

## **Company Information**

#### **BOARD OF DIRECTORS**

Shaukat Hassan

Chairman

(Non Executive Director)

Hassan Tahir

(Chief Executive Officer)

Mohammad Ali Hassan

(Executive Director)

Muhammad Tabassum Munir

(Independent Director)

Sved Asad Abbas Hussain

(Independent Director)

Dr. Safdar Ali Butt

(Independent Director)

Tahir Azam

(Non Executive Director)

Zalmai Azam

(Non Executive Director)

Faraz Akhtar Zaidi

(Non Executive Director)

Ji Won Park

(SK Lubricants' Nominee Director)

#### CHIEF FINANCIAL OFFICER

Muhammad Imran

#### **COMPANY SECRETARY**

Fraz Amjad Khawaja

#### **EXTERNAL AUDITORS**

Riaz Ahmad & Co.

Chartered Accountants

#### **INTERNAL AUDITORS**

EY Ford Rhodes Sidat Hyder

**Chartered Accountants** 

#### REGISTERED OFFICE

1-A, Danepur Road, GOR-1

Lahore

+92-42-111-645-645

Fax: +92-42-3631-18-14

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www.hitechlubricants.com

#### AUDIT COMMITTEE

Muhammad Tahassum Munir

Chairman / Member

Dr. Safdar Ali Butt

Mamhar

Shaukat Hassan

Member

Tahir Azam

Memher

7almai Azam

Memher

#### **HR & REMUNERATION COMMITTEE**

Tahir Azam

Chairman / Member

Shaukat Hassan

Member

Mohammad Ali Hassan

Member

Zalmai Azam

Memher

#### **LEGAL ADVISOR**

Mr. Ijaz Lashari

#### **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

United Bank Limited

The Bank of Punjab

Meezan Bank Limited

### **Directors' Report**

The Directors of the Company are pleased to submit the third quarter report along with the condensed interim financial information of the Company for the nine months period ended March 31, 2017.

The Pakistan economy is showing healthy signs coupled with stable currency, improved law and order situation and continued low inflation with conducive business environment

We are pleased to report the following results delivering good topline growth and improved profitability.

#### **Financial and Operational Performance**

The comparison of the un-audited financial results for the nine months ended March 31, 2017 as against March 31, 2016 is as follows:

All figures in millions of Pak Rs	Jul - Mar	Jul- Mar	Change	Jul - March	Jul- Mar	Change
unless specifically stated otherwise	2017	2016	_	2017	2016	
	U	In consolidate	d		Consolidated	
Net Sales	5,657	4,952	+14.2%	5,657	4,952	+14.2%
Gross Profit	1,448	1,408	+2.8%	1,563	1,408	+11%
% of sales	25.6%	28.4%		27.6%	28.4%	
Profit from Operations	776	672	+15.5%	882	667	+32.2%
% of sales	13.7%	13.6%		15.5%	13.5%	
Profit before Tax	752	656	+14.6%	827	647	+27.8%
% of sales	13.3%	13.2%		14.6%	13.1%	
Profit after Tax	556	450	+23.6%	627	441	+42.2%
% of sales	9.8%	9.1%		11.1%	8.9%	
EPS-Basic (PRs)	4.80	5.01	-4.2%	5.40	4.91	+10%

#### Sales

The sales revenue grew by PKR 705 million yielded a growth of +14.2% largely driven by volumes (+14.5%).

#### **Gross profits**

We delivered a healthy margin of 27.6% (consolidated) owing to better product mix and relatively stable Pak Rupee. The margin decreased marginally due to increase in international market prices; however the impact is not passed on to consumers.

#### Operating profits

We delivered an operating profit of 15.5% as a percentage of sales (+200bps). This was achieved through effective cost management.

#### Net profit after tax and earning per share

Our net profit after tax stood at PKR 627 million registering a strong growth of +42.2%. The consolidated earnings per share increased to Rs. 5.40 per share (+10%). This net profit increase envisaged due to core operations without any part of IPO related activities.

## **Directors' Report**

#### **Future Outlook**

We are confident that the company will be able to remain ahead and our focus remains on sustainable profit growth through effective marketing and distribution of products in trade with efficient working capital management. The development of HTL Express center that are state of the art retail outlets across Pakistan with multitude of unique services and technical support is expected to be launched by May, 2017.

#### **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 April 22, 2017

# ڈائر یکٹران کی رپورٹ برائے صصداران

ہائی ٹیک لبریکیٹس لمیٹٹر کے ڈائر کیٹران اینے حصص داران کے سامنے برائے تیسرے سہ ماہی کٹتنہ 31 مارچ 2017 کمپنی کی انفرادی اوراجتاعی منجد عبوری مالیاتی معلومات کے ساتھ ساتھ تیسری سہ ماہی اور نو ماہی رپورٹ کوانتہائی مسرت کے ساتھ پیش کررہے ہیں۔

یا کتان کی معیشت مشخکم کرنبی ، بهتر امن وامان اورگرتے ہوئے افراط زرکے پیش نظر ساز گار کار و باری ماحول پیش کررہی ہے۔

فنانشل اورآ مریشنل کارکردگی

فروخيت

مجوی بنیادوں برسال2017-2016 کی نو ماہی کے دوران گزشتہ سال کی مدت کی پینسبت فروخت مجم میں 14.5%اظافیہ کے ساتھ 705 ملین یا کتانی رویے رہی جو کہ % 14.2 ذیادہ ہے ۔

## مجموعي منافع

کمپنی نے مجموعی بنیادوں پربہتر متفرق مصنوعات اور متحکم پاکستانی کرنبی کی بنیاد پر% 27.6 منافع حاصل کیا۔ بین الاقوامی مصنوعات کی قبیتوں میں اضافے کے سب مجموعی مارجن میں معمولی کی آئی۔ مارکیٹ صورتحال کی وجہ سے مذکورہ اضافے صارفین کومتا ترنہیں کر سکے۔

# آ مریشنز کی بدولت حاصل شد ه منافع

آپریشنز کی بدولت حاصل شده منافع 2% ا اظافہ کے ساتھ نقذ فروخت کا% 15.5ر وا۔ یہ بہتر لاگت کے توازن کی وجہ سے حاصل کیا گیا۔

### خالص منافع

ہماراخالص منافع %2.24اظافہ کے ساتھ 627 ملین پاکستانی رویے رہا۔ مجموعی بنیادوں پر فی حصص آمد نی 5.40 پاکستانی رویے رہی، (%10 ذیادہ)۔ اس منافع کی وجہ پینی کے بنیادی آپریشنزینے، جس میں ۱۳۵سے متعلقہ سرگرمیوں کا حصہ ثنامل نہیں۔

### مستقبل كانقط نظر

ہم پرامید ہیں کہ مپنی آگے بڑھے گی اور ہماری توجہ ہمیشہ یائیدارمنافع کی شرع بڑھانے ،مصنوعات کی بلانقطل فراہمی،موئز مارکیٹنگ اورسرمایہ کے بہتر استعال پرمرکوز رہے گی۔ بہترین جدت طرازی کےنشان کے ساتھ ایچ ٹی امل ایکسپرلیں سینٹرز، ملک بھرمیں خصوصی خدمات وتیکنکی معاونت بر مامور ہمارے مجوزہ جدید سہولیات ہے آ راستہ آؤٹ لیٹ متوقع طور برمئی 2017 تک کام کا آغاز کردےگا۔

