	327,484,486	87,119,262
Stock of promotional items	1,205,439	3,214,209
	1,206,347,496	508,480,910

11.1 Stock-in-trade includes stock-in-transit of Rupees 981.146 million (30 June 2015: Rupees 282.671 million) lying at custom bonded warehouses.

	Un-audited Half Year Ended 31 December 2015 Rupees	31 December 2014 Rupees
12. CASH GENERATED FROM OPERATIONS		
Profit before taxation	434,055,313	234,403,280
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	14,407,126	14,424,020
Amortization on intangible assets	3,406,060	1,665,101
Amortization of deferred income	(337,811)	-
Provision for doubtful trade debts	-	1,565,861
Gain on disposal of property and equipment	(1,094,998)	(41,264,269)
Profit on bank deposits and short term investment	(980,177)	(4,813,773)
Finance cost	12,273,946	13,461,375
Cash flows from operating activities before working capital changes	461,729,459	219,441,595
(Increase) / decrease in current assets:		
Stock-in-trade	(697,866,586)	(185,770,780)
Trade debts	50,160,366	51,969,547
Loans and advances	(761,452)	(159,300,946)
Short term deposits and prepayments	(81,453)	(3,351,537)
Other receivables	(49,453,087)	(3,147,590)
Sales Tax recoverable	(19,663,260)	-
	(717,665,472)	(299,601,306)
(Decrease) / increase in trade and other payables	470,345,272	(202,157,520)
	214,409,259	(282,317,231)

Selected Notes to the Consolidated Condensed Interim Financial Information (Un-audited)

For the half year ended 31 December 2015

13. TRANSACTIONS WITH RELATED PARTIES

Related parties 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:

	UN-AUDITED			
	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	Rupees	Rupees	Rupees	Rupees
i. Transactions				
Subsidiary company				
Share deposit money	148,550,000	107,900,000	89,100,000	81,900,000
Associated company				
Share of common expenses	168,318	169,456	76,464	84,728
Other related parties				
Loans repaid to directors	-	4,100,000	-	4,100,000
Loans received	65,000,000	300,000	40,000,000	300,000
Mark-up on loans from directors	2,304,170	8,687,286	2,304,170	4,291,092
Rent expense	8,259,348	8,259,348	4,129,677	4,129,677
Contribution to employees provident fund	5,110,901	5,428,068	2,557,316	2,740,135
Directors Remuneration	79,877,060	50,084,408	40,745,457	26,370,463
			Un-audited 31 December 2015 Rupees	Audited 30 June 2015 Rupees
ii. Period end balances				
Investment in subsidiary company		924,960,000		776,410,000
Payable to employees' provident fund trust		1,455,284		1,400,750
Other receivable from associated company		76,464		392,047

14. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual financial statements of the Company for the year ended 30 June 2015.

15. EVENT AFTER THE REPORTING PERIOD AND CORRESPONDING FIGURES

The Board of Directors of the Company have declared an interim dividend of Rs. 1.30 per share at their meeting held on 17 February 2016. This consolidated condensed interim financial information 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 balance sheet 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 profit and loss account, consolidated condensed interim statement of comprehensive income and consolidated condensed interim cash flow statement 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.

17. DATE OF AUTHORIZATION FOR ISSUE

This consolidated condensed interim financial information was approved by the Board of Directors and authorized for issue on 17 February 2016.

18. GENERAL

Figures have been rounded off to nearest of Rupee.


Chief Executive


Director

hitechlubricants.com



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