# سميني كاعملهاورصارفين

کمپنی کے نیک مقاصد کیلیے ہم اپنے ملاز مین کی تخت محنت اورمستقل وابستگی اوراپنے صارفین کی سلسل سریرستی ورہنمائی بران کوٹراج تحسین پیش کرتے ہیں۔

Show جناب شوکت حسن<sup>ہ</sup> (چیئر مین آف بورڈ)

جناب حسن طاہر چيف ايگزيکڻو آفيسر لاجور،

ايرىل 2017،22ء

# **Unconsolidated Condensed Interim Balance Sheet (Un-audited)**

As at 31 March 2017

EQUITY AND LIABILITIES SHARE CAPITAL AND RESERVES	Note	Un-Audited March31, 2017 Rupees	Audited June 30, 2016 Rupees
Authorised share capital 150,000,000 (2016: 150,000,000) ordinary shares of Rupees 10 (2016: Rupees 10) each		1,500,000,000	1,500,000,000
Issued, subscribed and paid-up share capital Reserves Total equity		1,160,040,000 2,413,795,372 3,573,835,372	1,160,040,000 2,170,608,975 3,330,648,975
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing Liabilities against assets subject to finance lease Long term deposits		15,423,332 67,013,962 2,000,000 84,437,294	1,030,125 15,174,991 2,000,000 18,205,116
CURRENT LIABILITIES			
Trade and other payables Shrot Term Borrowings Accrued mark-up Current portion of non-current liabilities Taxation - net  Total liabilities	5 6	1,221,837,487 388,928,851 10,056,745 38,240,512 35,044,006 1,694,107,601	583,597,337 - 542,912 21,751,630 34,249,757 640,141,636 658,346,752
Total nabindes		1,778,544,895	658,346,752
CONTINGENCIES AND COMMITMENTS TOTAL EQUITY AND LIABILITIES	7	5,352,380,267	3,988,995,727

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

**Chief Executive** 

Director

ASSETS		Un-Audited March31, 2017	Audited June 30, 2016
NON-CURRENT ASSETS	Note	Rupees	Rupees
Fixed assets Investment in subsidiary company Long term loans to employees Long term security deposits	8 9	829,634,448 1,873,310,000 1,363,449 31,570,656 2,735,878,553	336,039,321 1,102,760,000 3,235,345 13,503,685 1,455,538,351
CURRENT ASSETS			
Stock in Trade Trade debts Loans and advances Short term deposits and prepayments Other receivables Short Term Investments Cash and bank balances		701,886,135 198,764,093 229,946,648 22,637,580 10,352,507 1,266,427,479 186,487,272 2,616,501,715	663,264,775 151,782,449 58,790,666 13,684,348 508,913 1,458,562,799 186,863,426 2,533,457,376
TOTAL ASSETS		5,352,380,267	3,988,995,727

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

For the Quarter and Nine Months Period Ended 31 March 2017

	NINE MONTHS ENDED		QUARTER ENDED		
	31 March	31 March	31 March	31 March	
	2017	2016	2017	2016	
	Rupees	Rupees	Rupees	Rupees	
SALES - net	6,413,575,933	6,294,320,066	2,031,121,203	1,833,738,675	
SALES TAX	(757,015,320)	(1,341,885,581)	(155,345,603)	(313,779,290)	
NET SALES	5,656,560,613	4,952,434,486	1,875,775,600	1,519,959,385	
COST OF SALES	(4,208,542,126)	(3,544,271,514)	(1,394,365,511)	(1,105,473,357)	
GROSS PROFIT	1,448,018,487	1,408,162,972	481,410,089	414,486,028	
DISTRIBUTION COST	(529,666,831)	(531,507,037)	(138,578,799)	(122,533,479)	
ADMINISTRATIVE EXPENSES	(195,626,291)	(185,359,655)	(64,985,191)	(72,096,439)	
OTHER EXPENSES	(18,681,526)	(28,697,122)	(3,661,232)	(5,244,507)	
	(743,974,648)	(745,563,814)	(207,225,222)	(199,874,425)	
OTHER INCOME	71,903,143	9,586,204	20,558,401	6,941,566	
PROFIT FROM OPERATIONS	775,946,982	672,185,362	294,743,268	221,553,169	
FINANCE COST	(23,490,439)	(16,335,837)	(12,977,175)	(7,010,889)	
PROFIT BEFORE TAXATION	752,456,543	655,849,525	281,766,093	214,542,280	
TAXATION	(196,059,346)	(206,096,652)	(66,720,863)	(57,529,188)	
PROFIT AFTER TAXATION	556,397,197	449,752,873	215,045,230	157,013,092	
BASIC EARNINGS PER SHARE	4.80	5.01	1.85	1.75	
DASIC EARININGS PER SHARE	4.00	3.01	1.00	1./0	

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





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

For the Quarter and Nine Months Period Ended 31 March 2017

	NINE MONT	'HS ENDED	QUARTE	R ENDED
	31 March	31 March	31 March	31 March
	2017 Rupees	2016 Rupees	2017 Rupees	2016 Rupees
	Nupooo	Паросо	rtupooo	Napooo
PROFIT AFTER TAXATION	556,397,197	449,752,873	215,045,230	157,013,092
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	556,397,197	449,752,873	215,045,230	157,013,092

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





# **Unconsolidated Condensed Interim** Cash Flow Statement (Un-audited) For the Nine Months Period Ended 31 March 2017

CASH FLOWS FROM OPERATING ACTIVITIES		31 March 2017 RUPEES	31 March 2016 RUPEES
Cash generated from operations	10	1,049,078,452	473,999,876
Finance cost paid Income tax paid Net decrease in long term loans to employees Long term security deposits - net Increase in long term deposits Net cash generated from operating activities		(13,976,606) (195,265,097) 2,645,408 (17,492,771) 	(11,241,703) (235,365,684) 289,110 (2,831,785) (1,000,000) 223,849,814
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property and equipment Capital expenditure on intangible assets Proceeds from disposal of property and equipment Investment in subsidiary company Proceeds from short term investment Profit on bank deposits received Net cash used in investing activities		(494,690,244) (1,317,849) 67,490,908 (770,550,000) 192,135,320 61,493,153 (945,438,712)	(117,857,516) (12,789,646) 1,997,800 (159,250,000) (1,600,000,000) 7,573,296 (1,880,326,066)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of liabilities against assets subject to finance lease Proceeds from issue of share capital - net Dividend paid Proceed from long term financing Repayment of long term financing Short term borrowing - net		(134,478,806) - (156,481,749) 23,135,000 (1,030,125) 388,928,851	(68,863,191) 1,741,183,278 (17,400,600) - - 56,778,836
Net cash used in financing activities		120,073,171	1,711,698,323
Net decrease in cash and cash equivalents		(376,154)	55,222,071
Cash and cash equivalents at beginning of the period  Cash and cash equivalents at end of the period		186,863,426 186,487,272	86,783,717
סמסוו מווע סמסוו בקעווימוכוונס מג כווע טו נווכ ףכווטע		100,401,212	172,000,100

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

**Chief Executive** 

Director

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

For the Nine Months Period Ended 31 March 2017

		RESERVES			
	SHARE	CAPITAL RESERVE	REVENUE RESERVE		
	CAPITAL	SHARE PREMIUM	UN-APPROPRIATED PROFIT	TOTAL RESERVES	TOTAL EQUITY
	(		Rupees		)
Balance as at 30 June 2015 (audited)	870,030,000		367,451,433	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 Shares issued during the year 29,001,000 shares of Rs.	-	-	(17,400,600)	(17,400,600)	(17,400,600)
10 each Share Premium	290,010,000	1,522,552,500	-	1,522,552,500	290,010,000 1,522,552,500
Expenses incurred on issuance of shares	-	(71,379,222)	-	(71,379,222)	(71,379,222)
Interim cash dividend for six months period ended 31 December 2015 @ Rupees 1.30 per share of Rupees 10 each	-	-	(150,805,200)	(150,805,200)	(150,805,200)
	290,010,000	1,451,173,278	(168,205,800)	1,282,967,478	1,572,977,478
Profit for nine months period ended 31 March 2016 Other comprehensive income for nine months period ended 31 March 2016		-	449,752,873	449,752,873	449,752,873
Total comprehensive income for nine months period ended 31 March 2016	-		449,752,873	449,752,873	449,752,873
Balance as at 31 March 2016 (Un-audited)	1,160,040,000	1,451,173,278	648,998,506	2,100,171,784	3,260,211,784
Balance as at 30 June 2016 (audited)	1,160,040,000	1,441,697,946	728,911,029	2,170,608,975	3,330,648,975
Profit for nine months period ended 31 March 2017 Other comprehensive income for nine months period		-	556,397,197	556,397,197	556,397,197
ended 31 March 2017	-	-		-	-
Final dividend for the year ended 30 June 2016 @ Rupees 1.35 per share of Rupees 10 each		-	(156,605,400)	(156,605,400)	(156,605,400)
Interim cash dividend for the period ended 31 December 2016 @ Rupees 1.35 per share of Rupees 10 each	-	-	(156,605,400)	(156,605,400)	(156,605,400)
Net addition in reserves for nine months period ended 31 March 2017		-	243,186,397	243,186,397	243,186,397
Balance as at 31 March 2017 (Un-audited)	1,160,040,000	1,441,697,946	972,097,426	2,413,795,372	3,573,835,372

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

**Chief Executive** 

For the Nine Months Period Ended 31 March 2017

#### 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 shares of the Company are 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 import and distribute petroleum products.

During the year, the Company has made an Initial Public Offer (IPO) through issue of 29,001,000 ordinary shares of Rupees 10 each at a price of Rupees 62.50 per share determined through book building process. Out of the total issue of 29,001,000 ordinary shares, 21,750,500 shares were subscribed through book building by High Net Worth Individuals and Institutional Investors, while the remaining 7,250,500 ordinary shares were subscribed by the General Public and the shares have been duly allotted on 18 February 2016. On 01 March 2016, Pakistan Stock Exchange Limited has approved the Company's application for formal listing of ordinary shares and trading of shares started on 03 March 2016

#### 2. BASIS OF PREPARATION

This unconsolidated condensed interim financial information is un-audited 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 nine month ended 31 March 2017 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 company for the year ended 30 June 2016. Selected explanatory notes are included to explain events and transactions that are significant to and understanding of the changes in the Company's financial position and performance since the last financial statements.

#### 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 as at and for the year ended 30 June 2016.

#### 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 2016.

I In-Audited

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For the Nine Months Period Ended 31 March 2017

		On-Audited	Audited
		31 March	30 June
		2017	2016
		Rupees	Rupees
5.	TRADE AND OTHER PAYABLES		
	Creditors	590,894,507	158,279,683
	Accrued liabilities	144,947,878	140,211,383
	Advances from customers	188,463,880	130,872,499
	Retention money payable	-	134,311
	Customs duty and other charges payable	134,198,561	74,217,825
	Income tax deducted at source	3,940,731	9,696,944
	Sales tax payable	-	69,320,229
	Dividend payable	156,605,400	-
	Unclaimed dividend	988,114	864,463
	Payable to employees' provident fund trust	1,798,416	
		1,221,837,487	583,597,337
6.	SHORT TERM BORROWINGS		
	From banking companies - secured		
	Running finances	239,560,112	-
	Running Musharika	149,368,740	
		388,928,851	

#### 7. CONTINGENCIES AND COMMITMENTS

#### 7.1 Contingencies

7.1.1 The Additional Commissioner Inland Revenue issued an assessment order for the tax year 2009 under section 122 (5A) of the Income Tax Ordinance, 2001 by creating a demand of Rupees 11.004 million on various grounds. Against the alleged order, the Company filed an appeal before the Commissioner Inland Revenue (Appeals). The Commissioner Inland Revenue (Appeals) decided the case by deleting some of the provisions of the order whereby the tax demand has been reduced to Rupees 2.911 million which is mainly on account of non-deduction of withholding tax. Being aggrieved with order of the Commissioner Inland Revenue (Appeals), the Company has filed appeal before the Appellant Tribunal Inland Revenue (ATIR). During the period, ATIR remanded back all the issues assailed in appeal to the department for adjudication afresh, and consequently the entire tax demand stands vacated.

- **7.1.2** Guarantees of Rupees 10.000 million (30 June 2016: Rupees Nil) 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 2.314 million (30 June 2016: Rupees Nil) are given by the bank of the Company to Chairman, Punjab Revenue Authority, Lahore against disputed amount of infrastructure cess.
- 7.1.4 Corporate guarantees of Rupees 1,253.470 million (30 June 2016: Rupees 855.000 million) have been given by the Company to the banks in respect of financing to Hi-Tech Blending (Private) Limited subsidiary company.

7.2	Commitments	Un-Audited 31 March 2017 Rupees	Audited 30 June 2016 Rupees
	Contracts for capital expenditure	75,294,009	3,616,368
	Letters of credit other than capital expenditure	307,606,454	340,535,013
8.	FIXED ASSETS		
	Property and equipment:		
	Operating fixed assets - Owned (Note 8.1) - Leased (Note 8.2)	580,410,857 106,233,049 686,643,906	239,293,518 42,898,138 282,191,656
	Capital work-in-progress (Note 8.3)	134,164,492	41,263,928
	Intangible assets:	820,808,398	323,455,584
	Computer softwares (Note 8.4)	8,826,050	12,583,737
8.1	Operating fixed assets – owned	829,634,448	336,039,321
	Opening book value	239,293,517	120,651,623
	Add: Cost of additions during the period / year (Note 8.1.1) Add: Book value of assets transferred from assets subject to	420,402,753	124,150,830
	finance leaseduring the period / year (Note 8.2.2)	1,193,890	14,006,764
		660,890,160	258,809,217
	Less: Book value of deletions during the period / year (Note 8.1.2)	64,107,255	4,357,922
		596,782,905	254,451,295
	Less: Depreciation charged during the period / year	16,372,048	15,157,777
	Closing book value	580,410,857	239,293,518

		Un-Audited 31 March	Audited 30 June
		2017	2016
8.1.1	Cost of additions during the period / year	Rupees	Rupees
	Freehold land	354,987,315	109,326,530
	Furniture and fittings	822,611	408,002
	Vehicles	61,718,922	625,195
	Office equipment	1,195,970	4,934,030
	Computers	1,677,935	8,857,073
		420,402,753	124,150,830
8.1.2	Book value of deletions during the period / year		
	Cost:		
	Vehicles	78,505,173	3,073,657
	Office equipment	106,343	5,740,245
	Computers	117,500	567,128
		78,729,016	9,381,030
	Less: Accumulated depreciation	14,621,761	5,023,108
		64,107,255	4,357,922
8.2	Operating fixed assets – leased		
	Opening book value	42,898,138	62,993,807
	Add: Cost of additions during the period / year (Note 8.2.1)	72,499,121	10,618,090
		115,397,259	73,611,897
	Less: Book value of assets transferred to owned assets		
	during the period / year (Note 8.2.2)	1,193,890	14,006,764
		114,203,369	59,605,133
	Less: Depreciation charged during the period / year	7,970,320	16,706,995
	Closing book value	106,233,049	42,898,138
8.2.1	Cost of additions during the period / year		
	Generator	1,698,360	-
	Vehicles	70,800,761	10,618,090
		72,499,121	10,618,090
8.2.2	Book value of assets transferred to owned assets during the period / year		
	Cost:		
	Vehicles	2,438,500	21,240,386
	Less: Accumulated depreciation	1,244,610	7,233,622
		1,193,890	14,006,764

8.3	Capital work-in-progress	Un-Audited 31 March 2017 Rupees	Audited 30 June 2016 Rupees
	Advance against purchase of apartment Advance for purchase of vehicle Civil works Unallocated expenditures	25,226,750 9,736,000 59,914,509 39,287,232 134,164,492	25,226,750 2,015,505 8,451,580 5,570,093 41,263,928
8.4	Computer software  Opening book value  Add: Cost of addition during the period / year  Less: Amortization charged during the period / year  Closing book value	12,583,737 1,317,849 5,075,536 8,826,050	13,045,477 5,984,979 6,446,719 12,583,737
9.	INVESTMENT IN SUBSIDIARY COMPANY - AT COST  Hi-Tech Blending (Private) Limited - unquoted 10,000,050 (2016: 10,000,050) fully paid ordinary shares of Rupees 10 each Equity held 100% (2016: 100%) Advance against issuance of shares	100,000,500 1,773,309,500	100,000,500 1,002,759,500
10.	CASH GENERATED FROM OPERATIONS	1,873,310,000 Un-Audited 31 March 2017 Rupees	1,102,760,000 Un-Audited 31 March 2016 Rupees
	Profit before taxation	752,456,543	655,849,525
	Adjustments for non-cash charges and other items:		
	Depreciation on operating fixed assets  Amortization on intangible assets  Amortization of deferred income  Gain on disposal of property and equipment  Profit on bank deposits and short term investments  Finance cost  Unrealised income on remeasurement of investments at fair value	24,342,368 5,075,536 - (3,293,821) (61,493,153) (23,490,440) (6,429,424)	20,883,037 4,983,151 (204,155) (1,142,982) (7,573,296) 16,335,837
	Cash flows from operating activities before working capital changes  Working capital changes  (Increase) / decrease in current assets:  Stock-in-trade	(38,621,360)	689,131,117
	Trade debts Loans and advances Short term deposits and prepayments Other receivables	(36,321,360) (46,981,644) (171,929,476) (8,953,232) (9,843,594) (276,329,306)	135,435,922 6,943,807 6,190,376 (60,059,334) (609,092,893)
	Decrease in trade and other payables	638,240,150 1,049,078,452	393,961,652 473,999,876

For the Nine Months Period Ended 31 March 2017

#### 11. 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:

Relationship		NINE MON	THS ENDED	QUARTER ENDED	
	Nature of transaction	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Subsidiary company					
Hi-Tech Blending	Share deposit money	770,550,000	159,250,000		10,700,000
Til Toon bioliding	Sale of lubricants	1,483,008,085	-	672,810,912	-
Associated companies					
MAS Associates (Private) Limited	Share of common expenses	527,035	255,592	90,936	87,274
SK Lubricants Company Limited	Purchase of lubricants	2,509,958,103	-	321,234,386	-
Other related parties					
Directors	Rent expense	12,389,022	13,047,307	4,129,674	4,787,959
Provident fund trust	Contribution	8,575,787	7,880,071	3,005,558	2,769,161
Donation to Sabra, Hameeda Trust		9,000,000	8,000,000	6,000,000	2,500,000
Remuneration of Key Management Personnel		127,662,967	45,974,889	31,214,266	16,194,920

#### 12. 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 2016.

#### 13 CORRESPONDING FIGURES

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

#### 14. DATE OF AUTHORIZATION FOR ISSUE

This unconsolidated condensed interim financial information was approved by the Board of Directors and authorized for issue on 22 April, 2017.

#### 15 GENERAL

Figures have been rounded off to nearest of Rupee.

Chief Executive

# **Condensed Interim Consolidated Balance Sheet**

As at 31 March 2017

FOURTY AND LIABILITIES		Un-Audited March31, 2017	Audited June 30, 2016
EQUITY AND LIABILITIES SHARE CAPITAL AND RESERVES	Note	Rupees	Rupees
Authorised share capital 150,000,000 (2016: 150,000,000)		·	'
ordinary shares of Rupees 10 (2016: Rupees 10) each		1,500,000,000	1,500,000,000
Issued, subscribed and paid-up share capital Capital reserve		<b>1,160,040,000</b> 1,441,697,946	1,160,040,000 1,441,697,946
Reserves		1,014,083,307	700,673,608
Total equity		3,615,821,253	3,302,411,554
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing		229,686,741	215,356,033
Liabilities against assets subject to finance lease		130,191,919	165,067,091
Long term deposits Deferred Liabilities		2,000,000 12,584,790	2,000,000 12,584,791
Deletted Liabilities		374,463,450	395,007,915
CURRENT LIABILITIES		, ,	, ,
Trade and other payables	5	941,152,577	590,701,630
Short Term Borrowings	6	529,450,629	98,994,215
Accrued mark-up Current portion of non-current liabilities		29,260,476 84,201,105	15,297,891 232,798,149
Taxation - net		35,044,006	22,370,779
Taxadon No.		1,619,108,793	960,162,664
Total liabilities		1,993,572,243	1,355,170,579
CONTINGENCIES AND COMMITMENTS	7		
TOTAL EQUITY AND LIABILITIES		5,609,393,496	4,657,582,133

The annexed notes form an integral part of these consolidated condened financial information.

Chief Executive

Director

ASSETS NON-CURRENT ASSETS	Note	Un-Audited March31, 2017 Rupees	Audited June 30, 2016 Rupees
Fixed assets Unallocated expenditure Long term loans to employees Long term security deposits	8	2,270,418,347 81,367,514 1,363,449 58,005,006 2,411,154,316	1,759,380,605 91,922,830 3,235,345 101,487,135 1,956,025,915
CURRENT ASSETS			
Store & spares Stock-in-trade Trade debts Loans and advances Short term deposits and prepayments Interest accrued Other receivables Short Term Investments Sales tax refundable Cash and bank balances		66,715,939 891,185,000 199,247,953 415,866,643 27,501,363 - 10,352,507 1,266,427,479 131,043,917 189,898,379 3,198,239,181	28,975,677 723,232,736 151,144,449 96,268,274 16,877,313 31,283 477,630 1,458,562,799 38,492,600 187,493,457 2,701,556,218
TOTAL ASSETS		5,609,393,496	4,657,582,133

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

For the 3rd Quarter and Nine Months Period Ended 31 March 2017

	NINE MONT	HS ENDED	QUARTER ENDED		
	31 March	31 March	31 March	31 March	
	2017	2016	2017	2016	
	Rupees	Rupees	Rupees	Rupees	
SALES - net SALES TAX NET SALES COST OF SALES	6,413,575,934 (757,015,320) 5,656,560,613 (4,093,575,297)	6,294,320,067 (1,341,885,581) 4,952,434,486 (3,544,271,514)	1,875,775,600 (155,345,603) 1,875,775,600 (1,336,499,530)	1,833,738,675 (313,779,290) 1,519,959,385 (1,105,473,357)	
GROSS PROFIT	1,562,985,315	1,408,162,972	539,276,070	414,486,028	
DISTRIBUTION COST ADMINISTRATIVE EXPENSES OTHER EXPENSES	(529,666,831) (207,322,933) (18,681,526)	(531,507,037) (191,115,646) (28,697,122)	(138,578,799) (69,066,905) (3,661,232)	(122,533,479) (73,347,798) (5,244,507)	
OTHER INCOME	(755,671,290) 74,398,033	(751,319,805) 9,821,530	(211,306,936) 23,053,291	(201,125,784) 6,975,184	
PROFIT FROM OPERATIONS	881,712,058	666,664,697	351,022,425	220,335,428	
FINANCE COST	(55,016,349)	(19,429,909)	(25,083,735)	(7,155,962)	
PROFIT BEFORE TAXATION	826,695,709	647,234,788	325,938,690	213,179,466	
TAXATION	(200,075,210)	(206,096,652)	(70,736,727)	(57,529,188)	
PROFIT AFTER TAXATION	626,620,499	441,138,136	255,201,963	155,650,278	
BASIC EARNINGS PER SHARE	5.40	4.91	2.20	1.73	

The annexed notes form an integral part of these consolidated condened financial information.

Chief Executive

V Ywrus Director

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

For the 3rd Quarter and Nine Months Period Ended 31 March 2017

	NINE MONT	'HS ENDED	QUARTE	R ENDED	
	31 March	31 March	31 March	31 March	
	2017	2016	2017	2016	
	Rupees	Rupees	Rupees	Rupees	
PROFIT AFTER TAXATION	626,620,499	441,138,136	255,201,963	155,650,278	
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	626 620 400	444 420 426	255 204 062	1EE CEO 070	
FOR THE PERIOD	626,620,499	441,138,136	255,201,963	155,650,278	

The annexed notes form an integral part of these consolidated condened financial information.



# **Condensed Interim Consolidated Cash Flow Statement (Un-audited)**

For the Nine Months Period Ended 31 March 2017

CASH FLOWS FROM OPERATING ACTIVITIES	Notes	31 March 2017 RUPEES	31 March 2016 RUPEES
Cash generated from operations	9	591,604,575	422,716,359
Finance cost paid Income tax paid Net decrease in long term loans to employees Long term security deposits - net Decrease in long term deposits Net cash generated from operating activities		(41,053,765) (285,212,372) 2,645,408 44,056,329 	(14,335,775) (239,510,906) 289,110 (6,531,785) (1,000,000) 161,627,003
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property and equipment Capital expenditure on intangible assets Proceeds from disposal of property and equipment Proceeds from short term investment Profit on bank deposits received Net cash used in investing activities  CASH FLOWS FROM FINANCING ACTIVITIES		(539,174,953) (1,317,849) 67,490,910 192,135,320 61,493,153 (219,373,419)	(450,944,979) (12,789,646) 1,997,800 (1,600,000,000) 7,573,296 (2,054,163,530)
Repayment of liabilities against assets subject to finance lease Proceeds from issue of share capital - net Dividend paid Proceed from long term financing Repayment of long term financing Short term borrowing - net		(217,637,381) - (156,481,749) 23,135,000 (169,734,119) 430,456,414	(64,511,138) 65,000,000 1,741,183,278 (17,400,600) 174,583,737 56,778,836
Net cash used in financing activities		(90,261,835)	1,955,634,113
Net decrease in cash and cash equivalents  Cash and cash equivalents at beginning of the period		2,404,922 187,493,457	63,097,587 102,432,943
Cash and cash equivalents at end of the period		189,898,379	165,530,530

The annexed notes form an integral part of these consolidated condened financial information.

**Chief Executive** 

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

For the Nine Months Period Ended 31 March 2017

		RESERVES			
	SHARE	CAPITAL RESERVE	REVENUE RESERVE		
	CAPITAL	SHARE PREMIUM	UN-APPROPRIATED PROFIT	TOTAL RESERVES	TOTAL EQUITY
	(		Rupees		)
Balance as at 30 June 2015 (audited)	870,030,000	-	350,757,450	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  Shares 10 and uring the year 29,001,000 shares	-	-	(17,400,600)	(17,400,600)	(17,400,600)
of Rs. 10 each Share Premium Expenses incurred on issuance of shares Interim cash dividend for six months period ended	290,010,000	1,522,552,500 (71,379,222)	-	1,522,552,500 (71,379,222)	290,010,000 1,522,552,500 (71,379,222)
31 December 2015 @ Rupees 1.30 per share of Rupees 10 each	_	-	(150,805,200)	(150,805,200)	(150,805,200)
rupees to each	290,010,000	1,451,173,278	(168,205,800)	1,282967,478	1,572,977,478
Profit for nine months period ended 31 March 2016 Other comprehensive income for nine months period ended 31 March 2016	-	-	441,138,136	441,138,136	441,138,136
Total comprehensive income for nine months period ended 31 March 2016	-	-	441,138,136	441,138,136	441,138,136
Balance as at 31 March 2016 (un-audited)	1,160,040,000	1,451,173,278	623,689,786	2,074,863,064	3,234,903,064
Balance as at 30 June 2016 (audited)	1,160,040,000	1,441,697,946	700,673,608	2,142,371,554	3,302,411,554
Du St Coming worth a wind and a 104 March 2047			000 000 400	000 000 400	000 000 400
Profit for nine months period ended 31 March 2017 Other comprehensive income for nine months period ended 31 March 2017	-	-	626,620,499	626,620,499	626,620,499
Final dividend for the year ended 30 June 2016 @ Rupees 1.35 per share of Rupees 10 each	-	-	(156,605,400)	(156,605,400)	(156,605,400)
Interim cash dividend for the period ended 31 December 2016 @ Rupees 1.35 per share of Rupees 10 each	-	-	(156,605,400)	(156,605,400)	(156,605,400)
Net addition in reserves for nine months ended 31 March 2017 Balance as at 31 March 2017 (un-audited)			313,409,699 1,014,083,307	313,409,699 2,455,781,253	313,409,699 3,615,821,253
===== (united to in a or zon (united)	-,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	1,111,001,040			

The annexed notes form an integral part of these consolidated condened financial information.





For the Nine Months Period Ended 31 March 2017

#### 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.

### 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

This consolidated condensed interim financial information of the Group for the nine months March 31, 2017 has been prepared in accordance with the requirement of the international accounting standard no.34 – interim financial reporting and provisions of and directive 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.

For the Nine Months Period Ended 31 March 2017

#### 3 ACCOUNTING POLICES

The accounting policies and the method of computation adopted in the preparation of the consolidated condensed interim financial information at the same as those applies in the preparation of the financial statement for the year ended June 30, 2016.

There are certain new and amended standards and interpretations that have been published and are mandatory for the accounting periods beginning on and after July 01. 2016 but are considered not to be relevant or did not have significant effect on the Group's operations and are, therefore, not detailed in these condensed interim financial information

#### 4. ACCOUNTING ESTIMATES JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of this consolidated condensed interim financial information in conformity with approved accounting standard requires management 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.

Judgements and estimates made by the management in the preparation of this consolidated condensed interim financial information are the same as those that were applies to financial risk management objectives and policies are consistent with those disclosed in the consolidated financial information as at and for the year ended June 30. 2016.

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial information as at and for the year ended June 30, 2016.

For the Nine Months Period Ended 31 March 2017

		Un-Audited 31 March 2017	Audited 30 June 2016
		Rupees	Rupees
5.	TRADE AND OTHER PAYABLES	Паросо	Паросс
	Creditors	270,544,446	215,303,011
	Accrued liabilities	149,111,182	141,376,790
	Advances from customers	188,463,880	130,872,499
	Retention money payable	14,797,442	17,995,188
	Customs duty and other charges payable	154,679,559	74,217,825
	Income tax deducted at source	3,940,731	10,071,854
	Dividend payable	156,605,400	-
	Unclaimed dividend	988,114	864,463
	Payable to employees' provident fund trust	2,021,823	
		941,152,577	590,701,630
6.	SHORT TERM BORROWINGS		
	From banking companies - secured		
	Running finances	310,081,890	13,994,215
	Running Musharika	149,368,740	-
	From related parties - unsecured:		
	Loan from directors	70,000,000	85,000,000
		529,450,629	98,994,215

#### 7. **CONTINGENCIES AND COMMITMENTS**

#### 7.1 Contingencies

7.1.1 The Additional Commissioner Inland Revenue issued an assessment order for the tax year 2009 under section 122 (5A) of the Income Tax Ordinance, 2001 by creating a demand of Rupees 11.004 million on various grounds. Against the alleged order, the Company filed an appeal before the Commissioner Inland Revenue (Appeals). The Commissioner Inland Revenue (Appeals) decided the case by deleting some of the provisions of the order whereby the tax demand has been reduced to Rupees 2.911 million which is mainly on account of non-deduction of withholding tax. Being aggrieved with order of the Commissioner Inland Revenue (Appeals), the Company has filed appeal before the Appellant Tribunal Inland Revenue (ATIR). During the period, ATIR remanded back all the issues assailed in appeal to the department for adjudication afresh, and consequently the entire tax demand stands vacated.

- 7.1.2 Guarantees of Rupees 10.000 million (30 June 2016: Rupees Nil) 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 2.314 million (30 June 2016: Rupees Nil) are given by the bank of the Company to Chairman. Puniab Revenue Authority. Lahore against disputed amount of infrastructure cess.
- 7.1.4 Corporate guarantees of Rupees 1.253.470 million (30 June 2016: Rupees 855.000 million) have been given by the Company to the banks in respect of financing to Hi-Tech Blending (Private) Limited - subsidiary company.

7.2	Commitments	Un-Audited 31 March 2017 Rupees	Audited 30 June 2016 Rupees
	Contracts for capital expenditure	75,294,009	13,485,336
	Letters of credit other than capital expenditure	447,606,454	402,294,220
8.	FIXED ASSETS		
	Property and equipment:		
	Operating fixed assets		
	- Owned (Note 8.1)	1,920,437,127	427,789,593
	- Leased (Note 8.2)	206,584,250	65,200,771
		2,127,021,377	492,990,364
	Capital work-in-progress (Note 8.3)	134,164,492	1,253,328,353
		2,261,185,869	1,746,318,717
	Intangible assets:		
	Computer softwares (Note 8.4)	9,232,478	13,061,888
		2,270,418,347	1,759,380,605
8.1	Operating fixed assets – owned		
	Opening book value	427,789,592	309,275,461
	Add: Cost of additions during the period / year (Note 8.1.1)	1,593,197,078	142,910,341
	Add: Book value of assets transferred from assets subject to		
	finance lease during the period / year (Note 8.2.2)	1,193,890	14,006,764
		2,022,180,560	466,192,566
	Less: Book value of deletions during the		04.000.504
	the period / year (Note 8.1.2)	64,107,255	21,963,501
	Loop: Depreciation abarged during the period / ver-	1,958,073,305	444,229,065
	Less: Depreciation charged during the period / year Closing book value	37,636,178 1,920,437,127	<u>16,439,472</u> <u>427,789,593</u>
	Olosing book value	1,320,431,121	<del></del>

Freehold land   Building   260,754,960     -   -	8.1.1	Cost of additions during the period / year	Un-Audited 31 March 2017 Rupees	Audited 30 June 2016 Rupees
Plant & Machinery   778,925,751   -     Electric Installation   52,592,943   -     Furniture and fittings   7,648,074   2,772,312     Vehicles   61,951,142   9,907,392     Office equipment   3,777,283   7,674,380     Computers   2,293,267   12,209,727     T,593,197,078   142,910,341     S.1.2   Book value of deletions during the period / year     Cost:   Vehicles   78,505,173   21,125,969     Office equipment   106,343   5,740,245     Computers   117,500   567,128     Cost of additions during the period / year (Note 8.2.1)   19,933,91     Cost of additions during the period / year - vehicles   29,118,090     Less: Book value of deletions during the period / year - vehicles   218,298,047   86,323,008     Less: Book value of deletions during the period / year - vehicles   218,298,047   86,323,008     Less: Depreciation charged during the period / year - vehicles   218,298,047   86,323,008     Less: Depreciation charged during the period / year   11,713,797   21,122,237     Closing book value   206,584,250   65,200,771     Cost of additions during the period / year   11,698,360   -     Plant & Machinery   81,792,045   -     Generator   1,698,360   -     Vehicles   70,800,761   29,118,080   -		Freehold land	425,253,658	110,346,530
Electric Installation   52,592,943   7,648,074   2,772,312   7,648,074   2,772,312   7,648,074   2,772,312   7,648,074   2,772,312   7,648,074   2,772,312   7,674,390   7,674,391   7,674,391   7,674,391   7,674,391   7,674,391   7,674,391   7,674,391   7,674,391   7,742,391   7,7		Building		-
Furniture and fittings   7,648,074   2,772,312   Vehicles   61,951,142   9,907,392   0,766; equipment   3,777,283   7,674,380   2,293,267   12,209,727   1,593,197,078   142,910,341   142,91,900   142,91,963,901   142,91,963,901   142,91,963,901   142,91,963,901   142,91,963,901   142,91,963,901   142,91,963,901   142,91,963,901   142,91,963,901   142,91,963,901   142,91,963,901   142,91,900   142,91,91,91,91,91,91,91,91,91,91,91,91,91,		Plant & Machinery	778,925,751	-
Vehicles         61,951,142         9,907,392           Office equipment         3,777,283         7,674,380           Computers         2,293,267         12,209,727           1,593,197,078         142,910,341           8.1.2         Book value of deletions during the period / year           Cost:         Vehicles         78,505,173         21,125,969           Office equipment         106,343         5,740,245           Computers         117,500         567,128           Tess: Accumulated depreciation         14,621,761         5,469,841           Less: Accumulated depreciation         64,107,255         21,963,501           8.2         Operating fixed assets – leased         0pening book value         65,200,771         71,211,682           Add: Cost of additions during the period / year (Note 8.2.1)         154,291,166         29,118,090           Less: Book value of assets transferred to owned assets during the period / year (Note 8.2.2)         1,193,890         14,006,764           Less: Book value of deletions during the period / year - vehicles         -         -           Less: Book value of deletions during the period / year - vehicles         -         -           Less: Depreciation charged during the period / year         11,713,797         21,122,237           Closing book va		Electric Installation	52,592,943	-
Office equipment         3,777,283         7,674,380           Computers         2,293,267         12,209,727           1,593,197,078         142,910,341           8.1.2         Book value of deletions during the period / year         78,505,173         21,125,969           Office equipment         106,343         5,740,245           Computers         117,500         567,128           Computers         78,729,016         27,433,342           Less: Accumulated depreciation         14,621,761         5,469,841           8.2         Operating fixed assets – leased         20,911,809         21,963,501           Add: Cost of additions during the period / year (Note 8.2.1)         154,291,166         29,118,090           219,491,937         100,329,772         100,329,772           Less: Book value of assets transferred to owned assets during the period / year (Note 8.2.2)         1,193,890         14,006,764           Less: Book value of deletions during the period / year - vehicles         -         -         -           Less: Depreciation charged during the period / year         11,713,797         21,122,237         21,122,237           Closing book value         206,584,250         65,200,771         56,200,771         56,200,771           8.2.1         Cost of additions during the period		Furniture and fittings	7,648,074	2,772,312
Computers   1,593,197,078   142,910,341		Vehicles	61,951,142	9,907,392
1,593,197,078   142,910,341		Office equipment	3,777,283	7,674,380
Section   Cost:   Vehicles   78,505,173   21,125,969   Office equipment   106,343   5,740,245   78,729,016   27,433,342   Less: Accumulated depreciation   14,621,761   5,469,841   64,107,255   21,963,501   71,211,682   Add: Cost of additions during the period / year (Note 8.2.1)   154,291,166   29,118,090   219,491,937   100,329,772   Less: Book value of assets transferred to owned assets during the period / year (Note 8.2.2)   1,193,890   14,006,764   218,298,047   86,323,008   Less: Depreciation charged during the period / year - vehicles   218,298,047   86,323,008   Less: Depreciation charged during the period / year   11,713,797   21,122,237   Closing book value   206,584,250   65,200,771   8.2.1   Cost of additions during the period / year   41,792,045		Computers	2,293,267	12,209,727
Cost:   Vehicles   78,505,173   21,125,969   Office equipment   106,343   5,740,245   Computers   117,500   567,128   78,729,016   27,433,342   Less: Accumulated depreciation   14,621,761   5,469,841			1,593,197,078	142,910,341
Vehicles       78,505,173       21,125,969         Office equipment       106,343       5,740,245         Computers       117,500       567,128         78,729,016       27,433,342         Less: Accumulated depreciation       14,621,761       5,469,841         64,107,255       21,963,501         8.2       Operating fixed assets – leased       65,200,771       71,211,682         Add: Cost of additions during the period / year (Note 8.2.1)       154,291,166       29,118,090         Less: Book value of assets transferred to owned assets during the period / year (Note 8.2.2)       1,193,890       14,006,764         Less: Book value of deletions during the period / year - vehicles       -       -         Less: Depreciation charged during the period / year       11,713,797       21,122,237         Closing book value       206,584,250       65,200,771         8.2.1       Cost of additions during the period / year       11,713,797       21,122,237         Closing book value       206,584,250       65,200,771         8.2.1       Cost of additions during the period / year       11,698,360       -         Vehicles       70,800,761       29,118,080	8.1.2	Book value of deletions during the period / year		
Office equipment       106,343       5,740,245         Computers       117,500       567,128         78,729,016       27,433,342         Less: Accumulated depreciation       14,621,761       5,469,841         64,107,255       21,963,501         8.2 Operating fixed assets – leased         Opening book value       65,200,771       71,211,682         Add: Cost of additions during the period / year (Note 8.2.1)       154,291,166       29,118,090         Less: Book value of assets transferred to owned assets during the period / year (Note 8.2.2)       1,193,890       14,006,764         Less: Book value of deletions during the period / year - vehicles       -       -         Less: Depreciation charged during the period / year       11,713,797       21,122,237         Closing book value       206,584,250       65,200,771         8.2.1 Cost of additions during the period / year       11,713,797       21,122,237         Flant & Machinery       81,792,045       -         Generator       1,698,360       -         Vehicles       70,800,761       29,118,080		Cost:		
Office equipment         106,343         5,740,245           Computers         117,500         567,128           78,729,016         27,433,342           Less: Accumulated depreciation         14,621,761         5,469,841           8.2         Operating fixed assets – leased         64,107,255         21,963,501           Opening book value         65,200,771         71,211,682           Add: Cost of additions during the period / year (Note 8.2.1)         154,291,166         29,118,090           Less: Book value of assets transferred to owned assets during the period / year (Note 8.2.2)         1,193,890         14,006,764           Less: Book value of deletions during the period / year - vehicles         -         -           Less: Depreciation charged during the period / year - vehicles         -         -           Less: Depreciation charged during the period / year         11,713,797         21,122,237           Closing book value         206,584,250         65,200,771           8.2.1         Cost of additions during the period / year         81,792,045         -           Plant & Machinery         81,792,045         -         -           Generator         1,698,360         -           Vehicles         70,800,761         29,118,080		Vehicles	78,505,173	21,125,969
Less: Accumulated depreciation		Office equipment		
Less: Accumulated depreciation		Computers	117,500	567,128
Less: Accumulated depreciation		•	78,729,016	
Note   Section   Section		Less: Accumulated depreciation		5,469,841
Note   Section   Section				
Opening book value       65,200,771       71,211,682         Add: Cost of additions during the period / year (Note 8.2.1)       154,291,166       29,118,090         Less: Book value of assets transferred to owned assets during the period / year (Note 8.2.2)       1,193,890       14,006,764         Less: Book value of deletions during the period / year - vehicles       -       -         Less: Depreciation charged during the period / year       11,713,797       21,122,237         Closing book value       206,584,250       65,200,771         8.2.1 Cost of additions during the period / year       81,792,045       -         Plant & Machinery       81,792,045       -         Generator       1,698,360       -         Vehicles       70,800,761       29,118,080			64,107,255	21,963,501
Add: Cost of additions during the period / year (Note 8.2.1)  Less: Book value of assets transferred to owned assets during the period / year (Note 8.2.2)  Less: Book value of deletions during the period / year - vehicles  Less: Book value of deletions during the period / year - vehicles  Less: Depreciation charged during the period / year  Closing book value  8.2.1 Cost of additions during the period / year  Plant & Machinery  Generator  Vehicles  154,291,166 219,491,937  14,006,764 218,298,047 86,323,008 86,323,008 11,713,797 21,122,237 65,200,771  8.2.1 Cost of additions during the period / year  Plant & Machinery  Generator  Vehicles  29,118,090 29,118,080	8.2	Operating fixed assets – leased		
Less: Book value of assets transferred to owned assets during the period / year (Note 8.2.2)  Less: Book value of deletions during the period / year - vehicles  Less: Book value of deletions during the period / year - vehicles  Less: Depreciation charged during the period / year  Closing book value  219,491,937  100,329,772  14,006,764  86,323,008  86,323,008  11,713,797  21,122,237  206,584,250  65,200,771  8.2.1 Cost of additions during the period / year  Plant & Machinery  Generator  Vehicles  219,491,937  100,329,772  14,006,764  86,323,008  86,323,008  86,323,008  11,713,797  21,122,237  65,200,771  206,584,250  65,200,771  29,118,080		Opening book value	65,200,771	71,211,682
Less: Book value of assets transferred to owned assets during the period / year (Note 8.2.2)  Less: Book value of deletions during the period / year - vehicles  Less: Depreciation charged during the period / year Closing book value  8.2.1 Cost of additions during the period / year Plant & Machinery Generator Vehicles  1,193,890 14,006,764 86,323,008 11,713,797 21,122,237 21,122,237 206,584,250 65,200,771  8.1,792,045 - 1,698,360 - 1,698,360 - 29,118,080		Add: Cost of additions during the period / year (Note 8.2.1)	154,291,166	29,118,090
1,193,890   14,006,764   218,298,047   86,323,008			219,491,937	100,329,772
Less: Book value of deletions during the period / year - vehicles  218,298,047  Less: Depreciation charged during the period / year Closing book value  8.2.1 Cost of additions during the period / year Plant & Machinery Generator Vehicles  218,298,047  86,323,008  11,713,797 21,122,237 65,200,771  81,792,045 - 1,698,360 - 29,118,080		Less: Book value of assets transferred to owned assets during the		
Less: Book value of deletions during the period / year - vehicles  218,298,047 218,298,047 86,323,008 11,713,797 21,122,237 Closing book value 206,584,250 65,200,771  8.2.1 Cost of additions during the period / year Plant & Machinery Generator Vehicles 70,800,761 29,118,080		period / year (Note 8.2.2)	1,193,890	14,006,764
Less: Depreciation charged during the period / year   11,713,797   21,122,237     65,200,771			218,298,047	86,323,008
Less: Depreciation charged during the period / year 21,122,237 Closing book value 206,584,250 65,200,771  8.2.1 Cost of additions during the period / year  Plant & Machinery 81,792,045 Generator 1,698,360 Vehicles 70,800,761 29,118,080		Less: Book value of deletions during the period / year - vehicles	-	
Closing book value       206,584,250       65,200,771         8.2.1 Cost of additions during the period / year       81,792,045       -         Plant & Machinery       81,792,045       -         Generator       1,698,360       -         Vehicles       70,800,761       29,118,080				
8.2.1 Cost of additions during the period / year  Plant & Machinery 81,792,045  Generator 1,698,360  Vehicles 70,800,761 29,118,080				
Plant & Machinery       81,792,045       -         Generator       1,698,360       -         Vehicles       70,800,761       29,118,080		Closing book value	206,584,250	65,200,771
Generator       1,698,360       -         Vehicles       70,800,761       29,118,080	8.2.1	Cost of additions during the period / year		
Vehicles <b>70,800,761</b> 29,118,080		-		-
		Generator		-
<b>154,291,166</b> 29,118,080		Vehicles		
			154,291,166	29,118,080

		Un-Audited 31 March 2017	Audited 30 June 2016
8.2.2	Book value of assets transferred to owned assets during the period / year	Rupees	Rupees
	Cost:		
	Vehicles	2,438,500	21,240,386
	Less: Accumulated depreciation	1,244,610	7,233,622
8.3	Conital work in progress	1,193,890	14,006,764
0.3	Capital work-in-progress	404 404 400	4 050 000 050
	Construction of Blending plant & others	134,164,492	1,253,328,353
8.4	Computer software	134,164,492	1,253,328,353
0.4	Opening book value	13,061,888	13,728,550
	Add: Cost of addition during the period / year	1,317,849	5,984,979
	Less: Amortization charged during the period / year	5,147,259	6,651,641
	Closing book value	9,232,478	13,061,888
		Un-Audited	Un-Audited
		31 March	31 March
		2017	2016
•	CARL OF MEDIATED FROM OREDATIONS	Rupees	Rupees
9.	CASH GENERATED FROM OPERATIONS		0.47.004.700
	Profit before taxation	826,695,709	647,234,788
	Adjustments for non-cash charges and other items:		
	Depreciation on operating fixed assets	49,349,975	22,419,703
	Amortization on intangible assets  Amortization of deferred income	5,147,259	5,134,945
	Amortization of unallocated capital expenditure	12,518,080	(439,481)
	Gain on disposal of property and equipment	(3,293,821)	(1,142,982)
	Profit on bank deposits and short term investments	(61,493,153)	(7,573,296)
	Finance cost	8,035,470	19,429,909
	Unrealised gain on remeasurement of investments at fair value	(6,429,424)	
	Cash flows from operating activities before working capital changes	830,530,095	685,063,586
	Working capital changes		
	(Increase) / decrease in current assets:		
	Store & spares	(37,740,262)	-
	Stock-in-trade	(167,952,264)	(697,603,664)
	Trade debts	(47,465,504)	135,435,922
	Loans and advances Short term deposits and prepayments	(222,561,476) (10,624,050)	4,480,741 4,821,312
	Other receivables	(9,843,594)	(60,059,334)
	Sales tax refundable	(23,231,088)	(27,080,208)
		(519,418,238)	(640,005,232)
	Increase / (Decrease) in trade and other payables	280,492,719	377,658,005
	•	591,604,575	422,716,359

For the Nine Months Period Ended 31 March 2017

#### 10. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Group comprise of subsidiary company, associated undertakings, other related parties, key management personnel and provident fund trust. The Group 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 information are as follows:

Relationship		NINE MONTHS ENDED		QUARTER END	
	Nature of transaction	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Subsidiary company					
Hi-Tech Blending (Private) Limited	Share deposit money	770,550,000	159,250,000		10,700,000
	Sale of lubricants	1,483,008,085	-	672,810,912	-
Associated companies					
MAS Associates (Private) Limited	Share of common expenses	527,035	255,592	90,936	87,274
SK Lubricants Company Limited	Purchase of lubricants	2,509,958,103	-	321,234,386	-
Other related parties					
Directors	Rent expense	12,389,022	13,047,307	4,129,674	4,787,959
Provident fund trust	Contribution	8,575,787	7,880,071	3,005,558	2,769,161
Donation to Sabra, Hameeda Trust		9,000,000	8,000,000	6,000,000	2,500,000
Remuneration of Key Management	Personnel	131,605,317	45,974,889	32,528,383	16,194,920

#### 11. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual financial statements of the Group for the year ended 30 June 2016.

#### 12 CORRESPONDING FIGURES

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

#### 13. DATE OF AUTHORIZATION FOR ISSUE

This consolidated condensed interim financial information was approved by the Board of Directors and authorized for issue on 22 April, 2017.

#### 14. GENERAL

Figures have been rounded off to nearest of Rupee.

Chief Executive

Director





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